

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Commercial Strategy, Human Resources and Performance
<b>Date:</b>	13 October 2020
<b>Title:</b>	Property Services Commercial Decisions Report
<b>Report From:</b>	Director of Culture, Communities and Business Services

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### Purpose of this Report

1. The purpose of this report is to seek spend approvals for new contract arrangements for grounds maintenance, printing, heating oil and road fuel purchase.

### Recommendations

That the Executive Member for Commercial Strategy, Human Resources and Performance:

2. Approves a total contract spend of up to £5 million over 7 years for new grounds maintenance contract arrangements for Hampshire County Council corporate sites.
3. Approves total contract spend of up to £5 million over 5 years for a new Print Services contract.
4. Approves a total Hampshire County Council contract spend of up to £30 million over 4 years for a call off contract under the new Heating Oil and Road Fuels framework arrangement.

### Executive Summary

5. This report seeks to:
  - provide the context for the re-procurement of grounds maintenance, print services, heating oil and road fuels contract arrangements for the County Council and other partners;
  - set out the proposals for procurement of new contract arrangements for these services;

- identify the anticipated contract spend and the funding sources for this spend;
  - highlight the approach to performance management of these services
6. The current grounds maintenance term contracts (grass cutting, landscape and tree management etc) expire in December 2020 and need to be replaced. It is proposed to procure a new framework arrangement comprising nine lots. Call-off contracts for a period of up to seven years will be put in place for grounds maintenance services to Hampshire County Council (HCC) corporate sites, with a maximum anticipated spend of £5 million over this period. Schools and partner organisations, including Hampshire Police through the Office of the Police and Crime Commissioner (OPCC) and Hampshire Fire and Rescue Service (HFRS) will also be able to buy their own call-off contracts through the framework arrangement managed by Property Services.
  7. The current print services contract for Printsmart and high-volume production print services is due to expire in autumn 2021. It is proposed to procure a new single supplier contract that will replace the current arrangements with an encrypted internet printing service to align with the proposals for the next generation Hampshire Public Services Network (HPSN) 3 digital infrastructure contract procured by the Director of Corporate Resources. The new print contract will be for a duration of up to 5 years with an anticipated maximum spend of £5 million over that period.
  8. The existing framework and call-off contracts for heating oils and road fuels expires on 31 March 2021. It is proposed to procure a new 4-year framework, comprising two lots. The framework will include an option for the provision of biofuels / hydrogenated vegetable oil (HVO) fuel. Annual call off contracts will be established for HCC corporate sites and vehicle fleet with an anticipated maximum spend of £30 million over 4 years.

## **Contextual Information**

### Grounds maintenance services

9. The current term contracts for the provision of grounds maintenance services to HCC corporate sites, schools, academies, police and fire expire in December 2020 and now need to be replaced. Grounds maintenance includes typically maintenance of grass areas, hedges, beds and borders, sport pitches and line marking, removal of litter and leaves.
10. An options appraisal has been carried out to determine the appropriate contracting route and the best associated procurement procedure. The chosen option is to procure a framework arrangement with nine geographical lots with a single supplier for each lot. This is expected to get the best

market response given the profile of providers in this business and continue to support the economy while providing an efficient and effective way of managing the suppliers.

11. The procurement of a dedicated framework supports the aim to provide opportunities for current reliable suppliers alongside new, national contractors and local SMEs. Each lot will comprise HCC corporate sites, schools and other partners' sites and the sizes of the lots have been optimised to offer a more consistent revenue opportunity and number of sites, whilst considering the geographical spread. This is based on a thorough assessment of the previous arrangements, what is best for the customers and site occupiers and what gives the best opportunity to measure and control performance.
12. The optimisation of the number of lots is also aimed at reducing the number of suppliers to be managed and allow greater consistency where suppliers are successful in multiple lots, but without excessive dependency on any one supplier. Each supplier can be awarded a maximum of 3 lots, resulting in between 3 and 9 suppliers on the framework arrangement.
13. The framework will be procured via an open tender procedure. Call off contracts will be formed for the HCC corporate sites within each lot and schools and partners will be able to establish their own call-off contracts under the framework agreement. This will enable a transition to a more self service model for schools and partner organisations which give them flexibility as well as reduced overhead costs for the Council. There is no revenue budget for the service to manage a complex customer interface and therefore a business decision has been made on this basis.
14. The call-off contracts for the HCC corporate sites will be for an initial 5 year period with the option to extend for a further 2 years.

