



SCRUTINY BOARD (CENTRAL AND CORPORATE)

Call-In Meeting to be held in Civic Hall, Leeds. on
Thursday, 27th May, 2010 at 9.30 am*

(*N.B. Please note that there will be NO Pre-Meeting)

MEMBERSHIP

Councillors

- P Grahame (Chair) - Cross Gates and Whinmoor;
B Anderson - Adel and Wharfedale;
S Bentley - Weetwood;
D Blackburn - Farnley and Wortley;
B Chastney - Weetwood;
P Ewens - Hyde Park and Woodhouse;
M Hamilton - Headingley;
A Hussain - Gipton and Harehills;
V Kendall - Roundhay;
J Lewis - Kippax and Methley;
A Lowe - Armley;
A McKenna - Garforth and Swillington;
D Schofield - Temple Newsam;

A G E N D A

| Item No | Ward/Equal Opportunities | Item Not Open | | Page No |
|---------|--------------------------|---------------|--|---------|
| 1 | | | <p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Chief Democratic Services Officer at least 24 hours before the meeting).</p> | |
| 2 | | | <p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p> | |

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| 3 | | | <p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p> | |
| 4 | | | <p>DECLARATIONS OF INTEREST</p> <p>To declare any personal / prejudicial interests for the purpose of Section 81 (3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.</p> | |
| 5 | | | <p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p> | |
| 6 | | | <p>MINUTES - 29TH MARCH 2010</p> <p>To confirm as a correct record the attached minutes of the meeting held on 29th March 2010.</p> | 1 - 4 |
| 7 | | | <p>CALL-IN OF DECISION - BRIEFING PAPER</p> <p>To receive and consider the attached report of the Head of Scrutiny and Member Development.</p> | 5 - 8 |
| 8 | | | <p>CALL-IN - REVIEW OF DELEGATED DECISION NO. D36853 - SUPPLY OF BEER, WINE AND SPIRITS</p> <p>In accordance with the Scrutiny Board Procedure Rules, to review a decision of the Assistant Chief Executive (Corporate Governance) to award a contract to Carlsberg UK Ltd for the supply of beer, wine and spirits to the Council.</p> | 9 - 26 |
| 9 | | | <p>OUTCOME OF CALL-IN</p> <p>In accordance with the Scrutiny Board Procedure Rules, to consider the Board's formal conclusion(s) and recommendation(s) arising from the consideration of the called-in decision.</p> | |

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Agenda Item 6

SCRUTINY BOARD (CENTRAL AND CORPORATE)

MONDAY, 29TH MARCH, 2010

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, B Chastney,
P Ewens, M Hamilton, A Hussain,
V Kendall, A Lowe, A McKenna,
A Parnham and D Schofield

Apologies Councillor J Bale

74 Declarations of Interest

There were no Member declarations of interest.

75 Apologies for Absence

An apology for absence from the meeting was submitted on behalf of Councillor J Bale.

76 Minutes - 1st March 2010

RESOLVED – That the minutes of the meeting held on 1st March 2010 be confirmed as a correct record.

77 Central Interpretation and Translation Services - Update Report

Further to Minute No. 33, 5th October 2009, the Chief Customer Services Officer submitted a report updating the Board regarding the operation of the Central Interpretation and Translation Unit (CITU).

Paul Broughton, Chief Customer Services Officer, Susan Murray, Head of Face to Face Contact, and Jayne Grant, CITU Co-ordinator, were in attendance at the meeting and responded to Members' queries and comments. In brief summary, the main points of discussion were:-

- Although the CITU charges had not yet been re-charged to Departments, there was no evidence to date that charging had led to a reduction in the demands for the service, or that Departments were making their own arrangements, independent of CITU.
- CITU had contracts with individuals who provided the service for the Council at a rate per job. The Department concerned or CITU dictated the need and level of use of the service.
- The developments regarding CITU assuming responsibility for British Sign Language services in the City was welcomed. It was also

Draft minutes to be approved at the meeting
to be held on 27th May 2010.

reported that the Primary Care Trust had expressed an interest in contracting into the service in respect of NHS patients. The need to try to augment the numbers of BSL signers was acknowledged.

- The development of 'migrant hubs' at the Council's One Stop Centres, where people could learn English, was noted and welcomed.
- The Officers undertook to review again the current publicity levels and methods of CITU.
- The Officers also undertook to explore further with Children's Services and Adult Social Services:-
 - a) in the case of the former, the drop in the number of referrals; and
 - b) in the case of the latter, the relatively low number of referrals.

RESOLVED – That, subject to the above comments, the report be received and noted.

