

Report title

Supply and Delivery of Cleaning Consumables for Fire Stations and Ancillary Buildings

Report to	Date
Corporate Service Directorate Board	25 June 2019
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Report by	Report number
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Summary

This report seeks approval to award the contract for the Supply and Delivery of Cleaning Consumables for Fire Stations and ancillary buildings to **[Banner Group Limited]**.

The proposed contract award will ensure cleaning consumables are provided whilst achieving best value for money for the London Fire Commissioner (LFC). The tender evaluation included rigorous evaluation of quality, price and after sales support. Along with the price and quality evaluation, product samples for goods used operationally were acceptance tested at Old Kent Road Fire Station by Firefighters and no issues or problems have been reported.

This report also reviews the past contract performance, the considerations of procurement options and the procurement exercise which generated the recommendations.

Recommended Decision

That the London Fire Commissioner awards a four-year contract to **[Banner Group Limited]** under the collaborative ESPO Framework No. 777 'Cleaning Materials and Janitorial Supplies' for the value of £342,000.

Background

1. The current contract for supply of cleaning consumables has, for the previous 8 years, been direct-awarded to Greenham Ltd (part of the Bunzl PLC) under an London Contracts and Supplies Group (LCSG) Framework set up by the London Borough of Newham over two contracts. The current contract expires on the 31 August 2019. Whilst operationally it worked well, with few invoice queries, deliveries made when requested etc., commercially there are some issues which need to be addressed. These are listed as follows:

- 1.1. The framework's lists of 'core' and 'non-core' items are not tailored to the LFC's requirements. Specifically, the list of 'core' items (which attract the most competitive pricing) are those which were listed by other organisations, not by LFC, specifically the London Borough of Newham. Local authorities' requirements (e.g. cleaning materials for classrooms, etc.) differ from those of a Fire and Rescue Service which requires items such as nitrile gloves, oil and chemical spill kits, etc. The LFC's requirements (i.e. anything not on the 'core' list) constitute the 'non-core' list which is the most profitable part of the contract for the supplier, since these items are not priced as keenly as core items.
- 1.2. The core and non-core lists within the framework have not been reviewed in recent years. Benchmarking for comparative purposes found that certain products could be purchased considerably cheaper from the open market.
- 1.3. The contract, whilst competitively tendered by LCSG, does not, therefore, fully meet LFC's requirements.

Options

2. Investigating of other procurement routes and benchmarking the framework charges, it was found that this route to market did not offer a best value solution for LFC.
3. No collaborative or CCS Framework was available, however there was an ESPO framework which matched the Commissioner's requirements and allowed a further competition between 4 suppliers on that framework. This was considered the best option as it provided a route which allowed the LFC's individual requirement to be competitively tendered and for further value to be sought through suppliers not only competing on price but on the quality of the service wrap, which includes how the supplier will add value they while managing the account and how the goods will be delivered to the LFC's specification.

Procurement Process

4. A further competition under ESPO Framework No. 777 'Cleaning Materials and Janitorial Supplies' was conducted, inviting the following 4 suppliers:
 - A UK Supplies t/a A+D Supplies
 - Banner Group Limited
 - Bunzl CHS
 - Nobisco Limited
5. On 17 December 2018 procurement initiation consent was granted to commence the procurement.
6. Fire stations department took the lead in ensuring the product range met the requirements of operational staff in consultation with the Procurement Department. This meant the current specification was reviewed and overhauled to make it fit for purpose prior to going to the market.
7. The award criteria used in the procurement process was as follows:

Criteria	Item	Section Weighting	Overall Weighting
Price	Weighted Basket Price (see explanation below)		60%
Quality	Tenderers to demonstrate how they will work with the Commissioner to deliver the contract management requirements in the specification and details of any additional value they can add in managing the account.	15%	40%
	Please provide details of the complete order-to-delivery process that would be offered and how tenderers will ensure deliveries are received on time and in full.	15%	
	Tenderers to detail how they will manage their supply chain and how they will ensure value for money is achieved by the Commissioner through the use of this contract.	10%	

Weighted Basket Price explanation:

8. The 'basket of goods' refers to a fixed set of products ordered in a year. The 'weighted basket price' is the total of every item on the list issued in the tender combined with the annual quantity. This makes it easier to compare and evaluate the price of tenders.
9. The price was evaluated with the lowest overall 'basket of goods' price being awarded the full percentage available for the Price criteria (60%) and competing tenders 'basket of goods' given a percentage score proportionate to the lowest 'basket of goods' total price.

