



**NOTTINGHAM CITY COUNCIL**  
**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**

**Date:** Tuesday, 12 March 2019

**Time:** 10.00 am

**Place:** LH 0.06 - Loxley House, Station Street, Nottingham, NG2 3NG

**Councillors are requested to attend the above meeting to transact the following business**

**Corporate Director for Strategy and Resources**

**Governance Officer:** Phil Wye **Direct Dial:** 01158764637

**AGENDA**

**Pages**

- |          |  |        |
|----------|--|--------|
| <b>1</b> | <b>APOLOGIES</b>   |        |
| <b>2</b> | <b>DECLARATIONS OF INTERESTS</b>   |        |
| <b>3</b> | <b>MINUTES</b><br>To confirm the minutes of the meeting held on 12 February 2019   | 3 - 6  |
| <b>4</b> | <b>VOLUNTARY AND COMMUNITY SECTOR UPDATE</b>   | Verbal |
| <b>5</b> | <b>NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2019-2014</b><br>Report of the Corporate Director Strategy and Resources and the Head of Contracting and Procurement | 7 - 24 |

ALL ITEMS LISTED 'UNDER EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT [WWW.NOTTINGHAMCITY.GOV.UK](http://WWW.NOTTINGHAMCITY.GOV.UK). INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

**NOTTINGHAM CITY COUNCIL**

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**

**MINUTES of the meeting held at LH 0.06 - Loxley House, Station Street, Nottingham, NG2 3NG on 12 February 2019 from 10.00 am - 10.16 am**

**Membership**

Present

Councillor Graham Chapman (Chair)

Councillor David Mellen (item 56 onwards)

Councillor Dave Trimble

Councillor Sam Webster (item 55 onwards)

Absent

Councillor Toby Neal (Vice Chair)

**Colleagues, partners and others in attendance:**

Trevor Bone - Property Maintenance Manager

Chris Carter - Transport Strategy Manager

Kate Morris - Governance Officer

Steve Oakley - Head of Contracting and Procurement

**Call-in**

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 22 February 2019. Decisions cannot be implemented until the working day after this date.

**52 APOLOGIES**

Councillor Toby Neal – Council Business

**53 DECLARATIONS OF INTERESTS**

Councillor Sam Webster declared an interest in item 5, Building Services Procurement Requirements 2019/20 as a Director of Nottingham City Homes. This interest did not preclude him from speaking or voting on the matter.

**54 MINUTES**

Regarding minute 48 – Voluntary and Community Sector Grant Aid 2019 Onwards: the committee wanted to make it clear that the grant management process should be transparent and robust, this must be applied to the grants themselves and to the grant giving bodies. Application for grants will be an open and competitive process.

With that clarification the minutes were confirmed as a true record of the meeting and were signed by the Chair.

**55 BUILDING SERVICES PROCUREMENT REQUIREMENTS - 2019/2020 - KEY DECISION**

Trevor Bone, Property Maintenance Manager, introduced the report on Building Services Procurement requirement 2019/20 which set out the requirements for

Nottingham City Council, Building Services Team to procure multiple replacement contracts which all end in March 2020.

**RESOLVED to:**

- (1) Approve the procurement of replacement contracts detailed in Appendix 2 of the published report, with a total value of £2,722,040 through an appropriate procurement process, and to award the contract for the services based on the outcomes of the procurement process**
- (2) Delegate authority to the Head of Service for Building Services to approve the outcome of the procurement processes and award the contract to the provider that is deemed most suitable to provide these services.**

Reasons for decision

- 1) Due to multiple contracts coming to the end of their term in March 2020 Nottingham City Council, Building Services team have to procure replacements. This enables the Building Services team to keep Nottingham City Council's portfolio of assets compliant with multiple statutory, regulatory and legislative obligations, for its portfolio of assets which serve a diverse mixture of citizens in Nottingham.
- 2) To improve efficiency and value for money in the services we commission. This procurement exercise is the optimal approach in managing our costs and achieving best value for money.
- 3) To ensure a high level of customer satisfaction with our services is maintained, as evidenced by feedback from internal stakeholders.
- 4) The new contracts will require the supplier to utilise modern technology where appropriate, to maximise efficiency in their own operations and ensure that Nottingham City Council Concerto system, records live data and continues the processing and storage of circa 15,000 compliance certificates / documents every year.
- 5) To ensure risk is managed in an appropriate manner ensuring the citizens of Nottingham and its visitors to the city are safe when visiting the council's portfolio of assets.