(NB: Councillor A Hussain joined the meeting at 10.02 am and Councillor M Hamilton joined the meeting at 10.08 am, during this item.)

78 Scrutiny Inquiry - Consultant Engagement - Draft Inquiry Report

Further to Minute No. 27, 7th September 2009, Minute No. 49, 7th December 2009 and Minute No. 57, 11th January 2010, the Board considered its proposed Final Inquiry Report submitted by the Head of Scrutiny and Member Development.

Subject to several typographical errors and the inclusion of Recommendation 5 in the Board's Annual Report 2009/10, the Board approved the draft Final Inquiry Report.

RESOLVED – That the draft Final Inquiry Report on Consultant Engagement be approved and forwarded to the Executive Board for consideration.

79 Annual Report 2009/10

The Head of Scrutiny and Member Development submitted the Board's proposed contribution to the composite Scrutiny Annual Report to Council.

RESOLVED – That the Board's contribution to the composite Scrutiny Boards' Annual Report to Council be approved.

80 Forward Plan of Key Decisions and Executive Board Minutes

The Head of Scrutiny and Member Development submitted a relevant extract from the Council's Forward Plan of Key Decisions for the period 1st April to

Draft minutes to be approved at the meeting to be held on 27th May 2010.

31st July 2010, together with the minutes of the meeting of the Executive board held on 10th March 2010.

RESOLVED – That the report be received and noted.

81 Councillor John Bale

RESOLVED – That, upon his retirement from the Council at the next election on 6th May 2010, the Board places on record its thanks and appreciation for all the hard work on scrutiny issues performed by Councillor John Bale.

82 Chair's Comments

This being the last meeting of the Board in the 2009/10 municipal year, the Chair thanked all the Members and Officers who had either served on, or assisted or supported the Board during a very productive year.

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Report of the Head of Scrutiny and Member Development

Scrutiny Board (Central and Corporate Functions)

Date: 27th May 2010

Subject: CALL IN OF DECISION – BRIEFING PAPER

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 INTRODUCTION AND BACKGROUND

- 1.1 In accordance with the Council's Constitution, an officer decision has been Called In.¹ The background papers to this particular decision are set out as a separate agenda item and appropriate witnesses have been invited to give supporting evidence.
- 1.2 This report advises the Scrutiny Board on the procedural aspects of Calling In the decision.
- 1.3 The Board is advised that the Call In is specific to the report considered under the officer delegation decision scheme and issues outside of this decision, including other related decisions, may not be considered as part of the Board's decision regarding the outcome of the Call In.

2.0 REVIEWING THE DECISION

- 2.1 The process of reviewing the decision is as follows:
 - Members who have requested the Call In invited to explain their concern/reason for Call In request.
 - Relevant Officer(s) asked to explain decision.
 - Further questioning from the Board as appropriate.

¹ Scrutiny Board Procedure Rules Paragraph 22

- 2.2 Members are reminded that it is only the decision Called In that the Board can make any recommendation on.

OPTIONS AVAILABLE TO THE BOARD

- 3.1 Having reviewed the decision, the Scrutiny Board will need to agree what action it wishes to take. In doing so, it may pursue one of three courses of action as set out below:

Option 1- Release the decision for implementation

- 3.2 Having reviewed this decision, the Scrutiny Board may decide to release it for implementation. If the Scrutiny Board chooses this option, the decision will be immediately released for implementation and the decision may not be Called In again.

Option 2 - Recommend that the decision be reconsidered.

- 3.3 The Scrutiny Board may decide to recommend to the decision maker that the decision be reconsidered. If the Scrutiny Board chooses this option a report will be submitted to the decision maker.
- 3.4 In the case of a delegated decision, the report of the Scrutiny Board will be submitted to the appropriate Officer within three working days of this meeting. The Officer will reconsider his/her decision. Where the Director believes that the original decision should be confirmed, they will refer the matter to the next Executive Board for a decision.
- 3.5 Where the Director agrees with the views of Scrutiny a new delegated decision form will be submitted indicating ineligible for call In.
- 3.6 In cases where the Director believes that the original decision should be confirmed, and in their view urgency prevents them from submitting the decision to Executive Board, the approval of the relevant Executive Board Member will be required before implementation. This Executive Member approval together with the reasons for urgency will be included in the new delegated decision form.
- 3.7 The Director and relevant Executive Board Member will also be required to attend and give their reasoning to the relevant Scrutiny Board.

Option 3 - Recommend that the decision be reconsidered and refer the matter to full Council if recommendation not accepted.

