

Agenda

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Delegated Decisions of the Board Member, Finance and Efficiency

Date: **Friday 4 November 2011**

Time: **5.00 pm**

Place: **Town Hall, Oxford**

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Delegated Decisions of the Board Member, Finance and Efficiency

Board Member

Portfolio

Councillor Ed Turner

Finance and Efficiency

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AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 DECLARATIONS OF INTEREST

Guidance on personal and personal prejudicial interests is attached to these agenda pages.

2 PUBLIC ADDRESSES

Members of the public may, if the Board Member agrees, ask a question of the Board Member on any item for decision on this agenda (other than on the minutes). The full text of any question must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by the public will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted.

The total time permitted for this item will be 15 minutes.

3 COUNCILLOR ADDRESSES

City Councillors may, at the Board Member's discretion, ask a question or address the Board Member on an item for decision on the agenda (other than on the minutes). The full text of any question and the nature of any address must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by councillors will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted. If an address is made, the Board member will either respond or have regard to the points raised in reaching her or his decision. If the address is by the Chair of a Scrutiny Committee or her or his nominee then the Board member will be required to say as part of their decision whether they accept the Scrutiny recommendations made.

4	INTEGRATED LAND AND PROPERTY MANAGEMENT SYSTEM - PROJECT AND DELEGATED AUTHORITY APPROVALS	1 - 6
	Lead Member: Councillor Turner Report of the Head of Business Improvement	
	This report recommends the Board Member to:-	
	(1) Grant project approval for the purchase of an integrated land and property management system;	
	(2) Delegate authority to the Corporate Director for Finance and Efficiency to award a contract for the supply of an integrated land and property management system for a period of up to 7 years to the supplier selected in accordance with the provisions of the report.	
5	SUPPLY AND FITTING OF TYRES TO OXFORD CITY COUNCIL'S VEHICLE FLEET	7 - 12
	Lead Member: Councillor Turner Report of the Head of Business Improvement	
	This report says that the contract for the supply and fit of tyres for Oxford City Council has expired. The report recommends the award of a new contract to Bandvulc Group PLC for a three year period with the option to extend for up to a further two years.	
6	SUPPLY OF LIQUID FUEL TO OXFORD CITY COUNCIL	13 - 16
	Lead Member: Councillor Turner Report of the Head of Direct Services	
	This report recommends the Board Member to delegate authority to the Executive Director for City Services to enter into new call off contracts for the supply of liquid fuel for a period of two years.	
7	MATTERS EXEMPT FROM PUBLICATION	
	If the Board member wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board member to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt	

information as described in specific paragraphs of Schedule I2A of the Local Government Act 1972.

The Board member may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

DECLARING INTERESTS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

To: Delegated Decisions of the Board Member, Finance and Efficiency

Date: 4th November 2011 **Item No:**

Report of: Head of Business Improvement

Title of Report: Supply of an Integrated Land and Property Management System (to include address management, development management, environmental health and property asset management).

Summary and Recommendations

Purpose of report:

To grant project approval and delegated powers to the Director for Finance and Efficiency to award the contract for an integrated land and property management system to include address management, development management, environmental health and property asset management.

Key decision? No

Executive lead member: Councillor Ed Turner

Policy Framework: An efficient and effective Council

Recommendation(s):

- 1) Grant project approval for the purchase of an integrated land and property management system;
- 2) Delegate authority to the Corporate Director for Finance and Efficiency to award a contract for the supply of such a system for a period of up to 7 years to the supplier selected in accordance with the provisions of this report.

1. Summary

- 1.1 This report sets out the procurement route that has been undertaken to review our current land and property gazetteer software application and

advises on the additional benefit that will be achieved from a new contract.

