

# RECORD OF DECISION TAKEN UNDER DELEGATED AUTHORITY FROM EXECUTIVE/COUNCIL/COMMITTEE

## DELEGATED POWERS OUTLINED IN THE CONSTITUTION



<b>DELEGATED OFFICER DECISION TAKEN BY:</b>	Deputy Director Legal and Governance
<b>DELEGATED BY:</b>	Council (date of delegation)
<b>IN CONSULTATION WITH:</b>	Choose an item.
<b>PORTFOLIO AREA:</b>	ALL

**SUBJECT: To award a contract for Janitorial & Associated Supplies**

### 1. DECISION

To award the contract for janitorial and associated supplies via the Eastern Shires Purchasing Organisation (ESPO) framework for a period of up to 4 years (on a 1+1+1+1 basis) to Bunzl Cleaning and Hygiene Supplies Ltd.

### 2. REASON FOR DECISION

The Lancashire County Council framework that we were using has now ended.

A mini competition has been completed, across 5 submissions received through the ESPO framework, resulting in Bunzl being the most economically advantageous supplier across the supplies the Council purchases.

### 3. BACKGROUND

A corporate contract for this supply area has been in place for the Council since 2008 due to the aggregated spend across the business in order to achieve compliance with our Contract Procedure Rules and UK Procurement Law.

### 4. KEY ISSUES AND RISKS

Global volatilities continue to impact on supply chains in terms of rising costs and this supply area is no exception.

Requirements vary significantly across all Authorities in terms of janitorial items (specifically for chemical compositions of products in being able to accurately evaluate like for like from a strength / quality perspective.

A continuation contract is required to remain compliant.

### 5. FINANCIAL IMPLICATIONS

Savings have been achieved under current contract of £9,442.82 based on expenditure of £516,384 (1.828%) for the period April 2018 – December 2022 inclusive. Annual spend is circa £100k across 40 sites who currently require janitorial supplies.

Awarding the contract via the ESPO framework route will support an overall cost reduction of £1,743.23 across the 48 products we have spent above £300 cumulatively on in the 12-month period April 2021-March 2022 inclusive (if those purchasing patterns were to be repeated like for like).

As part of the new contract further discussions will be taking place with Bunzl to introduce a number non branded janitorial items to the Council's catalogue. This is expected to bring further savings to the contract, at this time reports will be provided to finance detailing the savings that this will make to be taken centrally. Officers will still have the option to order the previous branded items but will need to fund the additional costs themselves.

We ordered a further 211 different products where the cumulative spend was below £300 in the same period.

The total number of products ordered in this twelve month period being 259.

In addition, streamlining / consolidation of order placing has been in place since February 2020 (start of the pandemic in UK) and where site storage allows, the vast majority of the 40 sites who use janitorial items now only place order requests on a quarterly basis (prior to February 2020, sites were placing orders direct and on a weekly basis – sometimes twice weekly).

This process has achieved a significant reduction in the number of purchase orders placed.

In 2022 calendar year, a total of 125 purchase orders were raised in contrast to the 350 and 375 raised in 2019 and 2018 respectively.

Based on an estimated processing cost of £20 per purchase order, this equates to additional soft process saving of £4.5 / £5k respectively.

CAPS Officer worked closely with the supplier to achieve the above, which in turn enables the supplier to be more effective / efficient in only delivering to our sites on a weekly basis (sometimes twice a week depending on volumes for supplier for their other clients in the Blackburn and Darwen areas).

## **6. LEGAL IMPLICATIONS**

The procurement process used to tender this contract framework complies with the requirements of the Council's Contract and Procurement rules and the Public Contracts Regulations 2015.

## **7. RESOURCE IMPLICATIONS**

CAPS Officer completes product / site reviews as an ongoing process with both internal stakeholders and the supplier to switch to lower cost products and to also streamline number of products wherever possible to that sites order (for example; where sites order 4 different products yet there is 1 product available that can cover all aspects of the 4 different products we switch them to that 1 single product).

This will continue as part of the formal contract management in place to strive to reduce expenditure as much as possible and alert site officers to lower cost alternatives to further support this objective.

## **8. OPTIONS CONSIDERED AND REJECTED**

### **a) Procure own Framework Contract**

Market research and testing has re-confirmed that based the Council's product requirements and expenditure, in isolation, would not bring any further / additional cost benefit for the Authority than we have in place currently and under the ESPO framework with this same supplier. We have and will continue to maximise lower unit costs across all items purchased through a wider framework – as the expenditure levels are significantly higher based on them being available to a wider range of Public Sector Organisation.

In addition, the time and resource costs to the Authority to undertake a full tender would potentially negate any opportunity for a low savings to be achieved.

### **b) Other Public Sector Compliant Frameworks**

LCC have re-tendered their own contract - but the range of products tendered does not now reflect / align with our requirements.

Association of Greater Manchester Authorities (AGMA) also have their own framework, however, this too has only a very small number of products aligned with our core items (those that we order the most frequently and/or spend a significant amount of expenditure).

***Further information is available from the report author***

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**9. CONSULTATIONS**

Completed between the Head of Service for Contracts and Procurement Section with Director of Finance in conjunction with the procurement benchmarking / analysis and competitive process undertaken by the CAPS Officer.

**10. DECLARATION OF INTEREST**

All Declarations of Interest of the officer with delegation and the any Member who has been consulted, and note of any dispensation granted should be recorded below:

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Maxine Edwards</b>
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<b>DATE:</b>	<b>04/04/23</b>
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<b>BACKGROUND DOCUMENTS:</b>	
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