- 3.8 This course of action would only apply if the Scrutiny Board determined that a decision **fell outside the Council's Budget and Policy Framework** and this determination were confirmed by the Council's Section 151 Officer (in relation to the budget) or Monitoring Officer (in relation to other policies).
- 3.9 If, at the conclusion of this meeting, the Scrutiny Board forms an initial determination that the decision in question should be challenged on the basis of contravening the Budget and Policy Framework, then confirmation will subsequently be sought from the appropriate statutory officer.
- 3.10 Should the statutory officer support the Scrutiny Board's determination, then the report of the Scrutiny Board will be presented in the same manner as for Option 2. If

the decision maker accepts the recommendation of the Scrutiny Board in these circumstances, then the revised decision will be published in the same manner as for Option 2 and the decision may not be Called In again. If, however, the decision maker does not accept the recommendation of the Scrutiny Board, then the matter will be referred to full Council for final decision. Decisions of full Council may not be Called In.

- 3.11 Should the appropriate statutory officer not confirm that the decision contravenes the Budget and Policy Framework, then the report of the Scrutiny Board would normally be progressed as for Option 2 (i.e. presented as a recommendation to the decision taker) but with no recourse to full Council in the event that the decision is not varied. As with Option 2, no further Call In of the decision would be possible.
- 3.12 However, the Scrutiny Board may resolve that, if the statutory officer does not confirm contravention of the Budget and Policy Framework, then it should be released for implementation in accordance with Option 1.

4.0 FAILURE TO AGREE ONE OF THE ABOVE OPTIONS

- 4.1 If the Scrutiny Board, for any reason, does not agree one of the above courses of action at this meeting, then Option 1 will be adopted by default, i.e. the decision will be released for implementation with no further recourse to Call In.

5.0 FORMULATING THE BOARD'S REPORT

- 5.1 If the Scrutiny Board decides to release the decision for implementation (i.e. Option 1), then the Scrutiny Support Unit will process the necessary notifications and no further action is required by the Board.
- 5.2 If the Scrutiny Board wishes to recommend that the decision be reconsidered (i.e. Options 2 or 3), then it will be necessary for the Scrutiny Board to agree a report setting out its recommendation together with any supporting commentary.
- 5.3 Because of the tight timescales within which a decision Call In must operate, it is important that the Scrutiny Board's report be agreed at the meeting.
- 5.4 If the Scrutiny Board decides to pursue either of Options 2 or 3, it is proposed that there be a short adjournment during which the Chair, in conjunction with the Scrutiny Support Unit, should prepare a brief statement proposing the Scrutiny Board's draft recommendations and supporting commentary. Upon reconvening, the Scrutiny Board will be invited to amend/ agree this statement as appropriate (a separate item has been included in the agenda for this purpose).
- 5.5 This statement will then form the basis of the Scrutiny Board's report (together with factual information as to details of the Called In decision, lists of evidence/witnesses considered, Members involved in the Call In process etc).
- 5.6 The Scrutiny Board is advised that there is no provision within the Call In procedure for the submission of a Minority Report.

6.0 RECOMMENDATION

- 6.1 The Scrutiny Board is asked to note the contents of this report and to adopt the procedure as detailed within it.

Background Papers

None



Originator: Peter Marrington

Tel: 39 51151

Report of the Head of Scrutiny and Member Development

Scrutiny Board (Central and Corporate Functions)

Date: 27th May 2010

Subject: Call In - Review of Decision – Supply of Beer, Wines and Spirits

Electoral Wards Affected: ALL

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 INTRODUCTION AND BACKGROUND

1.1 This paper presents the background papers to a decision which has been Called In in accordance with the Council's Constitution.¹

1.2 Papers are attached as follows:

- Copy of completed Call In request form
- The Delegated Decision Notification.

1.3 Appropriate Members and/or officers have been invited to attend the meeting in order to explain the decision and respond to questions.

2.0 RECOMMENDATION

2.1 The Scrutiny Board (Central and Corporate Functions) is asked to review this decision and to determine what further action it wishes to take.

Background Papers

None

¹ Scrutiny Board Procedure Rules Paragraph 22

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Leeds City Council Scrutiny Support Unit

CALL IN REQUEST – Option (b)

A Call In request may be made by:

Five Two non-executive Members of council if they are not from the same political group¹

Date of decision publication: 12/05/10
Delegated decision ref: D 36853
Executive Board Minute no: -
Area Committee Name and decision ref: -
Decision description: Supply of Beer, wines & Spirits

Discussion with Decision Maker:
Prior to submitting a Call In, a nominated signatory must first contact the relevant officer or Executive Member to discuss their concerns and their reasons for wanting to call in the decision. Please identify contact and provide detail.
[] Director
[x] Executive Member
Detail: Cllr Pryor has spoken to Cllr Brett who agrees a Call In is inevitable

