

POLICY & RESOURCES CABINET BOARD

25th FEBRUARY 2010

DIRECTORATE OF FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF FINANCIAL SERVICES
– HYWEL JENKINS**

INDEX OF REPORT ITEMS

PART 1 - Doc.Code: PRB-250210-REP-FS-HJ

SECTION A – MATTERS FOR DECISION		
Report Item	Page Nos	Wards Affected
1. Vehicle Hire	2-6	All
2. Tender for the Supply of Communication and Marketing Goods and Services Framework	7-10	All
3. Landline Telecommunications	11-14	All
SECTION B – MATTERS FOR INFORMATION		
4. Tender for the Supply of Photographic Services	15-16	All
5. Tender for the Supply of Web Based Virtual Library	17-19	All

SECTION A – MATTERS FOR DECISION

ITEM 1

VEHICLE HIRE

1. Purpose of Report

To seek Members approval to award the contract for the Authority's Vehicle Hire requirements from 1st April 2010.

2. Background

2.1. The Council needs to maintain EU legislative compliance with contracts and a review of the various hire options has been carried out by Fleet Management and Corporate Procurement. The object of the exercise is to continue to improve the efficiency of the procedures and processes by which all end users acquire appropriate Hire Vehicles i.e. cars, commercial vehicles and light vans, whilst ensuring value for money.

2.2. The Welsh Assembly Government's Value Wales department, strongly supported by the Higher Education Sector, led on an All Wales Framework Hire contract, accessible for use by the whole of the Welsh Public Sector. The Framework became operational Autumn 2009.

2.3. Use of the contract enables both EU Compliance and Value for Money.

3. Financial Implications

3.1. The estimated annual spend on Vehicle Hire in respect of cars, commercial vehicles and light vans by the Council is approximately £515,281.

3.2. In addition, the Council spends approximately £125,000 per year on the hire of specialist vehicles e.g. refuse freighters, sweepers, gulley emptying lorries etc.

3.3. The amount of Vehicle Hire spend has reduced significantly over the past two years, with the demand being managed by the Fleet Management team, and may further reduce due to issues identified within the Forward Financial Plan.

4. Outcome of All Wales Vehicle Hire Tender

- 4.1 The All Wales Framework consists of 3 lots with lots 1 and 2 covering cars, light vans and commercial vehicles and lot 3 covering specialist vehicles.
- 4.2 The majority of the Council spend on Vehicle Hire is related to Cars, Light Vans and Commercial Vehicles (lots 1 and 2). Four companies appointed to the framework were able to meet the Council's requirements for these vehicles, namely, GE Capital TLS Limited, Burnt Tree, Northgate and Days.
- 4.3 A benchmark exercise of current Council vehicle contract requirements versus the rates supplied by these four companies is summarised as:

Current annual costs based on daily average use is £515,281.

It should be noted that the above calculation is used for benchmarking purposes only and actual costs will be based on the vehicle hired and duration of hire.

All Wales Framework (lots 1 and 2)

<u>Company</u>	<u>Value £</u>	<u>Rank Order for Vehicle Hire</u>
GE Capitals TLS ltd	389,529	1
Northgate Vehicle Hire	408,608	2
Burnt Tree Group Ltd	413,085	3
Days Rental	647,462	4

- 4.4 Other Local Authorities in the region have indicated there have been some supply issues from companies listed on the framework. It is the professional opinion of Fleet Management and Procurement that the net savings for this contract will be in the order of £60,000 as it is unlikely that any one supplier will be able to meet the full needs of the Council.
- 4.5 Whilst it is necessary to include all 4 companies on the Council's approved framework, vehicles will be ordered from the companies based on the rank order set out in the above table and on vehicle availability.
- 4.6 In relation to specialist vehicles (lot 3), the Council will utilise the hire arrangements as established by this All Wales Framework Agreement. There are 12 companies on the list as set out below. Quotations will be received from the relevant companies prior to hire.

