

ABERDEEN CITY COUNCIL

COMMITTEE Finance & Resources

DATE 17th June 2010

CORPORATE DIRECTOR Stewart Carruth

TITLE OF REPORT Framework Agreements

REPORT NUMBER CG/10/114

1. PURPOSE OF REPORT

This report seeks the approval of the Committee for Council Services to procure Business Support Services, from identified pre-tendered framework agreements, as and when required.

2. RECOMMENDATION(S)

It is recommended that the Committee approve:

- (i) The action taken by the Head of Procurement to ensure that use of the identified national framework agreements are in full compliance with EU Regulations, Council Standing Orders and Financial Regulations.
- (ii) Agree the suspension of Standing Orders 75 and 76 to the extent necessary to permit the delegation of powers, to allow the use of the Office of Government Commerce (Buying Solutions), Scottish Government (Procurement Scotland) and the Improvement Service framework agreements, to Service Directors in consultation with the Head of Procurement and Head of Legal & Democratic Services.
- (iii) The Head of Procurement to administer the central database of approved framework agreements.

3. FINANCIAL IMPLICATIONS

The requirements held within the framework agreements have been tendered for across all EU Member States and are available for use to all Scottish Public Sector Bodies. Each framework is refreshed by open tender every four years. Providers listed on these frameworks cannot present reduced rates for the same or similar needs in tender exercises that are outwith these arrangements. The rates available should therefore be the most competitive that can be achieved.

4. SERVICE & COMMUNITY IMPACT

The aim of being able to use these framework agreements is to ensure that the Council is in position to deliver on service requirements, where pertinent, in a significantly reduced timeframe whilst still delivering Best Value.

5. OTHER IMPLICATIONS

The Council's Legal Service will be consulted to undertake due diligence of the terms and conditions, which both the Council and the providers on the particular framework must adhere to, for each agreement. A clear specification will be required in each potential instance of use beforehand so that the due diligence can highlight any specific risks for Services to take account of.

6. REPORT

With the Public Contracts (Scotland) Regulations 2006, Regulation 2(1) defines a framework agreement as:

“an agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.”

It will be important to consider whether a framework agreement is the right approach for the particular goods, services or works to be purchased. This will be a value for money (“VFM”) judgement for the Council taking account of the type of purchases involved, the ability of the providers on a framework to deliver the requirement and the ability to specify such purchases with sufficient precision.

The Office of Government Commerce (Buying Solutions) has established a full suite of business support services covering a broad spectrum of needs. These requirements are tendered on behalf of all UK public bodies in line with EU Procurement Regulations.

The Scottish Government (Procurement Scotland) has also undertaken further similar exercises, for all Scottish public bodies for those areas they have identified that have not been adequately covered by Buying Solutions.

Also listed within the identified frameworks are arrangements through the Improvement Service which have gone through the same tendering process as above.

The intention is to provide all users with access to a database of identified contracts that have maximised the combined leverage of potential participants in order to provide the most competitive pricing structures available. The use of the frameworks also limits the time and resources spent by internal tendering.

It should be noted that where our requirements are more specific than those detailed under the framework, 'mini-competition' exercises will require to be undertaken between all the providers on the framework agreement to identify the most competitive offering for our requirements and to ensure that the providers will be in a position to mobilise resources to meet our needs.

The Head of Procurement has discussed potential needs for Business Support Services with all Service Directors.

The additional requirements that Service Directors identified as being required to support delivery of their Services cover a number of common themes albeit some requirements were Service specific. In order to address these needs access to all Buying Solutions, Procurement Scotland and Improvement Service Frameworks will be available providing the protocol outlined is followed. In each instance a fast track 'mini-competition' between the approved providers on each framework list can be facilitated, where necessary, once the specification and scope of need is ascertained.

7. AUTHORISED SIGNATURE

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8. REPORT AUTHOR DETAILS

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