Other options considered

Do nothing and allow contracts to end and not re-commission services, which will remove statutory, regulatory and legislative compliance across Nottingham City Council's portfolio of assets and increase the risk of prosecution and reputation to Nottingham City Council for providing non-compliant assets that endanger its citizens. This is unacceptable and has been rejected.

Insource all of the activity covered by the contract areas under consideration for renewal. This option has been rejected due to the following; capacity, complexity, risk and value for money.

Allow Nottingham City Councils various directorates to purchase individually the services as they require them to ensure compliancy across the assets they are responsible for. This is likely to result in a more expensive, less compliant and less reliable service. It would also be more bureaucratic, with less ownership and accountability. This is likely to give rise to public challenge if citizen safety is compromised and so this option has been rejected.

## **56 ULEV VEHICLE AND INFRASTRUCTURE PROCUREMENT - KEY DECISION**

Chris Carter, Head of Transport Strategy, introduced the report on ULEV Vehicle and Infrastructure Procurement seeking approval to undertake two procurement exercises, one to procure a fleet of Ultra Low Emission Vehicles and one for the supporting infrastructure. The report also detailed plans to establish frameworks and make them available to all UK public sector authorities to use.

### **RESOLVED to:**

- (1) To approve undertaking a procurement process to establish an Ultra Low Emission Vehicle (ULEV) framework for all UK public sector contracting authorities with respect to ULEV cars, light vans, minibuses and taxi purchase;**
- (2) To approve undertaking a procurement process to establish a framework for all UK public sector contracting authorities with respect to ULEV charge point infrastructure purchase;**
- (3) To delegate authority to enter into the ULEV framework contract award to the most advantageous tenders received to the Corporate Director of Commercial and Operations;**
- (4) To delegate authority for the initial ULEV infrastructure contract award to the most advantageous tenders received to the Corporate Director of Development and Growth;**
- (5) To delegate authority to the Corporate Director of Commercial and Operations to award call off contracts under the ULEV vehicle framework; and**
- (6) To delegate authority to each of the Corporate Director for Commercial and Operations and the Corporate Director of Development and Growth to award call off contracts under the charge point infrastructure framework.**

### **Reasons for decision**

- 1) The council has an ambition to transition 22% of its fleet to Ultra Low

Emission Vehicles (ULEV) by 2020 to support the council's wider transport and air quality objectives. With 50 vehicles already converted and a further 50 vehicles to be added to the fleet by December 2019, the council is well on the way to meeting its target. Due to a lack of availability of ULEV options through existing frameworks, procurement of the council's ULEV cars and vans has been undertaken through single procurement exercises. In order to allow for better value for money and efficiency, the council proposes to create a ULEV fleet framework comprising cars, vans, minibuses and taxis for a four year duration. Establishing a UK public sector authorities' framework has the added benefit for other councils' and public sector fleet operators to purchase cars and blue light service vehicles. Specifications for each of the vehicle types have been devised to ensure that a wide range of vehicle manufacturers can tender for the opportunity to form part of the framework.

- 2) Currently there are many frameworks available to the public sector to purchase ULEV charge point infrastructure, but few if any can be used by EU funded projects as they are not OJEU compliant. Nottingham City Council is part of the EU funded Interreg CleanMobilEnergy project which will see the introduction of 40 vehicle to grid compatible charge points cited at Eastcroft Depot. The council will need to procure these units. Given the fast evolving nature of the market, new suppliers are bringing technology to the market all the time. Establishing a framework will allow for all public sector authorities to purchase the latest technology.
- 3) The Government launched its Road to Zero Strategy in 2018 with a target for all new internal combustion engine sales to cease by 2040. The shift to ULEVs is also taking place in local authority policies as part of plans to improve air quality. By leading the two procurement exercises, the council can apply a 1% rebate for sellers to generate income with every use of the frameworks.

#### Other options considered

The council could consider doing nothing. This would result in a breach in the terms and conditions for various sources of external grant funding which has been awarded to purchase ULEV vehicles and associated infrastructure in order to achieve the council's clean air objectives. This option has been rejected as it risks a loss of funding and damage to the council's reputation.

The second option would be for the council to procure both ULEV vehicles and infrastructure for council only projects. Given the known market opportunities around ULEV fleets and required infrastructure this would result in a lost opportunity to achieve best value for money and would also lose the potential for income generation through the 1% rebate. This option was rejected as delivering less value for money.

