

To: City Executive Board

Date: 1 September 2010 **Item No:** 15

Report of: Head of Policy, Culture and Communications

Title of Report: Award of a Contract for the Lease of a Christmas Lighting Scheme for Oxford City Centre

Summary and Recommendations

Purpose of report: To grant approval and delegated powers to award the contract to lease a Christmas lighting scheme. The selected contractor to supply and maintain the lights for Oxford City Council.

Key decision? No

Executive lead member: Councillor Bob Price

Report approved by: Chief Executive

Finance: Emma Burson
Legal: Lindsay Cane

Policy Framework: Oxford City Council Corporate Plan:
Be an effective and responsive organisation, providing value for money services.
Improve the environment, economy and quality of life

Recommendation(s): That City Executive Board:

- 1) Grant project approval for the lease of a Christmas lighting scheme in Oxford City Centre.
- 2) Authorise the award of a contract to Blachere Illuminations UK Ltd for up to 3 years subject to funding for the scheme being available each year.

1.0 Background

1.1 In 2008 Oxford City Council abandoned its policy of owning and storing its own Christmas Lights on the basis of costs and efficiency, and opted instead to enter into a leasing agreement with a lighting company. The leasing arrangement offered a number of significant benefits:

- This ensured a fixed annual cost for the duration of the contract, making budgeting easier;
- There is no need for the Council to store lights, as upon de-installation in January the lights will be returned to the supplier;
- There may be an opportunity to attract external funding to improve the lighting scheme year on year;
- By leasing lights any Health and Safety and insurance risk is borne by the contractor.

1.2 For the past 2 years, Oxford City Council Christmas Lights were leased from Lamps and Tubes Ltd. However, due to the value of this project it was necessary to tender a 3 year contract.

2.0 Tender Process

2.1 A Christmas lighting budget of £41,645 for 2010/11 was approved by Council in February 2010.

2.2 Subsequently, the Council's Procurement Team has facilitated an open procurement tender process on behalf of the Council and in line with the Council's Constitution.

2.3 The contract was advertised for up to 3 years at an estimated total cost of £120,000 which is below the Official Journal of the European Union (OJEU) threshold.

As part of the tendering process contractors were required to put forward lighting schemes that would:

- Be unique and exciting whilst still maintaining the distinctive character of the city centre environment.
- Be innovative in terms of minimising the scale and cost of annual erection and de-rigging.
- Minimise carbon emission / maximise energy efficiency through e.g. use of low energy LEDs and other methods of minimising excessive waste and heat energy; in line with the 'Sustainable Christmas' theme proposed for Oxford's Christmas 2010 events.

- 2.4 Five tenders were received and were evaluated in accordance with the Council's Procurement Strategy. Tenders were scored on the "most economically advantageous" basis with 60% of the marks allocated to the quality of the submission and 40% to the price. The scores reflect that the successful tender, Blachere Illuminations UK, received the highest marks for both quality (173 marks) and price (120 marks), giving a cumulative score of 293 marks out of a possible 300. Details of the tender scores can be found in Appendix 1.
- 2.5 The panel agreed unanimously that Blachere Illuminations UK Ltd offered the most substantive, high quality lighting scheme for the budget. Their proposal also provides greater potential savings over the three year period with the potential to reinvest this into developing new innovative lighting elements.
- 2.6 Blachere Illuminations UK Ltd also put forward innovative proposals for complementary lighting elements that tie in well with Oxford's 'Green Christmas' agenda and that could be developed in conjunction with community arts initiatives.
- 2.7 In terms of energy efficiency, their proposals were bettered by one other contractor. However, the proposed cost of £500 to run the displays, based on 9 hours per day for 6 weeks is still competitive. In addition Blachere's hold the European patent on energy efficient LEDs, with their unique 320 degree span offering greater light diffusion and visual impact.

3.0 Scheduling

- 3.1 The Council will need to award the contract by the end of September 2010 to ensure that there is enough time to implement the scheme.

4.0 Financial Implications

- 4.1 The Council currently has a budget of £41,645 to fund Christmas lights in the city centre for 2010/11. The cost of the Blachere proposal is under budget for each year should the funding remain for the full three years and will allow an additional £1000 saving to be made during 2010 /11 towards in year efficiencies. The cost of the lights in years 2 and 3 of the contract are lower as the project is front loaded to cover installation costs of the electronic and mechanical infrastructure for the lighting system.
- 4.2 There is further scope to reduce the number of decorations offered by selecting alternative designs with the supplier without incurring penalties however this will have an effect on the visual impact of the display.

5.0 Legal Implications

- 5.1 This contract has been tendered in line with the Council's Constitution and will be awarded with the ability to terminate the contract each year without penalty.

6.0 Staffing Implications

6.1 There are no staffing implications with this contract.

7.0 Other Options

7.1 The Constitution and the Procurement Strategy advises that the City Executive Board should consider what other options are available before granting project approval and awarding a contract over £100K. These are detailed below:

7.2 Continue As Was Are

The contract that has been used by Oxford City Council has expired. To continue any arrangement will therefore require a new contract.

7.3 Do Nothing

By not having a Christmas Lighting scheme in the City Centre, savings of £120K will be made over 3 years. However, Christmas celebrations would be somewhat muted.

8.0 Recommendations

- 1) Grant project approval for the lease of a Christmas lighting scheme in Oxford City Centre.
- 2) Authorise the award of a contract to Blachere Illuminations UK Ltd for up to 3 years subject to funding for the scheme being available each year.

Name and contact details of author: Colin Reid 📞 01865 252590
email: creid@oxford.gov.uk

Background papers:

Annex 1 – Summary of Tender Scores

Annex 1 – Christmas Lights City Centre Tender Evaluation Scores

		Score				
		Tender 1	Tender 2	Tender 3	Tender 4	Tender 5
Section A						
Section 1	Contact Details	8	8	8	8	8
Section 2	Applicants Business Details	12	13	11	13	12
Section 3	Experience, Technical Capacity and Ability	48	50	32	52	8
Section 4	References	9	9	9	9	9
Section 5	Financial Details	18	18	18	18	18
Section 6	Insurance	2	2	2	2	2
Section 7	Health & Safety and Equal Opportunities	46	46	39	46	46
Section 8	Corporate & Social Responsibility	10	10	5	10	4
Section 9	Business Continuity	9	10	5	10	0
Section 10	Trade & Professional Bodies	3	3	0	3	3
Section 11	Freedom of Information Act	1	1	1	1	1
Section 12	Undertaking	1	1	1	1	1
	Quality Total (60% of the allocated marks)	167	171	131	173	112
Section B	Financial Proposal (60% of the allocated marks)	116	110	117	120	112
	Total (300 Marks Available)	283	281	248	293	224

Proposed award to tenderer 4.

Tenderer 4 received the highest marks for both quality (173 marks) and price (120 marks), giving a cumulative score of 293 marks out of a possible 300