

SOUTH LAKELAND DISTRICT COUNCIL

Delegated Executive Decisions

On **Thursday, 21 October 2021**, on the rising of the meeting of the Management Team, the following report(s) will be considered under powers delegated to Portfolio Holders, the Chief Executive and Directors for the discharge of the Council's Cabinet functions carried out within their area of responsibility.

Copies of these reports have been sent to the relevant Portfolio Holders (and all Members of the Cabinet for information), the Chief Executive, all Directors and the Monitoring Officer.

Cabinet Members, or any of the other consultees, may object to the report within five working days - **by 5.00 p.m. on, Wednesday, 20 October 2021** - by notifying the Officer named on the report of the objection and requesting that the matter be referred to the next meeting of the Cabinet for determination.

Page Nos.

PART I

1 WATER SUPPLY AND WASTE WATER (TREATMENT) - CONTRACT AWARD

3 - 8

To consider the award of the contract for the Water Supply and Waste Water (Treatment) Services.

Please note that in accordance with Section 100B(2) of the Local Government Act 1972, copies of Appendix 1 (Tender Analysis Report) to this report are excluded from inspection by members of the public as it contain information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-

- Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Paragraph 3)

2 PURCHASE OF 2 NO. 3.5 T VEHICLES FOR STREETSCENE

9 - 14

To consider the award of the contract for the purchase 2 No. 3.5T Streetscene fleet vehicles.

Please note that in accordance with Section 100B(2) of the Local Government Act 1972, copies of Appendix 1 (Tender Analysis Report) to this report are excluded from inspection by members of the public as it contain information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-

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PART II

Private Section (exempt reasons under Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, specified by way of paragraph number)

There are no decisions to be taken under Part II of the agenda, however, please note that Items 1 and 2 above include Part II appendices.

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South Lakeland District Council Delegated Executive Decisions

Date of Proposed Decision: Thursday, 21 October 2021

Water supply and waste water (treatment) services – Contract award.

Portfolio: Customer and Locality Services Portfolio Holder
Decision Maker: Director of Customer and Commercial Services
Report Author: Sion Thomas – Operational Lead for Delivery and Commercial Services
Wards: N/A
Forward Plan: Key Decision included in the Forward Plan as published on 21st September 2021

Links to Council Plan Priorities:

The proposal ensures that delivery of Council functions within buildings continues.

1.0 Expected Outcome

1.1 A new contract in place for water supply and waste water (treatment) services for all Council owned properties.

2.0 Proposed Decision

2.1 It is recommended that:-

(1) The contract for the water supply and waste water (treatment) services is awarded to the preferred bidder identified in the Part II appendix 1 to this report for a contract term of 2 years.

(2) That delegation be given to the Operational Lead for Delivery and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Democracy to enter into the necessary contracts with the approved bidder.

3.0 Background and Proposals

Please note that in accordance with Section 100B(2) of the Local Government Act 1972, copies of the appendix to this report are excluded from inspection by members of the public as they contain information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-

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3.1 The procurement route for the water supply and waste water (treatment) services is through the Crown Commercial Services (CCS) RM6178 - Water, Wastewater & Ancillary Services 2.

Framework RM6178 provides access to a range of water suppliers and therefore gives the Council certainty that they have achieved best value.

- 3.2 There are 14 suppliers included on the framework and as such all had the option to respond as part of the procurement process.
- 3.3 The existing contract has expired and is currently holding over, although the preferred supplier is the current provider.
- 3.4 The Council's final water bill is made up of: water commodity cost (this element makes up 94% of the final water bill and is fixed by water wholesalers & water industry regulators), and the final element of your bill is the CCS framework management fee. The supplier retail margin usually forms 6% of your overall water bill but the aggregation process is intended to bring that down. Without a framework agreement in place, some suppliers can charge a margin of 15% or more without customers knowing. The CCS framework management fee gets absorbed by the supplier's overall charge and is 1% of the supplier's retail margin.
- 3.5 The bid responses from suppliers were evaluated on both quality and cost elements at the call-off level. Last year suppliers also underwent a quality and cost evaluation when they responded to the OJEU ITT at framework level in order to join the framework itself. The preferred supplier of the new system and full costs are attached in the Part II Appendix. The outcome of that process is the recommendation being made in this report and the Part II Appendix to the report.
- 3.6 The contract award has been on the Forward Plan and the changes to the delegated decision making on the 30th June 2020 are being followed.

