

To: City Executive Board

Date: 3rd September 2008 **Item No:**

Report of: Strategic Procurement and Shared Services Manager

Title of Report: Award of Contract for the Supply and Installation of Playground Equipment to Oxford City Council

Summary and Recommendations

Purpose of report: To grant project approval and delegated powers to award to the Executive Director of City Services for the supply and installation of playground equipment to Oxford City Council

Key decision? Yes

Executive lead member: Councillor Antonia Bance, Social Inclusion and Young People

Report approved by: Councillor Antonia Bance
Tim Sadler, Executive Director of City Services

Finance: Mark Jones, Finance and Asset Management
Legal: Lindsay Cane, Legal and Democratic Services

Policy Framework: Be an effective and responsive organisation, providing value for money services.

Recommendation(s):
That the City Executive Board agrees:

- 1) To grant project approval for a contract for the supply and installation of playground equipment to Oxford City Council.
- 2) To the contract being awarded to suitably qualified and experienced suppliers (framework agreement) for 3 years commencing on 1st October 2008 with an option to extend the contract by up to 1 year.
- 3) To grant delegated powers to award the contract to the Executive Director of City Services.

1 Background

- 1.1 The Council manages 90 equipped play areas in the city and around 50% of these require refurbishment, including the replacement of the playground equipment and the development of natural play areas.
- 1.2 The Council is putting in place a programme of development to refurbish these play areas which will include the replacement of playground equipment.
- 1.3 Until now, each time there has been a requirement to replace playground equipment, quotes have been obtained for each discreet project, and treated as a separate purchase. To support the streamlining and improvement of our procurement arrangements a tender exercise has been undertaken jointly by the Procurement Team and Parks Services.
The objective of putting in place a framework agreement is so that contracts can be put in place with a number of suppliers who will supply and install all our playground equipment requirements for the next 3 years with the option to extend for up to a further year. The maintenance of the equipment will be established in the contract for the playground refurbishment project.
- 1.4 The existing playground refurbishment programme led to the Council going out to tender for Playground Equipment in April 2008 and will now form part of a much larger play area refurbishment programme which arose from a policy change following the May elections.

2 Tender Process and Evaluation

- 2.1 An advertisement was placed on the Councils website, the local press, a trade journal and the Official Journal of the European Union in April 2008. It was agreed that the tender should be let under the restricted process with companies being invited to complete a pre-qualification questionnaire (PQQ) ahead of being invited to tender.
- 2.2 The evaluation panel is made up of Officers from both the Procurement Team and Parks Services with both parties contributing to the design of the PQQ and the tender documents. These Officers will also mark the tenders and agree on the award recommendation.
- 2.3 The evaluation panel has determined the relevant financial and technical evaluation criteria that will provide the most economically advantageous contract, with 40% of marks being awarded for the pricing offer and 60% of marks awarded for evidence of quality. Suppliers must demonstrate that they are technically and operationally competent and able to meet the specification, while also demonstrating an innovative and financially attractive package that will take the service provision forward for the Council.
- 2.4 The evaluation panel are due to make their award recommendation by the 17th September to ensure that we can meet the scheduled contract start date of 1st October 2008.

3 Other Options

3.1 The Constitution and Procurement Strategy advises that the Executive Board considers what other options are available before giving major project approval and awarding a contract over 100K. These are detailed below.

3.2 Continue as we are

This does not comply with EU legislation or our own Constitution. It is also not best practice to obtain repeated quotes and not offer ongoing work.

3.3 Set up an agreement with a single supplier

This would also limit the type of equipment that the Council could purchase. For the Council to provide value for money, ensure the reliable supply and installation of playground equipment within the required timescales, having only a single supplier would not meet our needs. There is also an element of risk in having a single supplier, especially if their access to certain commodity markets was restricted.

3.4 Use a contract set up by another organisation

There are no other contracts in place that would meet our requirements. With this in mind the Procurement Team has advertised this contract to enable other public sector bodies and voluntary and community groups to be able to use it.

4 Benefits of this contract

4.1 With global demand for raw materials and fuel costs at an all time high, this contract will, by annually fixing prices, provide savings and increase the accuracy of budgeting by managing the effects of inflation and rising commodity prices for future years.

4.2 Due to this contract being a framework agreement, it will allow each play area to be designed to meet area needs. The community will be consulted (as part of the play area refurbishment programme) on the type and range of equipment they would like to see in their play area.

4.3 This contract will allow the Council to ensure that the equipment purchased meets our environmental and sustainable requirements. For example the tender documents are weighted towards the use of recycled products and any equipment made from wood must bear the FSC mark. Tenderers are asked to comply with the Environmental Protection Waste Transfer Regulations when working on site. Questions have also been asked about how tenderers manage their supply chains and also about their attitude towards corporate and social responsibility.

5 Risk

5.1 In order to effectively manage the risks of supply and price increases over the contract lifetime the successful suppliers will agree to fix prices annually, providing evidence of benchmarking of their prices against market rates.

By its very nature a framework agreement does not limit us to 1 supplier, it therefore spreads the risk.

6 Financial Implications

- 6.1 Through this contract we are estimating that there is a potential saving of a minimum of 5% per year through having fixed pricing arrangements in place. This will equate to at least £30,000 over the 3 years, enabling the Council to re-invest this into the play area refurbishment programme.

7 Legal Implications

- 7.1 This contract has been tendered in accordance with the EU procurement regime. It therefore complies with both the Councils own procurement requirements and external regulation.

8 Staffing Implications

- 8.1 There are no staffing implications.

9 Other means of achieving this objective

- 9.1 Other means of achieving this objective are explained in paragraph 3.

10. Recommendations

That the City Executive Board agrees:

1) To grant project approval for a contract for the supply and installation of playground equipment to Oxford City Council.

2) To the contract being awarded to suitably qualified and experienced suppliers (framework agreement) for 3 years commencing on 1st October 2008 with an option to extend the contract by up to 1 year.

3) To grant delegated powers to award the contract to the Executive Director of City Services.

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List of background papers: None

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