

To: City Executive Board

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

Report of: Strategic Procurement & Shared Services Manager

Title of Report: Award of Contract for the Supply of an Electrical Fixed Wire Installation Testing Service 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 Regeneration, for the supply of an Electrical Fixed Wire Installation Testing Service to Oxford City Council

Key decision? No

Executive lead member: Councillor Ed Turner

Report approved by: Councillor Ed Turner
Mel Barrett, Executive Director City Regeneration

Finance: Andy Collett
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 provision of an Electrical Fixed Wire Installation Service to Oxford City Council
- 2) To delegate, to the Executive Director City Regeneration, the authority to award the contract for the provision of an Electrical Fixed Wire Installation Testing Service to Oxford City Council.
- 3) To the contract being for 3 years commencing on 1st April 2009 with an option to extend the contract by up to 2 years.

1 Background

- 1.1 Oxford City Council currently employs Southern Electric Company, to provide an Electrical Fixed Wire Installation Service.
- 1.2 The Section Manager, Building Design & Construction, in conjunction with the Procurement Team has approved that a longer contract for this service be put in Place, in order to achieve increased value for money for the Council.
- 1.3 The Council currently spends up to £150,000 a year, including remedial works on Fixed Electrical works across all of it's building stock. It is for this reason that City Executive Board approval is sought for the project approval and award a contract for up to 5 years.

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, trade press and on the Council's website.
- 2.2 The evaluation panel is made up of Officers from both the Procurement Team and the Building, Design and Construction 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.
- 2.4 The short – listing has taken place from the pre-qualification stage and 12 suppliers are being invited to submit tenders. Of those 12, 3 suppliers are located locally.
- 2.5 The evaluation panel are due to make their award recommendation by mid February 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

If we continue with the current service, the contract threshold value, as specified by the European Procurement Law, will be exceeded putting the Council in breach of Procurement regulations.

3.3 Use a contract set up by another organisation

The only suitable contract is available via the Office of Government and Commerce (OGC). The Procurement Team has benchmarked against this contract and is currently achieving more competitive rates. The OGC contract is due to expire in the next couple of months and there is no current plan to re-tender it.

4 Benefits of this contract

4.3 By offering a 3-year contract (with the opportunity to extend for a further two years) it is reasonable to expect savings in the region of 2% on our current spend. Other benefits that this length of contract offers are a level of regular business for the successful contractor, which will enable both parties to work together to identify future efficiencies. This contract will also achieve administrative efficiencies such as consolidated billing.

4. The specification also includes the option to quote for any remedial works, which may be required as a result of the testing. This will reduce the time spent seeking alternative quotations for such works, however the Council still has the option of seeking alternative quotations if the supplier is unable to carry out the works or the quote is deemed uncompetitive.

5 Financial Implications

5.1 The existing arrangements are funded from the electrical testing revenue budget on an ongoing basis. In the event that procurement savings are achieved, the financial position will be improved.

6 Legal Implications

6.1 This contract has been 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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- 3) To the contract being for 3 years commencing on 1st April 2009 with an option to extend the contract by up to 2 years.**

List of background papers: None

Version number: 2

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