

Report of Head of Facilities Management

Report to Chief Officer, Civic Enterprise Leeds

Date: 22nd May 2015

Subject: Supply of plumbed in chilled water machine contract

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Killingbeck and Seacroft Headingley, Burmantofts and Richmond Hill	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The current contract for the supply of chilled water machines is due to expire in July 2015. This report seeks approval to waiver CPR 7.1 to extend the current contract for a period of 6 months to allow time for a mini tender exercise to completed and for a new contract to be awarded.

Recommendations

2. The Chief Officer Property and Fleet is recommended to approve the waiver of CPR 7.1 to extend the contract for a period of 6 months from July 2015 to Horizon Water for the supply of plumbed in chilled water machines at a cost of £9,000.

1.0 PURPOSE OF THIS REPORT

- 1.1 To seek approval of the Chief Officer Property and Fleet to waiver CPR 7.1 to enter into a contract for plumbed in chilled water machines with Horizon for a period of 6 months from July 2015.

2.0 BACKGROUND

- 2.1 The current plumbed in water machine contract is due for expire at the end of July 2015 and there is no option to extend. The current provider Horizon Water has been the sole provider to the Civic Buildings portfolio for the last 3 year. Since the award of the contract other council services have also accessed the contract to procure machines. The contract was awarded using Buying Solution Framework based on Best Price.

3.0 MAIN ISSUES

- 3.1 In July 2012 a contract was let for 3 years to July 2015 for the supply of plumbed in chilled water machines for the Civic Building portfolio. It has become apparent that since the original contract was let that other Council Services are now accessing the contract for the installation of machines.
- 3.2 In order for a new procurement exercise to take place Facilities Management will work with the Procurement Unit to carry out a City Wide spend analysis in order to determine to estimated costs of the new contract.
- 3.3 The Procurement Unit have indicated that in order to carry out the spend analysis and carry out a procurement exercise, that this will take approximately 6 months to complete.
- 3.4 Facilities Management wish to waiver CPR 7.1 and go into another contract with Horizon for 6 months to allow time to complete a tender exercise. The costs associated with this contract will be approximately £9,000.

4.0 REASON FOR CONTRACTS PROCEDURE RULES WAIVER/INVOCATION

- 4.1 Contract Procedures Rules need to be waived in order for Facilities Management to put a 6 month contract in place with Horizon for the supply and maintenance of plumbed in chilled water machines.
- 4.2 Should the decision not to approve the waiver of CPR 7.1 the council will not have an approved contract in place. This will result in the council incurring additional costs to service and maintain the existing equipment. Service and maintenance of existing machines is currently included within the annual charge. This arrangement ceases at the end of the contract.
- 4.2 Not having a contract in place allows services to procure their own contracts through non approved suppliers.

5. LEGAL IMPLICATIONS

- 5.1 The Chief Procurement Officer has advised that it would be lawful for the Council to waive Contracts Procedure Rule 7.1 in these circumstances, provided that the Chief

Officer of Civic Enterprise Leeds is satisfied that there are compelling reasons to do so.

6. CORPORATE CONSIDERATIONS

6.2 CONSULTATION

6.1 Consultation has taken place with the Procurement Unit and should the waiver be approved then further consultation will take place with Horizon Water.

6.2 Equality and Diversity / Cohesion and Integration

6.2.1 An Equality Diversity and Community Cohesion impact assessment has been completed and there is no adverse impact to service users or the wider community.

6.3 Council policies and City Priorities

6.3.1 The services provided under this report will contribute to the "Best city To live" City Priority Plan.

6.4 Resources and value for money

6.4.1 The original tender award to Horizon Water was based on the lowest price submitted, this price is being maintained to cover the 6 month extension period and will apply for any new installations completed during the extension. This removes the risk of services being charged increased amounts for the same service.

6.5 Legal Implications, Access to Information and Call In

6.5.1 This report has no legal implications or any exempt or confidential information.

6.6 Risk Management

6.6.1 There are no particular risks in extending this contract.

7. RECOMMENDATION

The Chief Officer Property and Fleet is recommended to approve the waiver of CPR 7.1 to extend the contract for a period of 6 months from July 2015 to Horizon Water for the supply and maintenance of plumbed in chilled water machines, at a cost of £9,000.

8. Background Papers

DDN plumbed in chilled water machine report March 2012.

