

OFFICE OF THE POLICE AND CRIME COMMISSIONER

DECISION NO: PCCG-2016-043

LEAD CHIEF OFFICER:	Nigel Stephens Assistant Chief Officer-Resources
TITLE:	Provision of Veterinary Services Contract Extension
DATE:	17 May 2016
TIMING:	Urgent
PURPOSE:	For Decision

1.	<u>RECOMMENDATION</u>																																																
1.1	To extend the current contract for the Provision of Veterinary Services for a period of two (2) years from 1 May 2016 to 30 April 2018. The extension is requested in line with the Manual of Governance, Part 3e Standing Orders Relating to Contracts, Paragraph 121. The current contract was awarded 1 May 2014 for a two (2) year period to 31 April 2016 with the option to extend by a further two (2) years.																																																
2.	<u>INTRODUCTION & BACKGROUND</u>																																																
2.1	The Force has a requirement to ensure that Police Dogs have access to general and emergency veterinary care. The current contract with Summerhill Veterinary Centre is inclusive of general care services (vaccinations, flea and worming treatment), planned procedures (neutering) and unplanned procedures (sickness, injury).																																																
2.2	A tender process was undertaken in March 2014 to secure a suitable service provider.																																																
2.3	Three tender responses were received and evaluated by the Dog Section Sergeant. Summerhill Veterinary Centre was identified as the Most Economically Advantageous Tender (MEAT) following tender evaluation using the award criteria listed below.																																																
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3.	<u>ISSUES FOR CONSIDERATION</u>																				
3.1	The Dog Section Sergeant remains happy with the service provided under this contract and the level of professional care provided to the Police Dogs.																				
3.2	The Summerhill Veterinary Centre Head Office/ main Surgery are based in Newport, with affiliated centres within/outside the geographical area of the Gwent Police Force area. This ensures that the service can be provided where needed in a timely manner. The availability of the additional centres adds value to this contract through resilience in terms of a continuous service provision should any one centre become unavailable.																				
3.3	There are currently no framework or collaborative opportunities available for the Force to utilise. Benchmarking has been undertaken against other Forces' local arrangements which have determined that the provision offered to the Gwent Police Dog Section is mirrored across other Forces and offers value for money.																				
4.	<u>NEXT STEPS</u>																				
4.1	On approval of the two (2) year extension the Dog Section Sergeant and Dog Handlers will be notified and an extension letter will be issued to Summerhill Veterinary Centre, on the same terms and conditions as the current contract.																				
4.2	The contract will be monitored over the next six (6) to eighteen (18) months, to ensure that the replacement contract is drafted to meet all the requirements of the Force.																				
5.	<u>FINANCIAL CONSIDERATIONS</u>																				
5.1	<p>The estimated Contract Value at time of tender was £9,000 per annum.</p> <p>Spend data from 1 May 2014 to 1 December 2015 (18 months) has identified that actual spend has been greater than the estimated spend however still within budget.</p> <p>An average monthly spend of £915.64 has been calculated; when combined with the actual spend to 1 December 2015 the total spend four (4) year period is estimated at £43,902.62. The total contract value including extension remains below the EU threshold level for a European Procurement process to be conducted.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2014-15</th> <th>2015-16</th> <th>2016-17</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>£10,522</td> <td>£10,732</td> <td>£10,947</td> <td>-</td> </tr> <tr> <td>Estimated Spend</td> <td>£9,000 (at time of tender)</td> <td>£9,000 (at time of tender)</td> <td>£10,988 (based on new spend data*)</td> <td>£10,988 (based on new spend data*)</td> </tr> <tr> <td>Actual Spend</td> <td>£10,236.131 (05/2014-04/2015)</td> <td>£6,227.36 (05/2015-12/2015)</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>* It should be noted that the estimated spend for 2016-17 and 2017-18 is subject to change, dependant on the number of injuries or cases of illness</p>	Year	2014-15	2015-16	2016-17	2017-18	Budget	£10,522	£10,732	£10,947	-	Estimated Spend	£9,000 (at time of tender)	£9,000 (at time of tender)	£10,988 (based on new spend data*)	£10,988 (based on new spend data*)	Actual Spend	£10,236.131 (05/2014-04/2015)	£6,227.36 (05/2015-12/2015)	-	-
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¹ 12-month contract period from contract commencement date of 1 May 2014, not financial year start 1 April

	requiring treatment.
5.2	Under the Standard Terms and Conditions of Contract (Services) the service provider is able to increase prices in line with CPI. Summerhill has agreed to extend the contract for the full two (2) year period without any price increases. This has resulted in a cost avoidance saving of £85.71 based on a CPI increase rate of 0.39% since the commencement of the contract and the estimated total spend of the two (2) year extension (£21,976).
5.3	Price benchmarking undertaken against the West Midlands Veterinary Services contract indicates that the contract is approximately 13% more competitive on a range of common services and treatments.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no impacts to personnel as a result of extending this contract with Summerhill Veterinary Centre.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	The initial tender process was conducted in accordance with the Manual of Governance, and included the provision for a two (2) year extension. There are no known or foreseeable legal implications associated with the extension of this contract.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Single Equality Scheme and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	There are no known or foreseeable commercial risks to the Commissioner through the extension of this contract. The Dog Section Sergeant and Management Accounts Department will be briefed on the likelihood of spend exceeding budget based on historical spend/future spend calculations. Through securing a two (2) year extension, the Force removes the risk of any future price increases under this contract.
9.2	In the event that the Contract is not extended with Summerhill Veterinary Centre, there is no contingency available for this service to be provided by an alternative service provider.
9.3	This Contract provision must remain in place to ensure that the Dog Section continues to meet their Operational requirements.
9.4	Spend against this provision outside of any formal contract would be in breach

	of the Manual of Governance, and be deemed as non-compliant spend.
10.	<u>PUBLIC INTEREST</u>
10.1	Following approval of this report this document can be made available to the public.
11.	<u>CONTACT OFFICER</u>
11.1	Rachael Barton, Senior Procurement Officer
12.	<u>ANNEXES</u>
12.1	N/A

Public Access to Information

Information in this submission is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. This submission will be made available on the OPCC website following consideration by the Police and Crime Commissioner.

Are you satisfied that the contents and observations made are necessary and suitable for the public domain?	
In producing this submission, has consideration been given to 'public confidence'?	
If you consider that this submission should be exempt from the public domain, please state the reasons.	

For OPCC use only

Office of the Chief Constable

I confirm that Veterinary Extension report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for approval purposes.



Veterinary Extension
Report APPROVED NE

Signature:

Date: 20/05/2016

	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	✓
OPCC The Chief of Staff has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A

Chief of Staff:

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

Signature:

Date: 25/05/16

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:

Date:

27/5/16