2. Background

- 2.1 The Council currently has a contract with IDOX for the provision, licensing and annual maintenance of the applications Uniform and IDOX document management system.
- 2.2 The current contract has provided some excellent benefits for joined up working and providing public access to information on the internet, however, the contract is operating on an ongoing basis and this needs to be reviewed. In addition the Council would also like to purchase three new modules to provide additional functionality. This contractual situation coupled with the need to purchase additional functionality, has provided an ideal opportunity for the Council to test the market to explore whether the Council is achieving value for money with it's current supplier.
- 2.3 In order to improve the current system, the Council is looking to procure:
 - A Red Amber and Green rated system to manage task workflow for Planning, Building Control, Environmental Health and Licensing integrated with above system
 - The 1APP connector that enables integration with the planning portal
 - The document loader for both the planning system and the document management system
- 2.4 The benefits of the additional modules are as follows:
Red, amber, green rated system will be able to allocate work through the workflow model. The 1APP connector will enable officers to download planning applications from the planning portal directly into the back office and the document loader allows officers to automatically insert documentation into the document management system – a considerably improved process compared to the one currently undertaken.

3. Procurement Process

- 3.1 The value of the new contract, including the new purchases will exceed the EU Procurement Regulations for goods and services over the life of the contract and necessitates an EU compliant procurement process.
- 3.2 The Government Procurement Service, formally known as OGC Buying Solutions, has a framework contract for the purchase of software which

can be used by local authorities. The proposed new contract is being tendered using this framework. .

- 3.3 To comply with the framework, provide competition and ensure that a new supply contract, including the purchase of the additional modules provides value for money to the Council, the Procurement Team have issued an “invitation to quote” through this framework to the 12 suppliers listed. All quotes received will be considered, and the supplier making the most economically advantageous offer will be put forward for selection.
- 3.4 The new contract will be in place for up to 7 years, with the ability to review terms at year 5.

4. Savings

- 4.1 The tender evaluation will take into account any migration costs associated with switching system from the current supplier to ensure that whole life costs are demonstrated. It is difficult to estimate what these costs will be until the quotations are returned.
- 4.2 The new products will improve the customer facing experience and allow users to do more by improving processes.

5. Other Options

- 5.1 The Constitution and Procurement Strategy requires officers to advise what other options are available before giving project approval and awarding a contract of over £100K. These are detailed below:

Continue as we are – The current contract was last reviewed in 1999 and there is a need to test the market, as explained in 3.

Re-tender the contract on behalf of the Council – This has been discounted as an option as it is known that the tender process would cost the Council more than using the Government Procurement Service Framework “request for quotation” function. The Framework has been tendered compliantly and has all the capable market suppliers on it.

6. Benefits of this Contract

- 6.1 The contract will provide budget certainty for all year on year maintenance costs.
- 6.2 The purchase of the new modules will streamline workflow, improve management information and will improve customers’ online experience.

7. Financial Implications

- 7.1 ICT currently pays £121,000 per annum for licensing and maintenance for the Uniform system and IDOX management system.
- 7.2 Outline costs associated with the purchase of the three new products from the Council's current supplier are estimated as £58,950. This includes £6,000 to Northgate for server integration and £4,000 to Oxfordshire County Council ICT for the use of a server. ICT have written a robust business case and have allocated capital ICT money to fund the purchase of this additional functionality.
- 7.3 ICT has allocated £130,000 to fund the likely new annual maintenance costs. The additional £9,000 will be funded from revenue vired from within the service. If the quotations that are returned indicate that the whole life costs of implementing a new system will be cheaper for the Council, the Head of Business Improvement and Interim Head of ICT will revisit the business case to demonstrate that changing systems is the recommended option going forward.

8. Legal Implications

- 8.1 This contract is being tendered using an EU procurement compliant framework.

9. Climate Change/Environmental Impact

- 9.1 There is no climate change or environmental impact implications.

10. Equalities Impact

- 10.1 All tenderers have met the living Wage Policy selection criteria listed in the mini competition document.