Reasons for Call In:
All requests for Call In must detail why, in the opinion of the signatories, the decision was not taken in accordance with the principles set out in Article 13 of the Council constitution (decision making) (principles of decision making) or where relevant issues do not appear to be taken into consideration. Please tick the relevant box(es) and give an explanation.
[] Proportionality (ie the action must be proportionate to the desired outcome)
[] Due consultation and the taking of professional advice from officers
[] Respect for human rights
[x] A presumption in favour of openness
[x] Clarity of aims and desired outcomes
[] An explanation of the options considered and details of the reasons for the decision
[] Positive promotion of equal opportunities
[x] Natural justice
Explanation

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Leeds City Council Scrutiny Support Unit

A Member cannot count as one of the two/five signatures if they are a member of the Scrutiny Board to which the Call In will be referred. In the case of decisions made by Area Committees, a Member cannot count as one of the two/five signatures if they are a member of that Area Committee.

The following signatories request that the above decision be called in:

| | | | |
|--------------|--------------------|-----------------|-----------|
| 1) Signature | <i>Benny Smees</i> | Political group | <i>LD</i> |
| Print name | <i>Benny Smees</i> | | |

| | | | |
|--------------|-----------------------|-----------------|-----------|
| 2) Signature | <i>Colin Campbell</i> | Political group | <i>LD</i> |
| Print name | <i>Colin Campbell</i> | | |

continued over

This form should be submitted to the Head of Scrutiny and Member Development (Scrutiny Support Unit, 1st Floor West, Civic Hall) by **5.00pm on the fifth working day after the decision publication date**. The office is open from 9.00am to 5.00pm.

(For further information on the Call In procedure please refer to the Scrutiny Support Unit intranet site, or contact the Unit on 39 51151).

| | | |
|---|-------------|----------------|
| For office use only: (box A) | | |
| Received on behalf of the Head of Scrutiny and Member Development by: | | |
| | | (signature) |
| Date: | Time: | SSU ref: |

| | | |
|-------------------------------------|--------------------------|------------------------------|
| For office use only: (box B) | | |
| Exemption status checked: | <input type="checkbox"/> | Call In authorised: Yes / No |
| Date checked: | <input type="checkbox"/> | Signed: |
| Signatures checked: | <input type="checkbox"/> | Date: |
| Receipts given: | <input type="checkbox"/> | |
| Validity re article 13 | <input type="checkbox"/> | |
| Receipt details: | | |
| Page 13 | | |

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Glendland
BQ

CLERK GRAHAM KIRKLAND
CLERK B. PLEASBY

Aspin

.. ALAN TAYLOR

Mark Hume

MARK HARRIS

~~Matthews~~

Jamie Matthews

Judith Chapman

JUDITH CHAPMAN

Chris Towler

CHRIS TOWNSLEY

~~isling~~

~~ROGN CHASTNEY +~~

~~AM~~

~~CLERK DOG NISSON~~

~~James~~

CLERK STEVE SMITH

~~Sue Bentley~~

~~CLERK SUE BENZLEY +~~

~~Walter~~

~~CLERK MARTIN HAMILTON +~~

~~(Pearl)~~

~~STEWART GILTON)~~

Rune

RASH PRYDE

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DELEGATED DECISION NOTIFICATION

| |
|-------------------------------|
| REF NO ¹ D36853 |
|-------------------------------|

| | | | |
|----------------|---|---|---|
| DECISION MAKER | Assistant Chief Executive (Corporate Governance) | AUTHORITY BY REFERENCE TO SCHEME OF DELEGATION: ² | Officer Delegation Scheme (Executive Functions) - Assistant Chief Executive (Corporate Governance) - b (ix) |
|----------------|---|---|---|

| | |
|----------------------|--|
| SUBJECT ³ | LCC10700 Supply of Beer, Wines and Spirits |
|----------------------|--|

| | | | | |
|---|--|---|--|---|
| DECISION ⁴ | COUNCIL FUNCTION <input type="checkbox"/> | EXECUTIVE DECISION (KEY) <input type="checkbox"/> | EXECUTIVE DECISION (MAJOR) <input checked="" type="checkbox"/> | EXECUTIVE DECISION (OTHER) <input type="checkbox"/> |
| | NOT SUBJECT TO CALL IN | ⁵ EXEMPT FROM CALL IN: NO | ⁵ EXEMPT FROM CALL IN: NO | NOT SUBJECT TO CALL IN |
| The Chief Procurement Officer agreed to award the contract for the Supply of Beer, Wines and Spirits to Carlsberg UK Ltd The new contract will commence on 24 th May 2010 initially for one year with the option to extend for a further 3 years (2011 to 2014), subject to satisfactory performance and Carlsberg becoming purchasing card compliant by end August 2010. | | | | |

