

**Report of Chief Officer Shared Services  
Report to Director of Resources and Housing**

**Date: 22<sup>nd</sup> February 2019**

**Subject: Award a 12 month contract extension for the provision of Personal Protection Equipment to Bunzl UK Limited trading as Greenham.**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary of main issues**

1. The council awarded a contract for the provision of personal protection equipment (PPE) to Bunzl UK Limited trading as Greenham (Greenham) for a period of 3 years with effect from 11<sup>th</sup> April 2016 and with the provision for an extension of a further 12 months beyond the 3 year term.
2. As the current contract term is due to end on 10<sup>th</sup> April 2019 then approval is hereby sought to take up the provision to extend the current contract term for a further 12 months until 10<sup>th</sup> April 2020.

**Recommendations**

It is recommended that the Director of Resources and Housing approve the take up of the additional 12 month provision permitted in within the contract terms and extend the existing contract to provide personal protection equipment to Greenham until 10<sup>th</sup> April 2020.

## **1. Purpose of this report**

- 1.1 This report is to provide the Director of Resources and Housing with the relevant information regarding the contract with Greenham and to seek their approval to activate the extension provision on the existing contract with Greenham for the provision of PPE for a further 12 months until April 2020.

## **2. Background information**

- 2.1 The council entered in to a 3 year contractual agreement with Greenham to supply the Council with PPE, this includes safety footwear, safety gloves, high visibility clothing, safety goggles, first aid equipment and any other items of personal safety equipment as deemed required in the ordinary course of business.
- 2.2 The initial 3 year term of the contract is due to come to an end on 10<sup>th</sup> April 2019.
- 2.3 The contract contained a provision to extend the term for a further 12 months to 10<sup>th</sup> April 2020 and this report seeks to gain approval to activate this option.

## **3. Main issues**

- 3.1 The introduction of a single PPE supplier for the Council was part of a rationalisation of the way such items are procured. At the commencement of the contract the contract management and much of the purchasing was centralised in to the Shared Services Purchasing Hub now situated in the Business Support Centre.
- 3.2 The range of products available was reviewed at the initiation of the contract. A number of key core items that were suitable for each service area were identified and a catalogue developed alongside an online order process on the Council's intranet site.
- 3.3 A corporate purchasing card was lodged with the supplier to ensure payment is made promptly and to take out the need to raise orders in FMS or to process invoices related to the payments.
- 3.4 For those service areas that need to order through the Council's financial management system a similar catalogue is made available within FMS.
- 3.5 Arrangements have also been put in place so that any items that may be required that are not on the catalogue can be ordered via the Purchase Hub.
- 3.6 Since the start of the contract the total spend with Greenham on this contract amounts to £1.04m.
- 3.7 The contract supports greater compliance with the Council's CPRs as the spend on PPE items is now managed through a single approved contracted supplier.
- 3.8 The total Council's spend on PPE across all service areas is now visible and better understood.
- 3.9 Over the term of the contract the contractor has shown a willingness to develop the PPE offering and played an integral role in developing their offering to make more products available that are a better fit, across a wider size range and more suitable for the purposes of the different user groups.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Over the current term of the contract the purchasing hub staff have regularly reviewed the products on the contract with service users to ensure they are fit for purpose.
- 4.1.2 A footwear road shows was undertaken with staff from and buyers invited to attend a session at Greenham's offices and at LBS Seacroft Depot to discuss issues and concerns with the footwear on the core list. These were well attended by r services representatives from across the council and provided valuable feedback both to the supplier and the user on the suitability of the footwear for different purposes.
- 4.1.3 The purchasing hub have engaged with the "Women's Voice" working group to help address concerns and review the protective clothing and PPE offering for this group of staff.

## **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality Impact Screening assessment has been undertaken on the proposal to extend the contract and this identified there was no impact on equality, a copy is attached.

## **4.3 Council policies and best council plan**

- 4.3.1 The approach to centralising the contractual arrangements and management for the procurement of PPE supports better compliance with the Council's CPRs.

## **4.4 Resources and value for money**

- 4.4.1 The annual spend on PPE and protective clothing is approximately £346k per year.
- 4.4.2 The centralised approach to purchasing PPE has bought about an ability to positively influence behaviours towards procurement and provided a better understanding of the total spend on PPE related products across the whole of the Council.
- 4.4.3 By pulling all the council spend together on to a single contract we have ensured that we are able to gain the full benefit of any price reduction due the volumes being purchased.
- 4.4.4 By moving ordering to the intranet catalogues and much of the payment to purchase cards, this has removed the cost of processing invoices for payment and ensured that the council benefits from the purchase card rebate that these payments attract.
- 4.4.5 The contract has also ensured that any price increase on products is managed and restricted to only an annual increase to CPI.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 As the estimated spend on the contract is over £250k the decision to extend the contract is a key decision and subject to call in.
- 4.5.2 The intention to take the decision to extend current contract with Greenham by activating the option to extend the contract was placed on the 'list of forthcoming key decisions' on 11<sup>th</sup> January 2019.

## **4.6 Risk management**

- 4.6.1 The Council must support those staff that require personal protective equipment and clothing to carry out their role safely. It therefore needs to ensure that the PPE that is purchased is up to the relevant safety and legislative requirements and requires a contract in place with a suitably competent supplier.
- 4.6.2 If the extension is not taken up then the Council will need to enter into a procurement process to seek a new provider. In the meantime there would be no contractual provision for services to use and in order to bridge the gap then orders would need to be placed off contract and may ultimately be more expensive or not fit for purpose.

## **5. Conclusions**

- 5.1 Extending the existing contractual arrangements in accordance with the provision made in the last contract for 12 months is seen as the best approach to ensure the continuity of supply of key PPE products.

## **6. Recommendations**

- 6.1 It is recommended that the Director of Resources and Housing approve the take up of the additional 12 month provision permitted in within the contract terms and extend the existing contract to provide personal protection equipment to Greenham Ltd until 10<sup>th</sup> April 2020.

## **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.