

To: City Executive Board

Date: 7th January 2009 **Item No:**

Report of: Head of Oxford City Homes

Title of Report: Award of Contract for the Supply of Electrical Materials 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 of Electrical Materials to Oxford City Council

Key decision? No

Executive lead member: Councillor Ed Turner

Report approved by: Councillor Ed Turner
Tim Sadler, Executive Director City Services

Finance: Dave Higgins
Legal: Lindsay Cane

Policy Framework: Oxford City Council Corporate Plan
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 the supply of Electrical Materials to Oxford City Council
- 2) To delegate, to the Director City Services, the authority to award the contract for the supply of Electrical Materials to Oxford City Council.
- 3) To the contract being for 2 years commencing on 1st June 2009 with an option to extend the contract by up to a further year.

1 Background

- 1.1 Oxford City Council currently employs Wilts Electrical Ltd, to supply Electrical Materials.
- 1.2 The contract has worked well for the last two years, however the contract between Wilts Electrical Ltd and the Council has recently expired and Oxford City Council are accessing their supply through the framework agreement that is available through the Office of Government and Commerce (OGC). It is now necessary to re-tender the contract.
- 1.3 Last financial year Oxford City Council spent £400,000. It is for this reason that City Executive Board approval is sought for the project approval and award of this 2-year contract.

2 Tender Process

- 2.1 As specified in 1.3, the value of the contract meant that an advertisement was placed in the Official Journal of the European Union, local press and on the Council's website.
- 2.2 The evaluation panel is made up of Officers from both the Procurement Team and the Oxford City Homes Stores team. These Officers are also marking the tenders and will agree on the award recommendation.
- 2.3 The evaluation panel have 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.
- 2.5 This contract has been advertised so that other Councils located within Oxfordshire and Buckinghamshire can use it. West Oxfordshire District Council has requested to use this contact, and South Oxfordshire and the Vale of White Horse District Councils have also been included in the tender process.
- 2.6 The evaluation panel are due to make their award recommendation by mid March 2009.

3 Other Options

- 3.1 The Constitution and Procurement Strategy advises that City 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

The OGC Framework is shortly due to expire, so alternative arrangements must be made.

3.3 Use a contract set up by another organisation

The only suitable contract is available via the Office of Government and Commerce (OGC) and is shortly due to expire. Executive Board is asked to note that the pricing schedule achieved by the initial Oxford City Council contract was more competitive than that of OGC, which is why it is recommended that the Council undertakes its own tender.

4 Benefits of this contract

4.3 By collaborating with neighbouring Council's it is reasonable to expect a more competitive pricing proposal from the successful supplier.

4.4 The specification has made provision for a 3 monthly review of the price of electrical cable. This is due to the fluctuation in the price of copper and will prevent the Council from getting tied into a fixed high price.

4.5 With the possible collaboration of other Councils, it is realistic to expect to achieve a 2% saving on the previous contract value, which will equate to approximately £10,000.

5 Financial Implications

5.1 The contract award will contain inflation increases to within the existing budget proposals.

6 Legal Implications

6.1 This contract is being tendered in accordance with the EU procurement regime. It therefore complies with both the Council's own procurement requirements and external regulation.

7 Staffing Implications

7.1 There are no staffing implications.

8 Risk

8.1 There are no medium or high risks associated with this contract.

9 Other means of achieving this objective

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

10 Recommendations

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List of background papers: None

Version number: 2

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