

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3697
Author:	Thomas Ali
Department:	Commercial and Operations
Contact:	Thomas Ali (Job Title: Food Development Officer, Email: thomas.ali@nottinghamcity.gov.uk, Phone: 01158761743)
Subject:	Supply of Cleaning Chemicals and Products to Nottingham City Catering Sites
Total Value:	£80,000 (Type: Revenue)
Decision Being Taken:	<p>(1) To approve the direct award of a Cleaning Chemicals & Products contract and to delegate authority to the Director of Commercial and Operations to award the contract to All Purpose Ltd.</p> <p>(2) To authorise dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 to make the direct award referred to above for the reasons set out in this report.</p> <p>(3) To approve the award of the contract for 1 year, with an optional one year extension, equalling a total duration of up to a maximum two years.</p>
Reasons for the Decision(s)	<p>Nottingham City Catering currently uses a corporate cleaning contract which is contracted to Bunzl. However Nottingham City Catering were not consulted during the previous tender and therefore specific catering items are at a higher price than other competitors for like for like products.</p> <p>From consulting with procurement and discussing options to save money, we have carried out a cost checking exercise with other companies and also asked Bunzl for updated pricing. This exercise showed All Purpose were able to save us on average £20,000 per year on like for like products. Products have been checked to confirm their suitability and they meet our current quality standards but with a large saving.</p> <p>Prices will be fixed for the 1 year, which should help balance any impacts from Brexit. Any price changes will be presented by the supplier in writing 6 weeks before the change is due to take place and will be accompanied with evidence to the changes.</p>
Other Options Considered:	<p>Do Nothing: We could remain with the corporate contract and continue to pay approximately £20,000 more per year</p> <p>Tender: Look to go out to tender, however this would be a timely and costly exercise considering the work that has already been completed and has established a £20,000 saving can be made.</p>

Background Papers:	None
Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Dispensation from Financial Regulations:	Yes
Consultations:	Small value contract that has already been in place for previous years, this is to award part of the current corporate contract directly to a supplier just for catering to increase savings
Crime and Disorder Implications:	No Crime and disorder Issues will result as part of this decision, as this is a decision to procure products to deliver the service.
Equality:	EIA not required. Reasons: No Equality issues will result as part of this decision, as this is a decision to procure products to deliver an existing service.
Social Value Considerations:	none
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	13/11/2019
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	This report does not raise any significant legal issues provided the report author is satisfied that the direct award provides value for money. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 20/09/2019.

Finance Advice:

Base budget for cleaning chemicals and products already exists within the schools and commercial catering budgets. The Nottingham Catering service has a budgeted net contribution of £862k to the MTFP.

Nottingham Catering currently spends approximately £50k per annum on cleaning chemicals and products for schools and commercial catering locations. A direct award is being sought in this instance for All Purpose Ltd as an alternative to the current corporate contract. This is following a cost comparison that has been carried out by the service and potential savings identified of on average £20k per annum thereby realising greater value for money through competitive pricing.

The service will need to ensure that the contract is reviewed each year to guarantee that prices remain competitive and the contract is still fit for purpose. This is a single year contract with the option to extend to a maximum of 3 years. Approval to spend in accordance with this decision. Advice provided by Susan Turner (Senior Commercial Business Partner) on 12/08/2019.

Procurement Advice:

The proposal is a request for a dispensation from contract procedure rule 5.1.2. The dispensation is requested to achieve savings and therefore, provides a value for money solution. Given the reasons for this dispensation and the associated value which falls below OJEU thresholds, there are no significant procurement concerns with this proposal. Any future procurement requirements associated with this project and its latter phases will be tendered and the Procurement Team will support this process. Advice provided by Lauren Wheatcroft (Procurement Officer) on 21/08/2019.

Signatures

Neghat Khan (PH Early Years, Education and Employment)
SIGNED and Dated: 06/11/2019
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 25/10/2019
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 22/10/2019
Chief Finance Officer's Comments: