

AGENDA ITEM: KITCHEN SUPPLY CONTRACT 2018 - 2022

Cabinet Member: Cllr Ray Stanley
Responsible Officer: Andrew Pritchard, Director of Operations

Reason for Report: To advise Cabinet of the outcome of the recent procurement exercise for the direct award, via a procurement framework, for the supply of Kitchens for the Modernisation of Council Homes, and confirmation of the intention to award the contract.

RECOMMENDATION: It is recommended that Cabinet award the Kitchen Supply Contract to **Supplier C** with an approximate forecast annual cost of:

2018 – 2019	£ 70,000
2019 – 2020	£126,000
2020 – 2021	£126,000
2021 – 2022	£126,000

Contracted Works: The contract will deliver the supply of kitchens units and other associated materials to Mid Devon District Council DLO and external contractors, working on Mid Devon housing stock.

Relationship to Corporate Plan: To contribute towards meeting the Decent and Affordable Homes target by making best use of the existing stock.

Financial Implications: The budget for the Modernisation and Void works, which includes the kitchens, is approximately £1.6m over 4 years. Capital investment in the MID DEVON DISTRICT COUNCIL stock will result in a lower ongoing maintenance costs.

Legal Implications: We have a legal duty to maintain the stock and meet the Decent Homes Standard. The conditions of engagement are based on an existing framework with the Cirrus Procurement Consortium. This provides a robust framework for managing and controlling the performance of the contractor to meet our legal obligations.

Risk Assessment: The principal risk is failing to limit costs due to additional works and delivery of the programme in a timely manner. The performance of the contract will be monitored monthly and corrective action as necessary will be taken where performance falls below Key Performance Indicator Targets. These include:

- 1) Variations and extras
- 2) Delivery of programme
- 3) Cost

1 Introduction

- 1.1 The term of this contract is 4 years.
- 1.2 The procurement procedure was a compliant direct award process via a framework, Kitchen Materials Supply Framework managed by Cirrus Purchasing Ltd, 12 Hilbre Court, West Kirby, Wirral. CH48 3JU.

2 Framework Benefits

- 2.1 About the framework provider:

The Cirrus Consortium (The Consortium) is a procurement consortium that consists of a number of contracting authorities across England, Scotland and Wales who have joined together to establish EU compliant frameworks for a range of products and services. Members currently include Registered Providers of Social Housing, Local Authorities, ALMOs and NHS Trusts. Additional organisations join The Consortium on a regular basis.

3 Use of Cirrus frameworks

- 3.1 Available to all contracting authorities across England, Scotland and Wales
- 3.2 Free to use for buying organisations, with no fees charged for Consortium membership or using the framework
- 3.3 Keep the flexibility and ownership of managing the contract and specification as you choose
- 3.4 No requirement to tender via OJEU directly as the pre-tendered framework is already fully compliant
- 3.5 All suppliers have been fully assessed for their experience, technical and professional ability

4 Procurement Process

- 4.1 The Kitchen Materials Supply Framework selected 8 kitchen suppliers and manufacturers who were chosen via a tender issued in the Official Journal of the European Union (OJEU). The framework was undertaken as an EU compliant open tender procedure, as detailed in Regulation 27 of the UK statutory instrument Public Contracts Regulations 2015 #102.
- 4.2 Cirrus Kitchen Materials Supply Framework was used to identify the suppliers. Those suppliers were ranked from 1st to 8th based on their tender evaluation carried out by them. The recommendation of this report is to make a direct award to the highest ranked supplier within this framework, which can meet the Service Level Criteria of Mid Devon District Council outlined in 4.7

- 4.3 This is a two stage process; stage one was completed by Cirrus; and stage two, selection of the preferred supplier from the Cirrus list, has been carried out by the Procurement Service of Mid Devon District Council. This latter process involved selecting the highest ranked supplier and discounting them if they could not meet the Mid Devon District Council Service Level Criteria. The second highest ranked supplier was then selected and evaluated in the same way, until a supplier that could meet the Service Level Criteria was established. This became the preferred supplier; other lower ranked suppliers were not evaluated by Mid Devon District Council as the preferred supplier has the highest evaluation score.
- 4.4 Selection of suppliers on the Cirrus framework was based on the most economically advantageous tender using the award criteria listed below and was run as an Open Tender Procedure by Cirrus
- 4.5 The original tender was open for submissions between 02/08/2017 and 04/09/2017

CIRRUS Framework Award Criteria

Branch Coverage	Weighting 10 %
Branches with Kitchen Displays	Weighting 10 %
Distribution and Delivery Coverage	Weighting 10 %
Types of Services Provided	Weighting 10 %
Service Delivery	Weighting 20 %
Price	Weighting 40 %

Supplier	Framework Rank	Overall % Score	Meets Mid Devon District Council Criteria
Supplier A	1st	77.5%	No
Supplier B	2nd	76.5%	No
Supplier C	3rd	68.2%	Yes
Supplier D	4th	66.8%	N/A
Supplier E	5th	56.5%	N/A
Supplier F	6th	56.4%	N/A
Supplier G	7th	53.9%	N/A
Supplier H	8th	41.2%	N/A

- 4.6 Award guidance for this framework is to award to the highest ranking supplier who covers our area and can meet our needs. A number of minimum Service Level Criteria were set out by way of specification from Mid Devon District Council, any contractor failing to meet these were discounted.

4.7 These requirements included:

Service Level Agreement	Performance Criteria
Coverage	Must have regional Branch coverage
Delivery lead times	Mid Devon District Council will expect the delivery within three days from when the order is effectively placed.
Void property deliveries	Delivery of the units and other materials being supplied to the individual addresses is to include for taking them into the individual properties; access will be via a key safe for void properties. Where delivery is to include to empty void properties using the key safe to gain access and lock up again when delivery is complete. Mid Devon District Council will confirm when ordering if this is a void property.
Response Times	Respond to all operational enquiries within two working hours.
Communication	Written response to all issues raised within 24 hours of formal notification from Mid Devon District Council or their appointed contractor.
	Notification of any potential delivery delays or issues at least 24 hours in advance of specified delivery date and time.
Missing Items	Missing items to be delivered same working day.
Shortages / Damages	Delivery shortages / damages to be delivered same working day of notification.
MI Reports	Provide management information reports including agreed KPIs , on a monthly basis, both printed and electronically, and free of charge.
Additional info. Required	<p>The Supplier must be able to adhere to the following time frames.</p> <ul style="list-style-type: none"> • From notification to visit property for design within 48 hours • From design to process of kitchen plan within 48 hours • Delivery of kitchen within three days of confirmation of order.

4.8 Mid Devon District Council evaluated the suppliers using the Service Level Criteria in 4.7. Supplier A and B did not meet the Mid Devon District Council Criteria and were discounted. Supplier C did meet the Mid Devon District Council Criteria and is the preferred supplier. The remaining suppliers were not evaluated as they had a lower overall score on the Cirrus Framework.

4.9 The framework agreement will cover the supply of boilers from 2018 to 2022.

5 Conclusion

- 5.1 The outcome of the evaluation of the suppliers via the Cirrus Kitchen Materials Supply Framework and our own Service Level Criteria shows Supplier C as the highest ranked supplier that could meet our specific needs. Suppliers A and B were discounted as they could not provide regional branch coverage. This award will afford us continuity of supply with no increase in costs for the next 12 months, no future price increases without our agreement, and the support of a compliantly procured contract.
- 5.2 Approval is required from Cabinet for contract award.
- 5.3 Subject to a voluntary Standstill period of 10 calendar days the agreed start date of the contract will be 21 May 2018.

Contact for more Information: Rebecca Addis, Procurement and Contracts
Officer (01884) 234378 / raddis@middevon.gov.uk

Circulation of the Report: Leadership Team, Cllr Ray Stanley, Legal
Services, Audit