4.0 Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Part II Appendix 1– contract details and costs.

5.0 Consultation

- 5.1 To ensure the system being purchased and implemented is fit for purpose, the specification used to perform the procurement process was created with full involvement of colleagues from SLDC's Property Service Provider who are directly involved in both leading in monitoring and managing payments to utility suppliers for all SLDC owned buildings.

6.0 Alternative Options

- 6.1 The option being recommended is as a result of a compliant procurement process using a recognised procurement framework which is managed by Crown Commercial Services. This is in line with procurement best practice and preferred over other options.
- 6.2 An alternative option would be to use an alternative framework or to select a different preferred supplier or go direct to the market, however this is not recommended because it's unlikely we would have achieved the costs as noted in Part II - Appendix 1.
- 6.3 A further alternative option would be to start a new procurement from scratch. However, it is unlikely that savings would be achieved over the national framework, and there would have been significant resource implications to do so, resulting in little or no financial gain.

- 6.4 The only alternate option would be to do nothing. This isn't a viable option as it would affect water supplies for all Council property.

7.0 Implications

Financial, Resources and Procurement

- 7.1 The total cost for the supply of water and water treatment and all associated costs are detailed in the Part II Appendix 1 and will be covered by existing revenue budgets.
- 7.2 It is recommended that the contract be awarded for a term of 2 years with the end date being 31st March 2023 in line with the framework.

Human Resources

- 7.3 Existing staffing resource will support the installation and implementation of the Contract.

Legal

- 7.4 Rule 4 of the contract Procedure Rules allows the Council to use a framework agreement. Legal will advise on the framework call off terms and conditions and any appropriate amendments in order to protect the Council's position and to comply with the Council's Contract Procedure Rules.

Health, Social, Economic and Environmental

- 7.5 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

Equality and Diversity

- 7.6 Have you completed an Equality Impact Analysis? No

Risk

Risk	Consequence	Controls required
The existing water supply is not continued if no formal contract signed.	The service functions are undeliverable, impacting on all council services	Approve the recommendation in this report

Contact Officers

Sion Thomas, Operational Lead – Delivery and Commercial Services, 01539 793192, sion.thomas@Southlakeland.gov.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Part II Appendix 1– contract details and costs

Background Documents Available

None

Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	27.09.21	04/10/2021
Section 151 Officer	27.09.21	
Monitoring Officer	27.09.21	04/10/2021
CMT	27.09.21	

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	27.09.21
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

Note – Report authors must consult the relevant Portfolio Holder, members of the Corporate Management Team, the Monitoring Officer, and any other interested parties before a decision can be taken. If any objections are received, they must be reported at the meeting before the decision is taken.

Signed by:-	Title:-

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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South Lakeland District Council Delegated Executive Decision

21 October 2021

Purchase of fleet vehicles (2 No. 3.5T Refuse Vehicle for the Council – award of contract.)

Portfolio:	Cllr Philip Dixon – Portfolio Holder for Customer and Commercial services and people
Report from:	Simon Rowley – Director Customer and Commercial Services
Report Author:	Sion Thomas – Operational Lead for Delivery and Commercial Services
Wards:	N/A
Forward Plan:	N/A
Links to Council Plan Priorities:	N/A

1.0 Expected Outcome

1.1 To purchase 2 No. 3.5T streetscene fleet vehicles. The purchase is in line with the current capital replacement vehicle programme. It is expected that it will help reduce the maintenance and servicing costs for the service and provide a reliable fleet of vehicles to help the service run effectively.

2.0 Proposed decision

2.1 It is proposed:

(1) To approve the award of the contract for purchase of the 2 No. 3.5T refuse collection vehicles for Streetscene to the recommended bidder as noted in Part II Appendix 1; and

(2) That the Director of Customer and Commercial Services in conjunction with the specialist procurement officer and Lead Specialist Legal Governance and Democracy enter into the appropriate contract on behalf of the Council with the successful bidder.

