

Report to: Cabinet

Date: 6 February 2019

Title: Contract Procedure Rules Waiver to Appoint Business Stream for Supply of Water and Sewerage Services

Report of: Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet member: Councillor Colin Swansborough

Ward(s): All

Purpose of report: To seek Cabinet approval for an additional one year Contract Procedure Rule waiver to appoint Business Stream for supply of Water and Sewerage Services.

Decision type: Non-Key

Officer recommendation(s): (1) To approve an additional one year waiver as per clause 2.4 of the Contract Procedure Rules to appoint Business Stream for supply of Water and Sewerage Services.

(2) To approve the Accountable Officer to sign an additional one year waiver to appoint Business Stream for supply of Water and Sewerage Services

Reasons for recommendations: (1) Data is not yet available to enable an effective procurement exercise.

(2) A Water Regulator review is due in April 2020 which may reduce wholesale costs.

(3) Potential for procurement exercise via Clear Sustainable Futures for all the Councils Utilities.

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1 Introduction

- 1.1 With the introduction of Corporate Landlord, the Council reviewed the method of how utility invoices are received and processed across all service areas, and a process of receiving monthly paperless consolidated invoices has been initiated.
- 1.2 The non domestic water market was opened for competition from April 2018, at

which time PFSS put in place a one year Contract Procedure Rule (CPR) waiver with Business Stream for the supply of Water and Sewerage services.

- 1.3 Business Stream was one of the Council's incumbent suppliers of Water and Sewerage services. With the then pending merger of the Council's finance teams and IT systems in April 2018, and the resulting requirement to develop an electronic consolidated billing solution, a contract solution was required which gave consistency of supply, good customer service and value for money; this solution is working as expected.

2 Proposal

- 2.1 The proposal is to extend the arrangement with Business Steam for one more year up to 31st March 2020 across both LDC and EBC via a new CPR waiver. This one year extension will enable the following:-

- To address any outstanding data quality issues and to enable the Councils to have accurate data for an effective procurement exercise for these services post April 2020;
- Continuation of supply, service and costs via Business Stream;
- To enable further liaison with Clear Sustainable Futures (CSF) for the procurement of all the utilities energy and services procurement across the estate;
- To enable the Councils to use an existing framework agreement for the supply of Water and Sewerage services if CSF procurement is not pursued; and
- To enable the Councils to procure their own contract for the supply of Water and Sewerage services if CSF procurement is not pursued.

- 2.2 The estimated costs for the one year waiver for EBC is £146,000

3 Outcome expected and performance management

- 3.1 The expected outcome of the one year waiver is the continuity of supply, customer service and security of costs for the Council.
- 3.2 The level of support prior and since the implementation of the existing waiver has been exemplary, and this is expected to continue in the additional year.

4 Consultation

- 4.1 The Council has been in discussion with CSF regarding the procurement of utilities, whose recommendation was to continue with existing arrangements where possible to 2020 when, working with LDC and EBC, they would review the Councils' utility requirements.

5 Corporate plan and council policies

- 5.1 This proposal supports the main aims of the Council and Corporate Plans 2016-2020 by putting in place arrangements that will enable officers to deliver value for money supply, service and costs through existing arrangements prior to a

review in 2020.

6 Business case and alternative option(s) considered

- 6.1 There are two possible frameworks which the Council could undertake a procurement exercise on, these being with Crown Commercial Services and Laser Energy; both these options involve undertaking mini procurements rather than direct award. Due to the uncertainty of the Councils' data quality, it is believed these options would expose the Councils to increased costs due to the supplier adding risk into its pricing based upon inaccurate data.

7 Financial appraisal

- 7.1 There are no financial implications to the recommendations being made in this report as all costs are contained within existing budgets.

8 Legal implications

As the estimated value of this contract is under the EU threshold for public procurement, direct award of the contract is permitted under the Council's constitution via clause 2.4 of the Contract Procedure Rules. Due to the nature of the waiver, Cabinet approval is required. Procurement team to consult with legal services where necessary.

Legal advice provided under matter ref: 007678-JOINT-CEC

9 Risk management implications

- 9.1 The recommendations in this report present low-risk proposals and will allow continuity of supply, customer service and security of costs for the Council.

10 Equality analysis

- 10.1 There are no equality impacts as a result of the recommendations of this report.

11 Appendices

None

12 Background papers

None