

To: **City Executive Board**

Date: **26 May 2015**

Report of: **Executive Director, Community Services**

Title of Report: **Bid for civil engineering element of a direct heat link between two large local employers buildings**

Summary and Recommendations

Purpose of report: To seek approval to submit a bid for the civil engineering works associated with a proposed direct heat link between two large local employers' buildings, as the potential value of the bid exceeds delegated authority levels.

Key decision? No

Executive lead member: Councillor Ed Turner, Board member for Finance, Asset Management and Public Health

Policy Framework: Corporate Plan

Recommendations: That the City Executive Board

1. Authorises the submission of a bid for the civil engineering work referred to in this report
2. In the event that the bid is successful, grants delegated authority to the Executive Director, Community Services, in consultation with the Council's S151 Officer and Monitoring Officer, and subject to the contract making a satisfactory contribution towards central overheads, enter into an appropriate contract for the supply of relevant civil engineering works as identified in the Not for Publication Appendix.

Appendix 1: Not for publication Tender for the civil engineering work.

Introduction

1. The City Executive Board approved a report in September 2011 which set out a framework for expanding income generation through service supply to public sector bodies and charging for discretionary services.
2. Since that time ambitious but achievable targets for income generation have been included in the Council's Medium Term Financial Strategy.

3. The City Executive Board approved proposals to provide services to public sector bodies and to charge for the provision of discretionary services. Where the value did not exceed £100,000 the decision was delegated to officers.
4. This report seeks approval to make a bid, and if successful, to enter into contractual relations as a sub-contractor of a contractor engaged by two local large scale employers to provide certain engineering services, as the potential value of the services to be provided exceeds that figure.

Proposal

5. Under the terms of the proposed contract, Direct Services would provide appropriate labour, plant, materials, site supervision and management resource to undertake the civil engineering element of the proposed direct heat link.
6. Direct Services would establish a dedicated team of operatives to run and deliver the contracted service supplemented by additional resources within the current supply chain. It is not envisaged that any additional management resource will be necessary to service this contract.
7. A briefing for members on the commercial opportunities and risks is set out in the separate appendix attached, which is exempt from publication.
8. This report seeks a delegation of authority to the Executive Director, Community Services, in consultation with the Council's S151 Officer and Monitoring Officer to enter into the proposed sub-contract, if the Council's bid is accepted. It is not possible at this stage to seek approval to the proposed sub-contract itself as due to the timing of the tender release and submission it will be necessary to continue work on the exact detail of the submission post the date of this report.

Legal Implications

9. In entering into this proposed arrangement, the Council would be relying on the provisions of s93 of the Local Government Act 2003, which permits the Council to charge for the provision of discretionary services, subject to certain constraints. The body ultimately procuring the overall works is, however, a public sector body.

Financial Implications

10. The bid for the work is calculated to provide a contribution to departmental overheads as a minimum. The contribution made will be monitored on a monthly basis by the Council's Trading and Development Board and reported to Members on a quarterly basis through normal budget monitoring

11. Supply of these services would make a useful contribution to the income targets currently set in the Council's Medium Term Financial Strategy of £4.2 million for 2015/16.

Equal Opportunities Policies

12. All relevant Council policies such as the Oxford Living Wage and Apprenticeships will be applied to the delivery of these services and will be costed into the proposal.

Conclusion

13. The delivery of this contract would bring both an income opportunity and some limited amount of risk. The Council's approach is to balance this by seeking to achieve an appropriate contribution to overheads and ensuring that sufficient resources are deployed to mitigate risks.

Name and contact details of author:-

Name: Shaun Hatton

Job title: Highways and Engineering Manager

Service Area: Direct Services

Tel: 01865 252927 / 07710384746 e-mail: shatton@oxford.gov.uk

Background Papers: None

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