Procurement Results

10. On 8 January 2019 Invitations to Tender documentation packs were advertised through the Brigade's e-procurement system to the 4 framework suppliers. A tender deadline of 15 February 2019 was set.
11. Two suppliers provided a tender with the tender responses evaluated by Procurement and Fire Station staff. Additionally product samples for goods used operationally were acceptance tested at Old Kent Road Fire Station to ensure they were fit for purpose.

Criteria	Section Weighting %	Supplier 1 – [Banner Group Limited]	Supplier 2 – [Nobisco Limited]
Account Management	15%	15%	9%
Order-to-Delivery Process	15%	12%	15%

Managing Supply Chain / Ensuring Value for Money	10%	10%	6%
Price	60%	60%	56%
TOTAL:	100%	97%	86%

Conclusion

12. Following the completion of this procurement exercise, it is recommended that this contract be awarded to **[Banner Group Limited]**. This will convey the following benefits over the current contract:
 - 12.1. The supplier will proactively manage the Core and Non-core lists on an ongoing basis to ensure items provided meet LFC's needs but are also offer good value for money.
 - 12.2. Anticipated annual savings of £34k or 30% over existing spend, based on an annualised spend of weighted basket price with incumbent supplier of **[£113.5k compared with Banner Group Limited's tendered for weighted basket price of £79.4k]**.

Finance comments

13. This report seeks approval to award a four year contract for the supply and delivery of cleaning consumables. This is at an anticipated cost of £342k, which will deliver annual savings of £34k. This saving will be considered as part of the budget setting process for 2020/21.

Workforce comments

14. There are no implications on workforce matters that would necessitate the need for consultation with recognised Trade Unions.

Legal comments

15. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
16. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
17. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
18. The Deputy Mayor's approval is accordingly required for the London Fire Commissioner to purchase Cleaning Materials and Janitorial Supplies for the value of £342k.
19. The General Counsel has reviewed this report and notes that the arrangement proposed is consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act

2004 to do anything it considers appropriate for the purposes of the carrying-out of any of its functions.

20. Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.
21. The General Counsel also notes that the proposed service has been procured in compliance with the Public Contracts Regulations 2015. ESPO have conducted a compliant OJEU procurement in accordance with section 33 of the Public Contracts Regulations 2015 to set up ESPO Framework No. 777 for the provision of cleaning materials and janitorial supplies, from which the Commissioner is able to make a compliant call off.

Sustainability implications

22. The contract includes requirements that support delivery of the GLA Group Responsible Procurement policy, specifically to supply products free from animal testing and the avoidance of micro-plastics and unnecessary use of single-use plastics.

Equalities implications

23. The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

24. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
25. [Banner Group Limited] provided an extensive Equality and Diversity Policy Statement in their tender response confirming it opposes all forms of unlawful, unfair discrimination and less favourable treatment of employees and job applicants on the grounds of the following protected characteristics: age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation, and any other characteristic determined by prevailing anti-discrimination / equality legislation.
26. Additionally [Banner Group Limited] recognises that every employee is entitled to work in an environment that promotes dignity and respect to all, and therefore bullying, harassment or

victimisation will not be tolerated. Bullying is offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient. It states it has the full support of senior management and will be monitored and reviewed annually. This commitment to diversity and anti-discrimination carries the full support of senior management and will be monitored and reviewed on a regular basis.