| | |
|----------------|-----|
| AFFECTED WARDS | All |
|----------------|-----|

| | | | | |
|---------------|----------------------|-------------------------------------|-------------------------------------|-------|
| ADVICE SOUGHT | | YES | NO | |
| | Legal | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Finance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Personnel | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Equal Opportunities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Other Please Specify | <input type="checkbox"/> | <input type="checkbox"/> | _____ |

| | |
|---|------|
| DECLARED OFFICER / MEMBER INTERESTS ⁶ | None |
|---|------|

¹ This reference number will be assigned by Governance Services and notified to you

² The relevant paragraph within the decision makers delegated powers should be identified.

³ A brief heading should be inserted

⁴ Brief details of the decision should be inserted. This note must set out the substance of the decision, options considered and the reason for deciding upon the chosen option, although care must be taken not to disclose any confidential or commercially sensitive information. Guidance on the substance of the note is available from Governance Services

⁵ For Key and Major decisions only. If exempt from Call In details to be provided in the report. The Call In period expires at 5.00 pm on the 5th working day after publication. Scrutiny Support will notify decision makers of matters called in by no later than 12.00 noon on the 6th day.

⁶ No officer having a pecuniary interest in any matter should take a decision in relation to that matter. Other interests of a non-disqualifying nature should be recorded here.

DISPENSATION BY STANDARDS COMMITTEE

DATE: _____

BACKGROUND PAPERS⁷

(Price analysis scoring sheet, Price / quality tender evaluation sheet, these documents are confidential as they contain commercially sensitive information) Contract Award report

EXEMPT/ CONFIDENTIAL APPENDIX

YES NO RULE NO 10.4⁸ (3) Appendix 2 - The price/ quality and price analysis scoring sheet supporting this delegated decision is confidential under access to information procedure rule 10.4(3) as they contain the detailed prices submitted by the contractor for the goods / services to be supplied as well as commercially sensitive information in respect of the bidders. It is considered therefore that the public interest in maintaining the content of the relevant documentation as exempt outweighs the public interest in disclosing the information contained in the appendices, as disclosure would prejudice the commercial interests of the contractor and the prices submitted relate to the financial / business affairs of a particular company)

DETAILS OF CONSULTATION UNDERTAKEN (OTHER REASONS/ ORGANISATIONS CONSULTED)

| | Yes | No | Date |
|---------------------------|-------------------------------------|-------------------------------------|-------|
| Executive Member | <input type="checkbox"/> | <input checked="" type="checkbox"/> | _____ |
| Ward Councillors | <input type="checkbox"/> | <input checked="" type="checkbox"/> | _____ |
| Chief Officers Affected | <input checked="" type="checkbox"/> | <input type="checkbox"/> | _____ |
| Others (Specify) _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> | _____ |


CONTACT PERSON

Hilary Sedgwick

CONTACT NO:

3952400

AUTHORISED SIGNATORY⁹

| | |
|---|---------------------------------|
|  (Name: Wayne Baxter) | DATE: 12 th May 2010 |
|---|---------------------------------|

| | KEY | MAJOR | OTHER |
|---|-----|----------|-------|
| ¹⁰ *First publication (5 day notice) | | | |
| Commencement for Call In | | 12/05/10 | |
| Last date for Call In | | 19/05/10 | |
| Implementation Date | | 20/05/10 | |

* If key decision not on Forward Plan, the reason and need that the decision be taken are that:-

⁷ A separate Index should be prepared if necessary. ALL DOCUMENTATION UPON WHICH THE DECISION WAS BASED MUST BE RETAINED AND BE READILY ACCESSIBLE SO IT CAN BE PRODUCED SHOULD THE DECISION BE CHALLENGED

⁸ Relevant Access to Information Procedure Rules to be quoted if there is an exempt appendix

⁹ The signatory must be duly authorised by the Director to make the decision in accordance with the Department's scheme. It is not acceptable for the signature to be 'pp' for an authorised signatory. For Key Decisions only, the date of the authorised signature signifies that, at the time, the Officer was content that the decision should be taken. However, should representations be received following public availability of reports the signatory will consider the effect which such representations should have upon the final decision.