Agenda Item 5

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 12/03/2019**

<b>Subject:</b>	NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2019 -2024		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell, Corporate Director Strategy and Resources Steve Oakley, Head of Contracting and Procurement		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman - Portfolio Holder for Finance, Resources and Commercial Services		
<b>Report author and contact details:</b>	Jo Pettifor, Category Manager – Strategy and People Jo.Pettifor@nottinghamcity.gov.uk 01158765026		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Reasons:</b>	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision:</b> nil			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> Councillor Chapman – 20/02/19	
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input checked="" type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input checked="" type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b> This report presents an update of the Nottingham City Council Procurement Plan for 2019 – 2024, which sets out the Council’s planned programme of procurement activity for all goods, works and services over this five-year period. The Plan is attached at Appendices 1- 3. The outcomes of procurement activity undertaken during 2019/20 will be reported in the ‘Procurement Strategy Implementation Report’ at the end of the year.			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
<b>1</b> To note the Nottingham City Council Procurement Plan 2019 – 2024			
<b>2</b> To note that the Procurement Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement.			
<b>3</b> To note that the outcomes of procurement activity undertaken in accordance with the Plan during 2019/20 will be reported at the end of the year.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The Procurement Plan is a key mechanism in the implementation of the Nottingham City Council Procurement Strategy to deliver the Council's strategic priorities. It enables the planning of procurement activity under the Strategy to pursue the key procurement objectives of:
  - Citizens at the heart
  - Securing economic, social and environmental benefits
  - Commercial efficiency
- 1.2 The Procurement Plan enables the Council to secure value for money, manage financial resources effectively and align its commissioning and procurement activity with the Council's Medium Term Financial Plan (MTFP), through a planned approach and robust financial analysis for each project. A strategic category management approach will maximise the value of spend and generate savings wherever possible for Departmental budgets.
- 1.3 The Procurement Plan supports compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial Regulations by enabling procurement activity to be planned and undertaken prior to the expiry of existing contracts. This minimises the need for dispensation from the Financial Regulations to extend contracts beyond their expiry date without formal tendering, other than in genuinely exceptional circumstances. This is important in relation to goods and services that are subject to the full application of the EU and UK Procurement Regulations.
- 1.4 The Procurement Plan provides information for internal and external stakeholders about planned procurement activity and facilitates joint working with partner organisations and collaboration in procurement activity. It allows other service departments (such as Legal Services) to include support for procurement activity in their work plans.
- 1.5 The Procurement Plan informs provider markets about forthcoming opportunities to bid for Council contracts; enabling suppliers to prepare and for market development support to be offered.
- 1.6 The Procurement Plan supports the Council's commercialisation agenda and facilitates 'Make or Buy' considerations by enabling these opportunities to be identified in advance of existing contracts being due for renewal.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 A Procurement Plan was initially developed to align the planning of procurement and contracting activity with the Strategic Review programme for commissioned services. It was first reported to Commissioning Sub Committee in May 2012 and has subsequently been maintained and reported routinely.
- 2.2 A copy of the current Procurement Plan for the period 2019– 2024 is attached at Appendices 1- 3. It presents planned and anticipated procurement activity across the Council; showing the expected commencement and completion dates and anticipated key stages for each project. It is presented under the three procurement categories managed by the Procurement Team:



- ‘People’ - commissioned services for citizens including: social care and support for adults and children, community, public health and education
- ‘Places’ – including: major projects, minor works, highways, school capital works, safety and compliance, operator services and temporary structures
- ‘Products’ – including: transport, energy, waste, environmental services, professional services, ICT, soft facilities management and business support

2.3 The Procurement Plan is indicative of anticipated procurement activity and may be subject to change, for example following commissioning decisions or due to changes to service budgets and priorities. In each commissioning process, the procurement options are considered based on a number of factors, including: future need for the goods, works or services, whether remodelling is necessary, consideration of ‘Make or Buy’, compliance with the Council’s financial regulations and Public Procurement Regulations, and the overall risks, costs and benefits of tendering.

