

Cabinet Meeting	
Meeting Date	25 September 2019
Report Title	Contract award for the supply of water and sewerage services
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Anne Adams, Head of Property Services
Lead Officer	Charlotte Knowles, Commissioning Officer
Key Decision	Yes
Classification	Open
Recommendations	1. That the Cabinet approves the appointment of Business Stream as water and sewerage services supplier from 1 December 2019 for an initial period of 5 Years with the option to extend by up to two years.

1 Purpose of Report and Executive Summary

- 1.1 The commercial water market opened up to competition in April 2017 meaning that businesses, charities and public sector organisations in England are no longer restricted to buying water services from their regional monopoly. Instead, they can shop around, renegotiate, and find the right deal for them.
- 1.2 Swale Borough Council instructed Laser to run a mini competition through Lot 1 of their Framework Agreement (reference Y16045).
- 1.3 This report summarises the procurement process, its results and seeks Cabinet approval of the recommended contractor.

2 Background

- 2.1 The opportunity was sent to all retailers on the Framework on 28 June, the deadline for submission was 19 July and two responses were received. The submissions were evaluated by Laser. Assessment was based on the Most Economically Advantageous (Mini) Tender (MEAT). Scores were calculated with the following weightings:

Assessment Criteria	
Customer Service	43%
Added Value	27%
Pricing	30%

3 Proposals

3.1 The tender demonstrates a saving of approximately £1,200 per annum over the default tariff. Additional benefits are expected through the assurances of customer service provision received in responses. Through LASER's framework, the received customer service will be evaluated against Key Performance Indicators (KPIs), with the potential to enforce Poor Performance Remedies in cases of significant and prolonged poor customer service.

3.2 Responses were received from two suppliers on the framework. Both responses pointed to a good understanding of the portfolio and an improved customer service provision. Responses from each supplier were scored as follows:

Retailer	Quality of Service	Added Value	Pricing	Total
Business Stream	233	116	300	649
Company B	179	119	258	556

3.3 Business Stream were ranked highest overall. They submitted a price around 1% cheaper than the second bidder, and scored significantly higher in the Quality of Service section indicating a higher level of customer service. They submitted a particularly strong response for the monitoring and reporting of query response rates, which included monthly customer reporting, with good detail around customer contact and resolution plans being offered. Their on-line portal response was also quite strong, with query management included as well as the ability to view and generate custom reports for consumption and cost monitoring. This will mean improved management information and ensure that the Council will be using its water resources more efficiently.

3.4 They scored very slightly lower than the second bidder in the Added Value section, and neither submission offered any free Automatic Meter Reading (AMR) units, but Business Stream had a strong offering on AMR data availability, which can be accessed via an online portal and contained graphical data, which showed real business benefit. Their unscored response around cost for supply and installation of AMR equipment was of good quality, offering elements free and including a maintenance visit allowance.

3.5 A free tariff health check is carried out on contract award, and is repeated annually, as well as a quarterly desktop review which benchmarks your estate, highlights potential issues, and details sites that may benefit from closer consumption monitoring.

3.6 Business Stream are an organisation with over 370 directly employed staff and several other similar contracts with local authorities within Kent.

3.7 Cabinet is therefore requested to approve the proposal to enter into a contract with Business Stream for a period of five years with the option to extend by up to two further years.

4 Alternative Options

- 4.1 Not award the contract - The implication of this is that we would have to pay £1500 to Laser to allow them to recover their costs.

5 Consultation Undertaken or Proposed

- 5.1 The Property Services team have been heavily involved throughout the process.

6 Implications

Issue	Implications
Corporate Plan	Good management of utilities is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	<p>The proposed contract represents an estimated £1200 saving per annum based on the current contract and meets the current budget available.</p> <p>Anticipated annual spend on the contract is £75,000. The total contract value for the seven years (if extended) is therefore, estimated at around £525,000, depending on consumption.</p>
Legal, Statutory and Procurement	<p>The Laser Framework Agreement is a compliant procurement route. The procurement has been carried out in accordance with the Public Contract Regulations 2015.</p> <p>Public Services (Social Value) Act 2012 – Since 2008 Business Stream has helped businesses and public sector organisations save over £128 million and reduce their water consumption by over 38 billion litres. The Council’s dedicated account manager will work with us to create a tailored water efficiency programme.</p> <p>Quarterly desktop reviews will be undertaken which benchmark the Council’s estate, highlight potential issues, and detail sites that may benefit from closer consumption monitoring.</p>
Crime and Disorder	None identified at this stage.
Environment and Sustainability	See Public Services (Social Value) Act 2012 above.
Health and Wellbeing	None identified at this stage.

Risk Management and Health and Safety	<p>When the Framework was set up, Laser ensured that suppliers were fully competent, particularly in the area of health and safety.</p> <p>The risks associated with this decision have been considered in accordance with the Council's Risk Management Framework. We are satisfied that the risks associated are being appropriately managed, and will be monitored in accordance with the Framework.</p>
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 None

8 Background Papers

8.1 None