¹⁰ Governance Services will enter these dates



Report of: Procurement Officer - Hilary Sedgwick

Meeting: Delegated Decision of Assistant Chief Executive (Corporate Governance)

Date of meeting:

SUBJECT: LCC10700 SUPPLY OF BEER, WINES AND SPIRITS – DELEGATED DECISION FOR CONTRACT AWARD

This Report is for;

| | | |
|--|---|---|
| Discussion Only <input type="checkbox"/> | Information Only <input type="checkbox"/> | Advice/consideration prior to taking a decision or reporting to a Committee <input checked="" type="checkbox"/> |
|--|---|---|

Decision to be taken by:

| | | | |
|------------------------|--------------------------|--|-------------------------------------|
| Full Council | <input type="checkbox"/> | Corporate Governance and Audit Committee | <input type="checkbox"/> |
| Executive Board | <input type="checkbox"/> | Standards Committee | <input type="checkbox"/> |
| An Area Committee | <input type="checkbox"/> | Member Management Committee | <input type="checkbox"/> |
| A Regulatory Committee | <input type="checkbox"/> | A Director using delegated authority | <input checked="" type="checkbox"/> |

Executive Summary

This report outlines the procurement process followed in relation to a contract for supply of beer, wines and spirits.

It further details the tender selection and evaluation process and ultimately seeks approval of the Assistant Chief Executive (Corporate Governance) under the Council's scheme of delegation to recommendations of the contract award process.

1.0 Purpose Of This Report

- 1.1 To report the results of a tender selection and evaluation process for the provision of Supply of Beer, Wines and Spirits and to seek approval of the Assistant Chief Executive (Corporate Governance) under the Council's scheme of delegation to recommendations to the contract award process

2.0 Background Information

- 2.1 Current arrangement for the supply of Beer, Wines and Spirits are provided by Carlsberg UK Ltd.
- 2.2 This procurement is to deliver supplies to appropriate establishments and events under City Development, in addition to associate organisations aligned to Leisure Services including Temple Newsam, Roundhay and Gotts Park Golf Clubs, Hunslet RLFC and Breece Hotel in Scarborough. The contract is for four years with no further extension
- 2.3 The procurement requirements were advertised as a collaboration contract in conjunction with Hull City Council.

3.0 Main Issues

TENDERING PROCEDURE AND SELECTION

- 3.1 The procurement was conducted utilising the EU open procedure. This involves the issue of a pre qualification questionnaire (PQQ) which determines whether organisations have a track record in delivering the range and scope of services as required by the contracting authority along with the tender documents.
- 3.2 The scheme was advertised on 3rd June 2009 on the Councils electronic tendering portal "scms.alito.co.uk" and a total of 9 firms registered their interest, 5 of which downloaded the PQQ and tender documentation.
- 3.3 The deadline for the receipt of bids was 12 noon on Wednesday 22nd July 2009
- 3.4 By the closing date and time tender submissions were only received from one firm, Carlsberg UK Ltd.
- 3.5 Communications were established with the other 4 firms who downloaded the documents to establish the reasons why they failed to submit a bid. 2 firms suggested that there didn't have the time to complete a submission, 1 firm said it was in the process of collaboration with another firm but the person responsible fell seriously ill just before the deadline so the bid wasn't submitted. 1 firm failed to respond at all.

TENDER EVALUATION

- 3.6 The package of tender documentation consisted of a specification, terms and conditions of contract, pricing document and the tender evaluation model on price and quality
- 3.7 The tender submission from Carlsberg UK Ltd was evaluated in line with the tender evaluation model on the basis of 60% Quality and 40% price. Details of the tender evaluation model and criteria attached at Appendix 1, this sets the points to be

awarded for the qualitative element of the bid at 600 and the points awarded for the financial element of the bid at 400.

