

FALKIRK COUNCIL

Subject: EXTENSIONS OF CONTRACT FOR THE SUPPLY OF ROCK SALT AND ASSOCIATED SERVICES (C/N: CCS/024/08) AND FOR BUILDING MATERIALS (C/N: CNS/106/11)
Meeting: EXECUTIVE
Date: 18 June 2013
**Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES
DIRECTOR OF DEVELOPMENT SERVICES**

1. INTRODUCTION

- 1.1 The purpose of this report is to seek approval to extend two existing Falkirk Council contracting arrangements, on the basis that extending the current contracts represents best value.

2. CONTRACT DETAILS

Supply of Rock Salt & Associated Services

- 2.1 Falkirk Council as lead authority for the collaboration of Falkirk and Clackmannanshire Councils undertook a tendering process in 2008 for the Supply of Rock Salt & Associated Services for both Councils.
- 2.2 The tender was for a five year period from the 1st April 2008 to 31st March 2013, with the option to extend annually for two years from 1st April 2013 to 31st March 2014 and from 1st April 2014 to 31st March 2015.
- 2.3 This was a single source agreement to ensure continuity of supply and maximise commercial advantage. The successful tenderer was Salt Union Limited, Winsford, Cheshire.
- 2.4 A significant part of the Winter Maintenance Service provided by the Local Authorities requires the procurement and storage of rock salt for use in gritting operations carried out in response to adverse weather warnings. The contract extension is required to support the continued delivery of Winter Maintenance Services this coming winter.
- 2.5 The pricing structure proposed by Salt Union is to hold rates at current levels, with no inflationary increase. Salt Union also provide a local storage and supply facility at Grangemouth.
- 2.6 It is therefore considered best value for Falkirk Council to continue the current supply arrangement with Salt Union Limited through to 31st March 2014. Clackmannanshire Council is making its own and separate arrangements in respect of the contract extension.
- 2.7 Funding for the estimated £230,000 expenditure by 31st March 2014 is held within the Roads Winter Maintenance budget. This estimated spend for the extension period remains within the contract's advertised value in the Office for the Journal of the European Union (OJEU).

Buildings Materials

- 2.8 The Council's framework agreement for the supply of building materials runs from 1st July, 2011 to 30th June 2013. The framework agreement has an extension option and can operate for a further period of two years from 1st July 2013 to 30th June 2015.
- 2.9 The framework agreement supplies a wide range of building products including timber, paint, electrical and plumbing materials. The current suppliers on the framework agreement are:

SUPPLIER	LOCATION
BEMCO Ltd	Glasgow
Crown Paints Limited	Falkirk
D F Wishart & Company Ltd	Edinburgh
Edmunson Electrical Ltd	Cumbernauld
Grafton Merchanting Ltd t/a Buildbase	Falkirk
Interfix Supplies	Perth
Jewson Limited	Falkirk
MGM Timber (Scotland) Ltd	Falkirk
PPG Architectural Coatings UK Ltd	Falkirk
PTS Plumbing Trade Supplies	Falkirk
Thornbridge Sawmills Ltd	Grangemouth
Rexel UK Ltd t/a Ross Electrical (Newey & Eyre)	Falkirk
Travis Perkins Trading Company Ltd	Larbert
White, Milne and Company (Decco Ltd)	Dundee
Wolseley UK	Falkirk

- 2.10 All the suppliers have provided good service and quality supplies for the Council over the initial contract period and they have all indicated their wish to continue to provide the Council's requirements for the supply of Building Materials. The pricing structure proposed by the framework suppliers is to hold pricing at current levels.
- 2.11 It is considered best value for Falkirk Council to continue the current Framework for Building Materials through to 31st March 2015.
- 2.12 The annual spend for Falkirk Council over the 2 year period of the contract extension is estimated to be approximately £4,000,000 (£2,000,000 per annum) and will be funded from the Council's Building Maintenance materials budget. This estimated spend for the extension period remains within the contract's advertised value in OJEU.

3. CONCLUSION

- 3.1 It is considered best value for Falkirk Council to extend the contract Supply of Rock Salt & Associated Services through to 31st March 2014 and to extend the framework agreement for Building Materials through to 30th June 2015 for the following reasons:
- a) No need to incur further tendering or advertising costs.
 - b) The contacting arrangements continue to provide best value for the Council and spend remains within budget and advertised levels
 - c) Current suppliers are meeting contract performance and quality standards.

4. RECOMMENDATION

It is recommended that Members:

- 4.1 In accordance with Contract Standing Order 6.2(iv), approve the extensions, referred to in section 2 above, to the contract for Supply of Rock Salt & Associated Services through to 31st March 2014 at an estimated cost of £230,000 and to extend the framework agreement for Building Materials through to 30th June 2015 at an estimated cost of £4,000,000.

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DIRECTOR OF DEVELOPMENT SERVICES

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 3 June 2013

Ref: AAP0613

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LIST OF BACKGROUND PAPERS

1. *Tender documents

* Item not for publication on the grounds that it involves the disclosure of exempt information as defined in, paragraph 10 of part 1 of Schedule 7A of the Local Government (Scotland) Act 1973.