3.0 Background and Proposals

Please note that in accordance with Section 100B(2) of the Local Government Act 1972, copies of the appendix to this report are excluded from inspection by members of the public as they contain information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-

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- 3.1 There are 2No. 3.5T refuse collection vehicles to be acquired. They will be purchased to replace existing vehicles which are due to be replaced as part of the vehicle and plant replacement programme.
- 3.2 SLDC replace vehicles generally after 7 years. This is the optimum period that provides for disposal of vehicle in advance of the vehicle-life costs outweighing the capital cost of replacement. The vehicle replacement programme is included within the Capital Programme and the tendered cost falls within the Capital sum available. These items were on the Procurement Schedule.
- 3.4 The specification is agreed with input from the Transport manager, Team Leaders and Drivers to ensure that the correct requirements are specified and tendered. As part of the tender, the tenderers provide vehicles for the crews to Demo. The tender received met with the specification provided as part of the tender.
- 3.4 It is proposed that the Council proceeds with the purchase of 2 No. 3.5T Diesel refuse vehicles having followed the Council's procurement policy and the new vehicle meets with the requirements set out as part of the tender. The tender and specification is set out with input from the Drivers, Team Leaders and Transport Manager. It is a performance based specification.
- 3.5 The proposal to procure the vehicle has been on the Procurement Schedule approved by Council and Cabinet. The report is a DED report due to the changes to the delegated decision making on the 30th June 2020 which are being followed. This provided that for contract awards relating to procurement decisions authorised by Cabinet and Council on the procurement schedule that the relevant Director now has the delegated authority to award the contract.

4.0 Consultation

- 4.1 The portfolio holder for Customer and Commercial service has been consulted on the procurement of the vehicles.
- 4.2 The Streetscene department was consulted as part of the process, demo vehicles were brought in for testing to ensure that the correct specification was provided during tender.

5.0 Alternative Options

- 5.1 To not purchase new vehicles and to run the existing fleet. This will inevitably lead to increase in maintenance and servicing costs and will provide an ageing fleet which will be less reliable. Reliability of vehicles is key to the streetscene department with collections expected on set days.
- 5.2 To lease as opposed to buy new vehicles. This is not recommended with the increase pressure on the revenue budget that this will likely bring. It also means that any servicing and maintenance would not be undertaken in house which again can lead to issues in terms of vehicles being available for set rounds on set days.
- 5.3 Another alternative option is to not award a contract to the recommended bidder in this procurement exercise. This is not considered a preferred option because the recommended bidder met the necessary criteria to proceed as set out in the analysis in the Part II appendix.

6.0 Implications

Financial, Resources and Procurement

- 6.1.1 The current capital programme includes for the purchase of 2 No 3.5T refuse collection vehicles and the tender price is within the budgetary provision.
- 6.1.2 The specification was agreed with input from the Transport manager, Team Leaders and Drivers to ensure that the correct requirements were specified and tendered. The tender was issued under ESPO framework 215_9 lots 12. Analysis of the tender response received is set out in the Part II appendix.

Human Resources

- 6.2 By procuring new vehicles, there will be less demand on the Vehicle and Transport maintenance team and therefore staffing levels can be managed accordingly.

Legal

- 6.3 Legal Governance and Democracy Specialists will advise on the contract documentation for the purchase.

Health, Social, Economic and Environmental

- 6.4 Have you completed and Health, Social, Economic and Environmental Impact Assessment? No
- 6.5 If you have not completed an Impact Assessment, please explain your reasons: N/A

Equality and Diversity

- 6.7 Have you completed an Equality Impact Analysis? No
- 6.8 If you have not completed an Impact Assessment, please explain your reasons: N/A

Risk

Risk	Consequence	Controls required
Tender return is valid for set period of time. If order is not placed, then tender will be invalid.	Potential additional cost or need to re-tender.	Order to be placed for the vehicles following Cabinet approval.

Contact Officers

Sion Thomas, Operational Lead for Delivery and Commercial Services , 01539 793192, sion.thomas@southlakeland.gov.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Part II – award of contract – tender report

Background Documents Available

Name of Background document	Where it is available
Council's procurement schedule	https://democracy.southlakeland.gov.uk/documents/s27801/Corporate%20Financial%20Update%20Quarter%202%20201920%20-%20Appendix%205.pdf

Tracking Information

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Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	06.10.20
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

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