- 3.8 The evaluation process was undertaken by an officer or representative of the following organisations
- Procurement Projects Officer for Leeds
 - Procurement Officers for Hull
 - Commercial Manager, City Development
 - Venue Managers, Arts & Heritage
- 3.9 The evaluation panel was issued with the method statements submitted by the bidder in support of their proposal to undertake the services. They were also issued with the evaluation model to be utilised in respect of the review of the method statements. The bid was then assessed by the individual members of the panel. The results of the evaluation are attached at Appendix 2.
- 3.10 Carlsberg UK Ltd failed to submit a method statement in relation to Sustainability hence the score shown on Appendix 2, therefore as part of the evaluation process there were subsequently invited to interview with all members of the evaluation panel to clarify this aspect. Carlsberg satisfied the panel in regard to the contract requirements for sustainability by providing a detailed response to the three key areas of evaluation on Sustainability, details are enclosed at Appendix 3. The panel is satisfied with this response and is therefore happy to proceed with Carlsberg.
- 3.11 Based on the evaluation model used the value of the contract was projected to be £290,000 per annum. Leeds City Council's share of the contract is approx £190,000 per annum.
- 3.12 The tender was advertised prior to the Council amending its standard Terms and Conditions to make payments through the use of purchasing cards mandatory. During the evaluation process discussions have been held with Carlsberg UK Ltd to agree the use of purchasing cards and subsequent variation of the use of purchasing cards into this contract. After protracted discussions Carlsberg UK Ltd have in principle agreed to this request, the cost for implementing the Purchase Card system will be taken from the Sponsorship deal provided by Carlsberg.
- 3.13 In line with 3.12 above it is proposed that it will be a condition of the contract award that Carlsberg UK Ltd become purchasing card compliant within 3 months of the commencement of the contract (thus by end August 2010) and that their failure to do so in line with this timescale will result in the contract being terminated after the first year. This will allow sufficient time for new procurement arrangements to be put in place so as to allow for new contract arrangements to be effective from May 2011.
- 3.14 Subsequent to the evaluation of the bids, Hull City Council decided not to participate in the contract following an internal review of their operations in this area. It should be noted that this does not have an impact on the evaluation of the bids in respect of the qualitative assessment of Carlsberg UK Ltd being able to meet the requirements of the specification.
- 3.15 The withdrawal of Hull means that Leeds City Council will be the only recipient of the sponsorship budget of this contract which has a benefit to the Council in respect of future promotions that they may wish to take part in. It also includes replacement

point of sale equipment which will assist the City Development in enhancing the experience of visitors to the various sites that participate in this contract.

Efficiency Savings

- 3.16 It is estimated that efficiency savings based on the current estimated annual expenditure of £190,000 in Leeds can be made per annum in the region of £1,700 with added value of the Carlsberg website for event advertising and sponsorship. There is also a sponsorship deal for replacement equipment, including fridges and Point of Sale materials.
- 3.17 Transactional savings would also be made by the council through the use of purchasing cards on this contract, each invoice will generate a saving of £12 and using the current invoice level of 279 per annum, this will demonstrate an annual efficiency of £3,348 per annum.

Contract Operation Delivery

- 3.18 This contract will ensure competitive pricing and ensure consistent prices are set across all establishments who have access to the contract, where currently on some occasions they are now paying different prices.
- 3.19 The contract also provides access to the Carlsberg's events web pages for free advertising, and access to the sponsorship deal for replacement equipment.
- 3.20 Prices will be reviewed annually in line with RPI as per the terms and Conditions of Contract.

4 Implications For Council Policy And Governance

- 4.1 This project is a corporate contract for the provision of the Supply of Beer, Wines and Spirits to appropriate establishments and events.

5 Legal And Resource Implications

- 5.1 The contract has been procured in line with appropriate OJEU Procurement regulations.

6 Conclusions

- 6.1 The evaluation panel having considered the tender submission from Carlsberg UK Ltd, who is the current provider, are satisfied that they meet the requirements in order to recommend contract award subject to the requirements identified below.
- 6.2 As part of the evaluation process Carlsberg UK Ltd have satisfied the evaluation panel in regards to their proposals and compliance with requirements of the tender in regards to Sustainability. Full details in this regard are attached at Appendix 3.
- 6.3 Although this contract was advertised in collaboration with Hull City Council, as they have now withdrawn from this procurement process the annual estimated expenditure for Leeds will be £190,000 per annum.

- 6.4 This contract will ensure competitive pricing and ensure consistent prices are set across all establishments who have access to the contract, where currently on some occasions they are now paying different prices.
- 6.5 The Council require all successful organisations to now operate the use of purchasing cards for transactions; this has been a factor that the evaluation panel have held a number of discussions with Carlsberg UK Ltd. In order to ensure that Carlsberg meet these requirements it is proposed to initially award a contract for 1 year in duration (24th May 2010 to 23rd May 2011), with the option to extend for a further 3 years subject to Carlsberg UK Ltd becoming purchasing card compliant by the end of August 2010.
- 6.6 Failure of Carlsberg UK Ltd to achieve purchasing card compliance by end August 2010 will result in the contract being terminated after the first year. This will allow sufficient time for new procurement arrangements to be undertaken so as to allow for new contract arrangements to be effective from May 2011.

7 Recommendations

- 7.1 The Assistant Chief Executive (Corporate Governance) is recommended to award the corporate contract for the Supply of Beer, Wines and Spirits to Carlsberg UK Ltd initially for one year 24th May 2010 to 23rd May 2011 (as outlined in 3.13 of the report) with the option to extend for a further 3 years (24th May 2011 to 23rd May 2014), subject to satisfactory performance and Carlsberg UK Ltd becoming purchasing card compliant by end August 2010.