2.4 All procurement activity is conducted in accordance with the core principles of the Nottingham City Council Procurement Strategy 2018-23:

- Commercial efficiency
- Citizens at the heart
- Partnerships and collaboration
- Governance, fairness and transparency
- Ethical standards
- Innovation and improvement.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 Do nothing. This would impact upon the planning of the Council’s procurement activity across all goods, works and services. There would be a risk of non-compliance with the Council’s Contract Procedure Rules and Financial Regulations and applicable EU and UK Procurement Regulations due to procurement activity not being undertaken in a timely way and contracts needing to be extended beyond their expiry date. In relation to commissioned services, it would impact upon the alignment of procurement activity with the programme of commissioning reviews undertaken within Strategy and Resources. For these reasons, this option was rejected.

### **4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

4.1 The recommendations of this report do not have any specific financial implications.

4.2 As each element of the Procurement Plan set out in Appendices 1- 3 is undertaken, separate approvals will be required by the relevant Board or Portfolio Holder decision as appropriate.

4.3 This approval will include the appropriate financial implications and recommendations ensuring budget availability and aligning any procurement savings captured as part of the Medium Term Financial Plan (MTFP).

4.4 Phil Gretton, Strategic Finance Business Partner, 11 February 2019

## **5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 The Council's Contract Procedure Rules and Financial Regulations, EU Public Contracts Directives, the Public Contracts Regulations 2015 and Concession Contracts Regulations 2016 dictate that the Council should undertake a formal tender process for the award of contracts of a particular value. The Procurement Plan addresses the risk of non-compliance with these Regulations by providing a tool for planning procurement activity across all contracts based on their expiry date. At the time of writing, the implications for public procurement of the UK leaving the EU are not known; the EU procurement rules may remain applicable in full or in part for a transitional period or longer.
- 5.2 The Procurement Plan sets out an ambitious programme of procurement activity across all categories of goods, works and services. Planned procurement activity includes the re-tendering of existing contracts prior to expiry, and anticipated procurement of new goods, works and services to meet new priorities. The delivery of this programme of activity depends upon the necessary resources being available. The number of tenders undertaken will be dependent on the outcomes of the commissioning process for each requirement (including the consideration of procurement options) and will be subject to a formal decision making process.
- 5.3 Legal Comments - The Legal Services Team will provide support and contribute to the delivery of the Procurement Plan by advising on relevant legislation, legal and commercial risks, compliance with the City Council's Constitution and drafting and approving of contract documents. The requirement to comply with the Public Contracts Regulations 2015 will continue post Brexit however the exact implications are not known as at the date of this advice. Legal Services will work with the Procurement team to ensure compliance by the City Council with its procurement duties and obligations post Brexit

Andrew James, Team Leader Commercial, Employment and Education, 11<sup>th</sup> February 2019

## **6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

- 6.1 This decision does not have any implications for strategic assets and property.

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The Nottingham City Council Procurement Strategy 2018-2023 drives the delivery of social value for the City by outlining how we will address economic, social and environmental considerations at all stages of the procurement cycle, through the framework of the Public Services (Social Value) Act 2012. The strategic objectives for procurement are set out under the key economic, social and environmental themes, with proposed actions to maximise the social value benefits secured through all our purchasing activity.
- 7.2 For each planned procurement process, consultation will be undertaken and full consideration will be given to how the goods, works or services procured could

improve economic, social and environmental well-being in Nottingham. In relation to commissioned services for vulnerable adults and children, social improvements are expected for those receiving services.

- 7.3 Procurement activity undertaken in accordance with the Procurement Plan will support the implementation of the Council's Business Charter, through the inclusion in relevant contracts of appropriate contract specific requirements and targets based on the principles of the Charter. To maximise the economic, social and environmental benefits delivered from each contract, the contract requirements will be developed in each case as appropriate and proportionate to the contract being procured.
- 7.4 A Procurement Information Management System is maintained as a mechanism to monitor the outcomes of procurement activity undertaken, in particular progress against the key economic, social and environmental objectives of the Procurement Strategy.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 This will be considered where appropriate for relevant service areas.

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because the report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council.

## **10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

- 10.1 None

## **11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- 11.1 Nottingham City Council Procurement Strategy 2018-2023
- 11.2 Public Services (Social Value) Act 2012
- 11.3 The Public Contracts Directives 2014 (the Public Contracts Directive 2014, the Concessions Contracts Directive 2014, and the Utilities Directive 2014)
- 11.4 The Public Contracts Regulations 2015
- 11.5 The Concessions Contracts Regulations 2016
- 11.6 The Utilities Contracts Regulations 2016

This page is intentionally left blank

[illegible]

[illegible]

[illegible]

This page is intentionally left blank



[illegible]



[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]