

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE- 10/09/19

Subject:	Procurement of a new Workwear Corporate Contract		
Corporate Director(s)/ Director(s):	Andy Vaughan Director of Commercial and Operations		
Portfolio Holder(s):	Councillor Sam Webster (Finance, Growth and the City Centre)		
Report author and contact details:	Daniel Pridmore (Daniel.Pridmore@nottinghamcity.gov.uk) 01158764504		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" 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 checked="" 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 checked="" type="checkbox"/> No
Total value of the decision: £1,900,000 over 4 years			
Wards affected:	Date of consultation with Portfolio Holder(s): N/A		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
Following the changes to the supported business model the Woodfield Industries Workwear and PPE Service ended Friday 22nd March 2019. This change was part of a successful long-term strategy of moving all the supported staff out of Woodfield's into mainstream employment within the authority. This has therefore resulted in the closure of the Workwear and PPE service area. As such, a new corporate contract is required to ensure that the current cost model can be maintained or improved.			
Exempt information:			
None			
Recommendation(s):			
1. To establish a 4 year framework for the supply of PPE, Tools, Workwear for NCC and a number of named partner organisations.			
1. To approve a maximum spend of £475,000 per annum over 4 years (£1,900,000 in total).			

1 REASONS FOR RECOMMENDATIONS

1.1 The establishment of a framework presents us with the ideal opportunity to centralise the service, implement robust contract management and achieve a more efficient and effective service. It is to be noted that the service will not be an exact replication of previous practices.

1.2 Below details a summary of spend by department on products purchased by Woodfield Industries in 18/19. The values are achieved by multiplying product

price by actual volumes. The majority of spend was with an external supplier with small in house function for branding, which is likely to continue.

	Annual spend 18/19	Potential spend over 4 years
Total value of products purchased by Woodfield Industries during 18/19	£497,101.16	£1,988,404.64
This is broken down by department -		
Commercial & Operations:	£451,729.40	£1,806,917.60
Which includes Uniformed Services spend of:	£127,388.00	£509,552.00
Children & Adults:	£12,949.59	£51,798.36
Development:	£1,683.04	£6,732.16
Strategy & Resources:	£2,875.96	£11,503.84
Nottingham City Homes:	£27,863.17	£111,452.68

- 1.3 As this report is not being used to approve spend for Nottingham City Homes we have decided to seek approval to spend a maximum of £475,000 per annum and £1,900,000 over the 4 years.
- 1.4 Commercialisation Opportunities and the 1% Levy - A number of partner organisations are to be named on the framework including East Midlands Shared Services, Ashfield District Council, Bassetlaw District Council, Mansfield District Council, Broxtowe Borough Council, Gedling Borough Council, Newark & Sherwood District Council, Rushcliffe Borough Council, and Nottinghamshire County Council and Nottinghamshire Healthcare Trust. It is envisaged that the 1% levy will be applied to all products purchased through the framework, including those purchased by the partner organisations.
- 1.5 Savings - Being able to procure and establish a compliant framework means that there will be a considerable opportunity for savings as a result of the following factors:
- Increased economies of scale as we will purchasing through one supplier.
 - A streamlined products list, removing unnecessary and duplicated items.
 - Further reduced duplication by diverting what would be considered 'non PPE' products through existing approved corporate contracts.
- Examples of which are detailed below:

Product	Comments
Bags	Contract in place with Cromwell's
Cleaning Products	Contract in place with Bunzl
Print & Design	Internal Team able to deliver
Bin Refurbishment	New contract required.

- 1.6 Added Value - Further to the anticipated savings added value will also be achieved through the following:
- 'Just in Time' production and delivery methodology with no requirement for storage space.
 - The majority of the branding will be included, a service previously partly delivered internally by Woodfield's.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Following the changes to the supported business model, the Woodfield Industries Workwear and PPE Service ended Friday 22nd March 2019. This change was part of a successful long-term strategy of moving all the supported staff out of Woodfield's into mainstream employment within the authority. This has therefore resulted in the closure of the Workwear and PPE service area. As such, a new corporate contract is required to ensure that the current cost model can be maintained or improved and best value achieved. The preference is for a framework agreement with multiple lots to reflect the wide array of products currently purchased. At present stakeholder engagement is still ongoing.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing. This was rejected as this risk the creation of informal arrangements across departments that would lead to inefficiencies and detrimental financial implications.

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

- 4.1 This report seeks approval to establish a 4 year framework for the supply of PPE, tools and work wear and to approve a maximum spend of £0.500m per annum over 4 years (£2.000m in total).
- 4.2 Net expenditure of PPE, tools and work wear in 2018/19 across NCC was c. £0.500m, with the majority of spend being incurred in Commercial and Operations Department. The value of this decision is based on this analysis however it is expected that the use of a framework will reduce this value by streamlining the range of products available and maximising economies of scale.
- 4.3 Individual services hold their own budget for expenditure of this type and it is their responsibility to ensure adequate budget provision exists when placing orders via the framework to ensure no finance pressure materialises. Expenditure of this type was contained within the available budget provision in 2018/19.
- 4.4 The establishment of this framework and the centralised contract management ensures value for money can be monitored and further efficiencies identified.

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

- 5.1 This report does not raise any significant legal issues. A framework can be established which entitles the City Council and named partners to access supplies from a provider. The partners should be asked to give an estimate of their likely spend to ensure any OJEU notice is properly completed. A decision needs to be taken whether the framework will be with one provider per lot or multiple providers.

Advice provided by Andrew James -Team Leader Commercial, Employment and Education.

6 SOCIAL VALUE CONSIDERATIONS

6.1 Not applicable

7 REGARD TO THE NHS CONSTITUTION

7.1 Not applicable

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 An EIA is not required because no equality issue will result as part of this decision, this is a process to procure products for the service and does not involve amending any current policies.

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

19.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None