List of Approved Providers for Hired Specialist Vehicles

Carillion Fleet Management Limited
Cooper Group UK
CP Davidson and Sons
Dawson Rental
Days Rental
Econ
Fiveways Hire
Jetsweep
Manvik
Riverside
Specialist Fleet Services Ltd
WCR

- 4.7 The All Wales Vehicle Hire framework is due to expire 19th August 2012, with a further 1 year extension available.
- 4.8 Fleet Management & Corporate Procurement will monitor the introduction of the Framework contract, to ensure users needs, and value for money is being met and maintained throughout the life of the contract.

5. Recommendations

It is recommended that the Authority approve the following contracts commencing from 1st April 2010:

- 5.1 For vehicle hire of cars, light vans and commercial vehicles (lots 1 and 2) the Council will utilise in the following rank order, the four suppliers, namely, GE Capital TLS Ltd, Northgate Vehicles Hire, Burnt Tree Group Ltd and Days Rental.
- 5.2 For hire of specialist vehicles, the Council will utilise the All Wales Approved List as set out in paragraph 4.5 above. Quotations will be received from the relevant companies for the required specialist vehicle.

Reasons for Proposed Decision

To ensure the Authority complies with European Union Procurement Directives and the Council's Contract Procedure Rules, whilst improving the efficiency of the procedures and processes by which the Council procure Hire Vehicles.

List of Background Papers

Value Wales Vehicle Hire Framework – Contract Files

Wards Affected

All

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COMPLIANCE STATEMENT

VEHICLE HIRE

Implementation of Decision

The decision is proposed for implementation after the three-day call in period.

Sustainability Appraisal

Community Plan Impacts

Economic Prosperity	-	Positive
Education & Lifelong Learning	-	No impact
Better Health & Well Being	-	No impact
Environment & Transport	-	Positive
Crime & Disorder	-	No impact

Other Impacts

Welsh Language	-	No impact
Sustainable Development	-	Positive
Equalities	-	No impact
Social Inclusion	-	Positive

Consultation

There is no requirement under the Constitution for external consultation on this item.

ITEM 2

TENDER FOR THE SUPPLY OF COMMUNICATION AND MARKETING GOODS AND SERVICES FRAMEWORK

1. Purpose of Report

To seek Members approval to award the contract for the Authority's Supply of Communication and Marketing Goods and Services from 1st April 2010 to 31st March 2012 (with an option to extend for up to 12 months)

2. Background

- 2.1. The Council propose to appoint appropriate providers to deliver the Authority's requirements. The object of the exercise is to improve the quality, cost-effectiveness and administration involved in the provision of Communication and Marketing Goods and Services through the establishment of a relevant framework arrangement.
- 2.2. The proposed Council Framework consists of twelve lots, of which some are further broken down into sub-lots.
- 2.3. In accordance with European Union Procurement Directives, the Authority publicised the Framework Arrangement for the Provision of Communication and Marketing Goods and Services in the Official Journal of the European Union (OJEU) via the 'Restricted' procedure.
- 2.4. Responses were received from sixty companies, from which twenty-four were invited to tender.
- 2.5. The EU Directives permit Public Bodies to award a contract on the basis of the Lowest Price or Most Economically Advantageous Tender, which takes into account criteria such as quality, technical merit, after sales service etc. as well as cost. For this process, the Price / Quality ratio was set at 50/50, prior to the tendering exercise.

3. Financial Implications

- 3.1. The annual expenditure for the Supply of Communications and Marketing Goods and Services included within the tender exercise is estimated at £170,000 per annum.

4. Outcome of Tendering Exercise

- 4.1. Sixteen tenders were returned, of which one was a non-compliant tender. Fifteen tenders were evaluated using the model attached (Appendix 2)
- 4.2. The non-commercial aspects were evaluated by from the Corporate Communications and Marketing Department.
- 4.3. All fifteen tenderers were in the top three tenderers for at least one lot/sub-lot.
- 4.4. Corporate Procurement, with support from the Corporate Communications and Marketing department, will implement the new arrangements and monitor key performance indicator date during the course of the contract.
- 4.5. Quotations from relevant tenderers will be obtained prior to issuing orders for the goods or services required.