11. Risk

11.1

Risk	Likelihood	Mitigation
No quotations are returned	L	The Council's existing supplier has indicated that they are extremely keen to keep this business.
Benchmarking comes back proving that switching supplier is the most economically advantageous option	L	This would be a high impact on the Council. ICT will need to re-visit the business case to reflect the options, should this be the case

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List of background papers:

Version number:

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To: Delegated Decisions of the Board Member, Finance and Efficiency

Date: 4th November 2011

Item No:

Report of: Head of Business Improvement

Title of Report: Award of Contract for the Supply and Fitting of Tyres to the Council's Vehicle Fleet.

Summary and Recommendations

Purpose of report: To award a contract for the the supply, fitting and management of vehicle tyres to the Council's fleet to Bandvulc Group PLC.

Key decision? No

Executive lead member: Councillor Ed Turner

Policy Framework: An efficient and effective Council

Recommendation(s):

- 1) Award a new contract to Bandvulc Group PLC for three years commencing on 1st November 2011, with the option to extend for up to two further years.

1. Summary

- 1.1 This report sets out the procurement route undertaken to put in place a new contract for vehicle tyres.

2. Background

- 2.2 Oxford City Council currently has a contract with Tyrebyte a local vehicle tyre fitting company. This contract will cease at the end of October. Cherwell District Council Procurement Team (a member of the Oxfordshire Procurement Hub) has re-tendered this contract on behalf of both Councils.
- 2.3 The Council currently spends approximately £89,000 a year on tyres. Most tyre replacements are for the refuse vehicles.

3. Tender Process

- 3.1 Due to the value of the contract an OJEU compliant tender process has been undertaken. The tender was advertised widely via the South East Business Portal and managed through a restricted tender process.
- 3.2 The tender evaluation panel consisted of representatives from Cherwell District Council, the Oxford City Council Fleet and Maintenance Manager plus a Maintenance Officer. Financial assessments and pricing has been evaluated by the Cherwell District Council Finance Team.
- 3.3 As a result of the advertisement five expressions of interest were received and evaluated. Three bidders were invited to submit tenders and two tenders were received and evaluated.
- 3.4 One tender was unable to supply all of our requirements and meet the KPIs set out in the tender. The tender from Bandvulc Group PLC met both Council's requirements and provided a solution that still enabled a local supply solution as well as delivering savings throughout the life of the contract.
- 3.5 Bandvulc Group PLC also provided evidence in their tender submission as to how they have helped other Councils reduce their bottom line on tyre expenditure. Bandvulc currently provides 90% of the tyre management services for Specialist Fleet Services who run fleets for a large percentage of Councils across the country.
- 3.6 The proposed contractual arrangement will be that each Council will enter into a contract with Bandvulc Group PLC who will manage the overall contract and supply the tyres. Tyrerite will continue to be the delivery agent and will carry out the inspections and fitting of the tyres.

4. Savings

- 4.1 The proposed contractor proposes working with the Council to reduce the bottom line expenditure on tyres on a year on year basis in spite of the continued increase in tyre prices. The mechanism for doing this is being agreed and will be a contractual requirement. Bandvulc PLC has advised that they will achieve a saving of 5% on our current spend of £89,000 in 2011/12. This will be set as a performance target within the contract and will be monitored by the Fleet and Maintenance Manager.

5. Other Options

- 5.1 The Constitution and Procurement, Commissioning and Supplier Management Strategy advises that the Single Member Decision Process considers what other options are available before giving major project approval and awarding a contract over £100K. The options are detailed below.

5.2 Continue as we are

The current supply, fitting and management of tyres contract is due to expire in October 2011. To remain compliant and ensure best practice in providing value for money, the Council is obliged to make provision for a replacement contract.

5.3 Use a compliant framework, set up by another organisation

There is no suitable framework contract that meets the needs of Oxford City and Cherwell District Council.