The price/ quality and price analysis scoring sheet supporting this delegated decision is confidential under access to information procedure rule 10.4(3) as they contain the detailed prices submitted by the contractor for the goods / services to be supplied as well as commercially sensitive information in respect of the bidders. It is considered therefore that the public interest in maintaining the content of the relevant documentation as exempt outweighs the public interest in disclosing the information contained in the appendices, as disclosure would prejudice the commercial interests of the contractor and the prices submitted relate to the financial / business affairs of a particular company.

Background Papers

Procurement undertaken in line with Council's Contracts Procedure Rules and OJEU Procurement legislation and regulations

Supply of Beers, Wines and Spirits

Appendix 1- Tender Evaluation Criteria

TENDER EVALUATION PROCESS

Each of the following quality criteria has been determined and weighted in accordance with its relative importance to the Service Specification/Project Brief. In addition to the written tender submission, Tenderers may have to provide a method statement in support of their tender and/or be invited to present their proposals to an evaluation panel, who will determine the extent to which the criteria have been met.

Quality criteria to be awarded up to 600 points.

Price to be awarded up to 400 points.

| MAIN CRITERIA | SUB-CRITERIA | POINTS |
|------------------|--|--------|
| Products | <input type="checkbox"/> Diversity of ranges offered | 10 |
| | <input type="checkbox"/> Marketability of products offered | 20 |
| | <input type="checkbox"/> Signage and labelling of products including guidance and advise for customers | 5 |
| | <input type="checkbox"/> Availability of Fair trade products | 5 |
| Equipment | <input type="checkbox"/> Inspection, testing, maintenance and servicing of equipment | 40 |
| | <input type="checkbox"/> Provision of promotional events and items | 95 |
| | <input type="checkbox"/> Flexibility for provision of cooler/fridge units | 50 |
| | <input type="checkbox"/> Sponsorship | 100 |
| | <input type="checkbox"/> Internal and external signage for bar area | 50 |
| | <input type="checkbox"/> Cellar cooling and dispensing equipment | 95 |

Supply of Beers, Wines and Spirits

Appendix 1- Tender Evaluation Criteria

| | | |
|--|---|----|
| Service Delivery/ Resources | <input type="checkbox"/> Service planning/ability to meet delivery requirements | 20 |
| | <input type="checkbox"/> Contingency plans/stock for emergency deliveries and returned products | 20 |
| | <input type="checkbox"/> Complaints procedure | 20 |
| | <input type="checkbox"/> Communication procedures with the client / sites | 10 |
| | <input type="checkbox"/> Provision of training | 20 |
| Sustainability | <input type="checkbox"/> Sustainable fleet management | 15 |
| | <input type="checkbox"/> Measures to reduce packaging | 15 |
| | <input type="checkbox"/> General measure to improve sustainability of the contract | 10 |

NOTE

YOU ARE REQUIRED TO PROVIDE INFORMATION RELATING TO ALL OF THE CRITERIA DETAILED ABOVE IN A METHOD STATEMENT TO BE SUBMITTED WITH YOUR TENDER. FAILURE TO PROVIDE A METHOD STATEMENT MAY AFFECT THE VALIDITY OF YOUR OFFER.

IF YOU HAVE ANY QUERIES RELATING TO THE METHOD STATEMENT CONTACT HILARY SEDGWICK ON TEL NO 0113 3952400.

| | |
|---------|--|
| 9 or 10 | Excellent , high level of relevant information provided, demonstrating robust and coherent understanding of the requirements and ability to meet these which is backed up with evidence (which may include supplementary evidence). |
| 7 or 8 | Good , relevant information has been provided and backed up with evidence (which may include supplementary evidence), indicating that most or all of the requirements will |

Supply of Beers, Wines and Spirits

Appendix 1- Tender Evaluation Criteria

| | |
|--------|--|
| | be met. |
| 5 or 6 | Average , a satisfactory response to the requirements has been provided but the response is not fully detailed or backed up with evidence, or not all requirements have been met. |
| 3 or 4 | Below Average , criteria is partly covered but the response is poor and not detailed or backed up with evidence. Key areas are lacking and therefore the response fails to meet the majority of the requirements. |
| 1 or 2 | Unsatisfactory , submitted an unsatisfactory response which has failed to address the criteria or is substantially inconsistent with the requirements. |
| 0 | Not answered |

19.4 Evaluation Approach

Each member of the evaluation team will assess each submission and a mean score calculated. The team will consist of representatives from the following departments:

- Procurement Projects Officer for Leeds
- Procurement Officers for Hull
- Commercial Manager, City Development
- Venue Managers, Arts & Heritage