5. Recommendations

It is recommended that the Authority award the Supply of Communication and Marketing Goods and Services Framework to fifteen suppliers, namely:

- Beaufort Research
- Freshwater UK Plc
- Get Yourself Noticed
- Golley Slater
- Greenfield Media Solutions
- Hope Street Media
- Icon Creative Design
- Mosaic Publicity Ltd
- Product Development Corporation
- Push 4 Ltd
- Quadrant Media and Communications
- Ridler Webster
- Semaphore (Cardiff) Ltd
- The Bridge Group
- Vision Twenty-One

Reasons for Proposed Decision

To ensure the Authority complies with the European Union Procurement Directive and the Council's Contract Procedure Rules.

List of Background Papers

NPT Tender Reference 823 – Tender Document

NPT Tender Reference 823 – Evaluation Scores

Wards Affected

All

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COMPLIANCE STATEMENT

TENDER FOR THE SUPPLY OF COMMUNICATION AND MARKETING GOODS AND SERVICES FRAMEWORK

Implementation of Decision

The decision is proposed for implementation after the three-day call in period.

Sustainability Appraisal

Community Plan Impacts

Economic Prosperity	-	No Impact
Education & Lifelong Learning	-	No Impact
Better Health & Well Being	-	No impact
Environment & Transport	-	No impact
Crime & Disorder	-	No impact

Other Impacts

Welsh Language	-	No impact
Sustainable Development	-	Positive
Equalities	-	Positive
Social Inclusion	-	No impact

Consultation

There is no requirement under the Constitution for external consultation on this item.

ITEM 3

LANDLINE TELECOMMUNICATIONS

1. Purpose of Report

To seek Members approval to award the contract for the Provision of the Authority's Landline Telecommunications from 1st April 2010.

2. Background

2.1 The Council needs to maintain EU legislative compliance with contracts and a review of the various options has been carried out by ICT and Corporate Procurement.

2.2 The Council's current provision is split between BT and Virgin Media and has operated under the Office of Government Commerce's (OGC) Catalist, and the latter under the Council's own framework arrangements since 2004.

2.3 A West Wales collaborative tender exercise, led by Carmarthenshire Council, for Landline Telecommunications was undertaken in 2008. Participating Authorities were Carmarthen, Pembrokeshire, Ceredigion and Powys. Other Councils are able to access the contract through the inclusion of an "All Wales Public Sector" accessibility clause.

2.4 Use of the contract enables both EU Compliance and Value for Money.

3. Financial Implications

3.1 The annual spend on Landline Telecommunications by the Council is approximately £180,000.

4. Outcome of West Wales Collaborative Tender

- 4.1 The contract was awarded solely to British Telecom (BT).
- 4.2 A benchmarking exercise of current Council contracts versus the “West Wales” contract produces an estimated annual savings of £44,214
- 4.3 The Council has been successful in implementing the BT OneBill solution. This has dramatically reduced the number of invoices being billed and processed by Council staff. The further consolidation of all Council Landline spend with one company will enable this work to further develop thus unlocking additional efficiency savings.
- 4.4 The solution will provide extra resilience to the Council’s existing voice network.
- 4.5 The Contract provides free of charge “Analyst” software which would provide detailed spend analysis, assisting in determining extra areas for efficiency measures to be applied.
- 4.6 This Telecommunications framework incorporates a 5 year contract with a break after 3 years.
- 4.7 ICT and Corporate Procurement will monitor the introduction of the Framework contract, to ensure users needs, and value for money is being met and maintained throughout the life of the contract.

5. Recommendation

- 5.1 Members authorise the appointment of British Telecom (BT) as sole provider of Landline Telecommunications to the Council from 1st April 2010 as set out in this report.

Reasons for Proposed Decision

To ensure the Authority complies with European Union Procurement Directives and the Council’s Contract Procedure Rules, whilst improving the value for money and efficiency of Council contracts in ICT.

List of Background Papers

West Wales – Collaborative Framework for Telecommunications.
Procurement File

Wards Affected

All

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COMPLIANCE STATEMENT
LANDLINE TELECOMMUNICATIONS

Implementation of Decision

The decision is proposed for implementation after the three-day call in period.

Sustainability Appraisal

Community Plan Impacts

Economic Prosperity	-	Positive
Education & Lifelong Learning	-	Positive
Better Health & Well Being	-	No impact
Environment & Transport	-	No impact
Crime & Disorder	-	No impact

Other Impacts

Welsh Language	-	No impact
Sustainable Development	-	Positive
Equalities	-	No impact
Social Inclusion	-	Positive

Consultation

There is no requirement under the Constitution for external consultation on this item.

