

Authority to directly award a new contract for the Supply of Water Coolers via ESPO Framework 900 22.

Date: 20th September 2022

Report of: Head of Service Passenger Services / Cleaning / Facilities Management.

Report to: Chief Officer Civic Enterprise Leeds

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Summary

- The contract for the supply of water coolers is due to expire on 11th January 2023 with no opportunity to extend.
- Having a compliant contract will ensure compliant contractual spend and the new contract offers good value for money as Cooleraid Ltd have offered to hold their current contracted pricing for the duration of the new contract, which is more competitive than the base rate of the ESPO framework.
- Based on benchmarking the rate of the ESPO Framework against Cooleraid Ltd held pricing we will save 39% compared to what the prices could have risen to for plumbed in water coolers. The framework base rate and held rate for bottled water is the same. Please see confidential appendix 1 for further information on the benchmarking.
- Water Coolers are available to all employees and service users within Leeds City Council.
- A direct award to be utilised with the current contractor Cooleraid Ltd via the ESPO framework 900 22 Water Coolers.

Recommendations

The Chief Officer Civic Enterprise Leeds is recommended to approve a direct award to Cooleraid Ltd utilising the ESPO framework 900 22 – Water Coolers.

The new contract is due to commence on the 12th January 2023 for a period of 3 years, with a 1 x 12-month extension. Estimated annual value is £35,000, total value including extension is £140,000.

What is this report about?

1. The current contract with Cooleraid Ltd is due to expire on 11th January 2023, with no option to extend.
2. There's a clear duty on employers to provide drinking water at work, under the Workplace (Health, Safety and Welfare) Regulations 1992. The Regulations state that an "adequate supply of wholesome drinking water" must be provided, and that it be readily available at suitable and clearly marked places.

What impact will this proposal have?

3. This direct award will allow the Authority to have a compliant contract and will demonstrate the market has been tested and any new contract offers good value for money as Cooleraid have offered to hold their current contracted pricing for the duration of the proposed contract, which is more competitive than the base rate of the framework.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

4. By providing services for chilled drinking water this contract delivers the Councils priorities on valuing colleagues with an emphasis on their health and wellbeing offering a hydration station to everyone including visitors. The benefit of readily available chilled water helps in concentration levels and increases energy levels.
5. Inclusive growth will be met through the contracted supplier delivering on social value objectives asking Cooleraid Ltd to complete a Social Value Proposal as part of the direct award.
6. Through the introduction of primarily plumbed water coolers wherever possible will help to reduce the waste stream of freestanding water bottles and people bringing their own individual water supply, ensuring that the needs of all staff and members of the public who use of access council facilities are maintained in a safe and effective manner.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

7. The Head of Facilities Management and their representatives have been consulted throughout to determine how requirements will be met.
8. Facilities Management, PACS and the Project Team are working together and are collectively managing the specification of this procurement activity.
9. Consultation has taken place with colleagues in Procurement and Commercial Services, and those attending the CEL Weekly Assurance Meetings.

What are the resource implications?

10. The estimated spend arising from this procurement activity is in the region of £140k.
11. The next procurement exercise will be led by Facilities Management and the project management team. The Head of Facilities Management will manage this contract going forward.
12. Not to approve this request to give authority to directly award a new contract risks non-compliant spend, high prices and potentially effecting continuity of supplies. Sufficient resources are in place within Leeds City Council / CEL to effectively manage this contract.

What are the key risks and how are they being managed?

13. Not awarding this contract would mean there would be off contract spend in this area, this contract would ensure that a suitable supply chain would be in place for Leeds City Council. This will allow Leeds City Council to effectively deliver the services and comply with their SLA and statutory obligations.
14. Non-compliance with our legal requirements under the Workplace (Health, Safety and Welfare) Regulations 1992, to ensure there is an adequate supply of wholesome drinking water is provided and that it will be readily available at suitable and clearly marked places.
15. There is no particular risk in approving this procurement exercise.

What are the legal implications?

16. The procurement will be undertaken in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
17. This direct award will be placed on the Council's YORtender system, the Authority to Award this contract is a significant operational decision and not subject to call in.
18. PACS have advised there are no legal implications to directly award a new contract for the supply of water coolers via the ESPO framework 900 22 – Water Coolers.
19. In making their final decision, the decision maker should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

20. Do Nothing – We could just allow the contract to expire, however any future spend would then be considered as off contract. This does not seem to be a feasible option.
21. This is an office commissioning offer for employees within Leeds City Council and part of our health and wellbeing offer so there is not really an option not to reprocare.
22. Other options considered would be to go out to tender via the ESPO framework with pre-qualified providers, this option would be a more expensive option as a direct award with current provider Cooleraid Ltd offers a more competitive rate than the base rate of the framework. Insourcing water coolers would also not be a viable option. There is also less time spent on the tendering exercise which in return will save money.

How will success be measured?

23. Key Performance Indicators will be implemented and managed by Facilities Management.

What is the timetable and who will be responsible for implementation?

24. If approved the award will need to be in place for 12th January 2023 when the current contract comes to an end.

Appendices

25. [EDCI](#)

26. Confidential appendix 1 - Benchmarking

Background papers

None