

To: City Executive Board
Date: 17 March 2016
Report of: Head of Property & Housing
Title of Report: Award of 2 Key Service Contracts

Summary and recommendations	
Purpose of report:	To seek delegation to award two contracts to deliver: Water Monitoring Services and Lift Service and Maintenance Services to the Council.
Key decision:	Yes
Executive Board Member:	Councillor Mike Rowley, Board Member for Housing
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Housing Strategy
Recommendation(s): That the City Executive Board resolves to:	
<p>1. Delegate authority to the Executive Director Regeneration & Housing, after consultation with the Monitoring Officer and s151 Officer, following completion of the EU-compliant tender process described in this report, to award:</p> <p style="margin-left: 40px;">a) Water Monitoring Services Contract</p> <p style="margin-left: 40px;">b) Lift Service and Maintenance Contract</p>	

Appendices	
Appendix 1	Risk Register

Introduction and background

1. The water monitoring contract, which ensures the prevention, risk management and control of legionella and associated services is shortly due to expire. Associated services encompass any remedial works that may be required to comply with changing regulations surrounding legionella. This contract has been in place for 3 years and is coming to the end of its extension period which terminates on 31 March 2016.
2. The lift service and maintenance contract has already terminated and is currently being covered at a reduced service level by the previous supplier for the same

price. The contract terminated over a year ago and the reason for the delay in re-tendering has been due to the difficulty in appointing a specialist lift consultant to undertake detailed condition surveys on each of the Council's lifts. The Council went out to competitive quotation in order to source a specialist consultant but initially received no responses. Consequently the process had to be re-run and resulted in 1 submission. Information crucial to the tender specification so that suppliers can price accurately.

3. In order to maintain legislative compliance regarding water monitoring and to ensure the safe operation of lifts in Council properties, both contracts are currently being re-tendered. At the time of writing this report the tender process is on-going, therefore it is necessary to seek delegated authority to award these contracts.

4. Tender Process

An EU open tender process is being conducted, separately for both opportunities, using the South East Business portal. There are no suitable framework agreements that the Council is able to utilise.

5. Evaluation Criteria

The evaluation criteria for both opportunities has been set at 60% quality and 40% price, with the quality section questions seeking to examine how the tenderer will meet the service needs of each contract. Each question is weighted to reflect the importance of the criterion and the Council's standard 0-5 scoring mechanism is being used.

6. Contract Rules Compliance and Financial Assessment

Both opportunities will be call off contracts and a financial assessment will be carried out on the successful tenderers

7. Financial implications

The budget available for the contracts is as follows:

Lift Service and maintenance - £110,520 per annum. Based on a 5 year contract term this equates to a potential total contract spend of £552,600.

Water Monitoring - £93,980 per annum. Based on a 5 year contract term this equates to a potential contract spend of £469,900. This estimated contract value has been calculated on historic spend data and although the Council is expecting less work to be carried out during the next contract term, market intelligence indicates that there has been a rise in current pricing which could be as much as 20% higher than the previous contract. The previous contract had benefitted from a 3 year fixed price arrangement.

8. Legal Issues

In order for the Council to comply with regulations surrounding water monitoring services, specifically the control of legionella, the regulatory requirements have clearly been stated in the specification. Both tender processes are following the EU open tender process and have been competitively advertised in the Official Journal of the European Union, the South East Business Portal and Contracts Finder.

9. Level of Risk

Please refer to the risk register

10. Equalities Impact

A full impact assessment is not relevant to this report, however, both sets of tender documentation have safeguarding requirements that suppliers will have to comply with.

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Background Papers: None

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