SECTION B – MATTERS FOR INFORMATION

ITEM 4

TENDER FOR THE SUPPLY OF PHOTOGRAPHIC SERVICES

1. Purpose of Report

To inform Members of the award of a framework for the Supply of Photographic Services.

2. Background

The successful tenderers will be required to attend specified engagements as requested by the Council, in particularly covering the following service areas:

- Mayoralty
- Leader's Office
- Communications, Media and Marketing
- Landscapes of the area
- Corporate Publications
- Tourism

3. Tendering Exercise

An advert inviting expressions of interest was placed on the national procurement website (www.sell2wales.co.uk). The tender for the supply of photographic services was for a 2 year period commencing 1st January 2010 to 31st December 2011 with an option to extend for 12 months.

24 expressions of interest were received and then a tender document was distributed for completion by the 9th November 2009.

As a consequence, fifteen submissions were received and these submissions were evaluated using a price and quality scoring matrix. For this process, the Price / Quality ratio was set at 60/40.

4. Successful Tender

The following six tenderers scored the highest in the above assessment and have been appointed to the framework in line with the delegated authority as provided by the Head of Corporate Strategy:

- Huw John
- John Fry
- Liz Barry
- Patrick Olnier
- Phil Boorman
- Rod Fawkes

5. Decision

Members should note that the Council has established a framework contract for the supply of photographic services for the period 1st January 2010 to 31st December 2011 with an option to extend for 12 months.

Reasons for Decision

To ensure the Authority complies with the Council's Contract Procedure Rules.

List of Background Papers

NPT Tender Reference 866 – Tender Document
NPT Tender Reference 866 – Evaluation Scores

Wards Affected

All

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ITEM 5

TENDER FOR THE SUPPLY OF A VIRTUAL LIBRARY SERVICE

1. Purpose of Report

To inform Members of the award of a three year corporate subscription for a Virtual Library services.

2. Background

2.1 Rather than buying all relevant documents, the Council has for many years purchased into a virtual library service. This is a web-based subscription service which enables access through its 'Info4localgov' Portal, to the following libraries of information:

- Construction Information Service
- Building Control
- Specify-it
- Occupational Health and Safety Information Service (including Environmental Management and Food and Drink)
- LACORS Trading Standards Specialist

2.2 These libraries contain British Standards Information, relevant and updated legislation, appropriate catalogues and selected articles from specialist journals.

The Authority has traditionally paid an annual subscription for the service, which runs from the 16th November each year.

2.3 The amount is currently paid by several subscribers these include:

- Building Control
- Construction
- Food and Drink
- Trading Standards
- Health and Safety
- Environment

3. Market Appraisal

- 3.1 The Procurement Department undertook a market appraisal exercise which involved end user participation. It was initially identified that 2 companies namely IHS (GLOBAL) LTD and Barbour are the main providers of such services.
- 3.2 As part of the tendering exercise the Procurement Department was made aware that Barbour no longer offers the entire inclusive package the Authority requires, and only offers Building Control, Construction and Health and Safety elements. Splitting the service would not be cost effective and would require users to switch from one package to another.
- 3.3 The current service provider is HIS (GLOBAL) LTD and service users are satisfied with the existing service and its reliability.

4. Financial Implications

- 4.1 The tender received from IHS (GLOBAL) LTD included a continued use of the Info4localgov with an annual subscription fee of £15,570. Info4localgov is a specialist package of products specifically tailored for Local Authorities and incorporates an automatic 40% discount. To enter into a three year agreement they would fix increases for the following three years as follows:

Year 1	£15,570
Year 2	£16,037
Year 3	£16,518

5. Decision

- 5.1 Members should note that the Council has awarded a 3 year contract for the supply of a virtual library service to IHS (GLOBAL) LTD commencing on the 16th November 2009.

Reasons for Decision

To obtain the most cost effective and efficient arrangement for a subscription based library accessed system for the Authority, and to ensure the Authority complies with the Council's Contract Procedure Rules.

List of Background Papers

Procurement file

Wards Affected

All

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