6. **Benefits of this Contract**

6.1 Bandvulc Group PLC is the largest tyre management provider to the tyre industry and while they maintain their own tyre fitters in some parts of the country they largely work with a network of some 600 partners, such as our own current tyre fitting provider, Tyerite. Bandvulc will be contractually committed to providing this service through a local company.

6.2 This contract will achieve a 5% financial saving on current pricing in 2011/12. In addition to the value for money savings Bandvulc will offer added value aspects, such as:

- The latest online technology, including bespoke reporting solutions which can link directly into our fleet management system and save the Transport Manager substantial keying in time.
- Provision of workshops and accompanying literature for training both vehicle workshop staff and drivers to get more out of the tyres and reduce unnecessary damage – Bandvulc has successfully done this for clients such as Tesco and for a host of local authorities across the country.
- The resilience of a national network – our current provider is a small operation working out of Oxford and in a climate where a large number of businesses have become insolvent; Bandvulc provides resilience with one standby company and a wider network upon which they can call at any time.
- Average response time of 68 minutes – this the true overall national average including remote sites – and in reality the response time will be closer to 30 minutes for most emergency callouts within the district.

These added value services will provide efficiency savings for the Motor Transport team.

7. Financial Implications

- 7.1 The prices provided per tyre by the current contractor, Tyretyte, have been fixed for the last three years and if this contract had been extended the prices would be increased in September.
- 7.2 The current provider has been artificially keeping the tyre prices lower by selling on worn down casing for new tyres rather than returning them to the manufacturer. The Transport Manager is aware that even though the cost per tyre has remained low the management of the tyres themselves has not been to the standard that would ensure the maximum life is achieved for each tyre fitted.
- 7.3 The price of rubber has increased by 127.5% since January 2008. The greatest percentage of expenditure on tyres is on the refuse fleet. We currently pay £141.75 and £242.55 per tyre for rear and front tyres. The cost of the rubber content has increased from £28.80 per rear tyre to £65.52.
- 7.4 Bandvulc will commit to reducing the bottom line expenditure on tyres on a year on year basis in spite of the continued increase in tyre prices.

8. Legal Implications

- 8.1 There are no legal implications.

9. Risk Management

9.1

Risk	Likelihood	Mitigation
The local tyre fitter goes into administration	M	Bandvulc have a network of local tyre fitters and will be able to provide resilience should this happen.
The price of rubber significantly increases	H	Provision for this will be built into the contract with the supplier.

10. Climate Change/Environmental Impact

- 10.1 Bandvulc has Impressive sustainability credentials:
- Rubber waste from scrap casings and buffing dust is recycled to manufacture plastic products and playground matting – 0% to landfill;

- Winner of the 2009 Motor Transport Low Carbon and Efficiency Award;
- Voted one of the UK's top 60 environmental companies by The Sunday Times in 2009;
- Can provide full annual Environmental Reports indicating the rubber, oil and CO2 savings made by our fleet.

11. Equalities Impact

- 11.1 Tyretyte, who will be supplying services to the Council through Bundvulc, have confirmed that all their staff are paid in excess of the Council's Living Wage.

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List of background papers:

Version number:

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To: Delegated Decisions of the Board Member, Finance and Efficiency

Date: 4th November 2011 **Item No:**

Report of: Head of Direct Services

Title of Report: Award of contract for the supply of liquid fuel to Oxford City Council.

Summary and Recommendations

Purpose of report:

To grant delegated authority to the Executive Director for City Services to award a call off contract for the supply of liquid fuel following a mini tender through a national framework to source suitable suppliers. The new contracts will be for two years.

Key decision? No.

Executive lead member: Councillor John Tanner.

Policy Framework:

- Transform Oxford City Council by improving value for money and service performance
- Tackle climate change and promote sustainable environmental resource management

Recommendation(s):

Delegate authority to the Executive Director for City Services to enter into the new call off contracts for liquid fuel following the mini tender through a national consortia ,

1. Summary

- 1.1 This report sets out the procurement route being undertaken to appoint new suppliers to provide liquid motor fuel to the Council. The council has 2 fuel bunkering facilities and is the sole supply of fuel for all of its vehicle and plant fleet.