#### Print Services

15. The current PrintSmart contract for office printing, copying and scanning expires in September 2021. The linked contract for high volume production devices in Hampshire Printing Service (HPS) and wide format print devices expires in March 2022. The print service contracts provide services to all HCC departments, as well as a range of external customers, and are managed by the Print and Document Service in Property Services.
16. The corporate drive to reduce print activity and associated costs has been very successful, with a continued reduction in the level of printing activity since the start of the current contract. However there continues to be a demand for printing and copying and an increasing demand for scanning. Therefore a new print service contract is required from September 2021 to ensure continuity of key business services.

17. The intention is to replicate the current model of a single supplier contract to deliver both the PrintSmart and HPS elements of the service. The new contract will incorporate a reduction in the number of multi-function devices required for the PrintSmart service, to reflect the continued reduction in print volumes and the expected rationalisation of the office estate.
18. A key requirement of the new print contract will be the provision of encrypted internet printing, sometimes referred to as a 'cloud based' print service, to align with proposals for HPSN3 which will replace the County Council's current Wide Area Network (HPSN2) with internet connectivity for each site, from late 2021. A detailed specification of the requirements for the print service has been developed in close collaboration with IT Services.
19. The new print services contract will be procured through a competition under an existing available Crown Commercial Services (CSS) Framework reducing procurement time and cost for HCC. This is the same procurement route used for the current print services contract. The new contract will be for a duration of up to 5 years.

#### Heating Oil and Road Fuels Framework

20. The current framework for the provision of heating oil and road fuels, and associated HCC call-off contract, expires in March 2021. The framework is used to procure heating oil and road fuels for HCC corporate sites and its vehicle fleet and for schools, academies, Hampshire Constabulary (HC) and HFRS as well as a number of other district and unitary authorities.
21. HCC has provided a continuous heating oil and road fuels procurement arrangement for more than 10 years on behalf of the Council, blue light services and other public sector organisations. There is no suitable alternative framework which provides the solutions the HCC framework offers for the variety of fuel and fuel monitoring ability.
22. It is now proposed to procure a new framework to replace the current arrangements. The new framework will have the added benefit of an option for the provision of biofuels / hydrogenated vegetable oil (HVO) fuel. This will support the reduction of road vehicle carbon and emissions where electric vehicles are not a viable alternative for larger delivery and service vehicles. A pilot project led by Hampshire Transport Management (HTM) is currently assessing the effectiveness and costs of biofuels in operation.
23. The new framework will also include and extend the option for remote fuel level monitoring to aid automatic deliveries for re-fuelling and support a reduction in delivery mileage.
24. The framework will comprise two lots, conventional fuels and biofuels, each with a single supplier. The structure of the framework has been determined following a thorough assessment of the previous arrangements, what is best for the customers and site occupiers and what gives the best opportunity to

measure and control performance, delivery efficiency and reduce delivery mileage, exhaust emissions and carbon. The proposed approach is also expected to achieve the best market response, given the complexity of providers in this business.

25. Annual call off contracts under the framework will provide heating oil and road fuels to HCC corporate sites and vehicle fleet. Schools and partner organisations, including HC and HFRS, will also be able to establish their own call off contracts under the framework arrangement, along with other councils and local authorities.
26. The new framework contract will be for a duration of up to 4 years and will be procured by an open tender procedure.

## **Financial**

### Grounds maintenance contracts

27. The estimated value of the proposed call off contracts for HCC corporate sites is up to £5 million over a maximum 7 year call off period. This will be funded from existing departmental revenue budget allocations.
28. The anticipated additional contract spend for schools and partners is up to £9 million over the 7 year duration.

### Print services contract

29. The estimated total value of the proposed new print services contract is £5 million over the maximum 5 year contract period. This expenditure will be funded from existing departmental revenue budget allocations.

### Heating oil and road fuels framework

30. The maximum anticipated HCC spend under the framework is £30 million over the 4 year period, to be funded from existing departmental revenue budget allocations.
31. The anticipated maximum total spend under the framework is £55 million over the 4 year period.

## **Performance**

32. All of the proposed new contract arrangements will incorporate robust performance management arrangements in line with contract management best practice. Management information will be used to inform the regular assessment of supplier performance and action will be taken to address and shortfall in performance.

## **Consultation and Equalities**

33. Internal and external customer representatives have been consulted on the requirements for the new contracts and their feedback has been incorporated into the proposed contract arrangements and scope of service.
34. Equality Impact Assessments undertaken for these contracts have indicated no impact on groups with protected characteristics.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	no

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

None

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

- 2.1. The services procured through the proposed contracts support the continued operation of sites and services across the County Council, schools and wider public sector in Hampshire for the equal benefit of all service users.