2. Background

- 2.1 Since October 2007, Oxford City Council has had a contract with Harvest Energy Ltd for the supply of bio fuels and additives. This contract has now expired and a new arrangement needs to be sought.
- 2.2 The Council currently purchases approximately 700,000 litres of 5% bio diesel and 25,000 litres of ultra low sulphur gas oil per annum.
- 2.3 The Executive Board approved the move from LPG to Euro 4 and 5 diesel powered vehicles under 3.5 tonnes gross vehicle weight (GVW) in October 2006. The majority of LPG/petrol vehicles have now been returned to the leasing company and replaced with diesel or sub 110g/km petrol vehicles; therefore the tender should seek agreements for the supply of liquid fuel products only, as purchase of LPG products are part of an existing supply agreement Flogas UK Ltd.

3. Tender Process

- 3.1 A mini tender using an EU compliant framework available to the Council is being undertaken on behalf of Oxford City Council and Cherwell District Council by Pro 5 who are the lead Government Buying Consortia. The mini tender is in progress and should be complete by December 2011.

Pro 5 will carry out the financial assessments and tender evaluation on our behalf and then provide both Council's with the information and a recommendation which the Council can then chose to accept or reject.

- 3.2 The evaluation methodology of the tender will be based on price, technical capability and conditions of contract as set out in the framework.

4. Savings

- 4.1 Tenderers have been requested to submit detailed financial proposals on their proposed pricing methodology. It is worth noting that the bulk supply of fuel is a high volume / low margin business with the difference in margins being between 2 and 4 pence per litre, meaning that the savings to be gained even on the supply of 500,000 litres per annum of diesel will amount to relatively small sums

5. Other Options

- 5.1 The Constitution and Procurement Strategy requires officers to advise what other options are available before giving project approval and awarding a contract of over £100K. These are detailed below:

Continue as we are - To remain compliant and ensure best value is achieved, the Council is obliged to make provision for a replacement contract.

Use an existing contract or framework set up by another organisation - Previous research showed that other local authorities of a similar size who had benchmarked prices on offer from organisations such as OGC did not produce savings on the prices achieved via their own tenders, particularly due to the low margin nature of the business.

6. Benefits of this Contract

- 6.1 The tender process will enable bidders to submit competitive pricing and tailor their offers to meet the Council's requirements. The contract will also require the provider to meet the Council's policy requirements.

7. Financial Implications

- 7.1 Vehicles using greater than the 5% blend of biodiesel may incur minor additional maintenance costs due to a 25% increase in the frequency of fuel filter changes. If the whole refuse fleet were to change to a blend of more than 5% the extra costs would not exceed £1,500 per annum.
- 7.2 The Council is currently paying a 1.70 pence margin per litre. The budget allocated to the supply of liquid fuels for 2011/2012 is £750,000 and a 26% increase has been built into the Direct Services budget. The Council service teams will make every effort to reduce vehicle mileage as part of our policy of reducing our carbon footprint.

8. Legal Implications

- 8.1 There are no legal implications as this contract will be tendered in accordance with the EU procurement regime.

9. Climate Change/Environmental Impact

- 9.1 The tender documentation provides the Council with the opportunity to buy higher blends of biodiesel (5-30%). Due to the nature and impact that bio fuel production can have on food prices any increase in the content of bio fuel in new supplies will be subject to approval by the Director.

10. Equalities Impact

- 10.1 Companies taking part in the OGC mini tender process comply with the Council's Living Wage policy..

11. Risk Management

11.1

Risk	Likelihood	Mitigation
The fuel supplier goes into administration	M	The framework has other suppliers on it that could be utilised should this happen
The price of fuel significantly increases	H	This has been considered as part of the budget setting process

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List of background papers:

Not applicable