

FORM 1

NOTICE OF DELEGATION OF DECISION TO CABINET MEMBER BY STRONG LEADER

Section 15(4) of the Local Government Act 2000, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

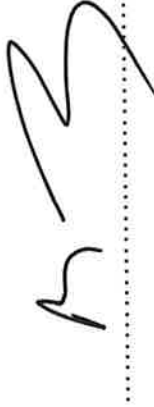
I, M. Hart, as Strong Leader, delegate the decision to the Cabinet Member detailed below:

Cabinet Member for Resources, Councillor Nathan Desmond

Dated:

6th October.

Signed:



Leader of the Council

FORM 2

NOTICE OF DECISION OF CABINET MEMBER

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me / by the Leader (delete as appropriate), I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Contract for Water Supply from April 2017	Approve the tender evaluation and entering into a contract with Yorkshire Purchase Organisation (YPO) for the supply of water.	To ensure the Authority has a water supplier, the English water retail market has opened itself up to competition from April 2017. YPO having been working Crown Commercial Services and other Public Buying Organisations to create a joint compliant route to market	

I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.

11/10/16


Dated:

Signed:

Councillor Nathan Desmond, Cabinet Member for Resources

WYRE FOREST DISTRICT COUNCIL

CABINET DECISION FOR STRONG LEADER APPROVAL SEPTEMBER 2016

Contract for the supply of Water

To: Cabinet Member for Resources, Councillor Nathan Desmond

From: Chief Executive

Date: 29th September 2016

1. PURPOSE OF REPORT

- 1.1 To seek approval to progress the procurement of water supply for Wyre Forest District Council now that the English water retail market has opened itself up to competition from April 2017. The Water Bill received Royal assent, becoming the Water Act 2014. The overarching aim of the Act is to introduce competition into the water market in England from 2017.

2. RECOMMENDATION

The Cabinet Member is asked to DECIDE:

- 2.1 To authorise the entering into a contract for the provision of water with the Yorkshire Purchasing Organisation (YPO) who are working with Crown Commercial Services and other Public Buying Organisations to create a joint compliant route to market in accordance with the details within this report.

3. BACKGROUND

- 3.1 The Council's current purchases its water supply from Severn Trent Water..
- 3.2 YPO have been developing in collaboration with other purchasing organisation a water supply and waste water disposal framework in preparation for the retail market opening itself up for competition in April 2017.
- 3.3 The intention is to Award the contract in November 2016 ready for customers to use and award contracts in preparation for competition opening in April 2017.
- 3.4 YPO and the collaborative group have been working with suppliers, customers and Policy makers to influence Water Market policy (OFWAT and DEFRA) and to ensure that the framework developed will meet our needs and be compliant with EU Procurement directives, and allow us to receive the best possible value contract.
- 3.5 In accordance with Contract Procedure Rule 17, officers have established that a relevant framework agreement exists for the supply of water.
- 3.6 Utility contracts are very complex in procurement terms and in order to take advantage of a new YPO Framework Agreement due to commence 1 April 2017 Wyre Forest

District Council have to enter into an Agreement with YPO in advance to ensure that our requirements are considered when they go out to Tender for the supply of water.

4 KEY ISSUES

- 4.1 The framework has followed EU procurement regulations and was subject to the full EU procurement process.
- 4.2 Because the water supply for Wyre Forest has to be procured in advance of the contract (commencing 1 April 2017), the Council would need to commit to enter into a new Agreement with YPO.
- 4.3 The new water contract is anticipated to be for a 4 year period, 3 years + 1, covering the period 1 April 2017 – 31 March 2021. This will not be officially confirmed until the OJEU notice is published by YPO around November.

5. RECOMMENDATION

- 5.1 It is recommended that the Council purchases its water supply through the framework from YPO for the period 1 April 2017 to 31 March 2021. The precise future development of the UK water supply market is unknown due to the imminent removal of geographical restraints in the water market.

6. FINANCIAL IMPLICATIONS

- 6.1 Each financial year the council budgets to spend £77,000 on the supply of water to its various sites. With a contract term of 4 years, the total value of this contract is calculated to be £308,000 over its full term. The complexity and variable nature of utility prices would suggest that buying through a specialist buying consortium is the optimal strategy.

7. LEGAL AND POLICY IMPLICATIONS

- 7.1 The Contract Procedure Rules require Cabinet approval to enter into contracts where the estimated value of the contract exceeds £160,000.
- 7.2 The Contract Procedure Rules permit the use of framework agreements where the Procurement Officer and the Solicitor to the Council are satisfied that the Council can lawfully use them and that it is in the Council's interest to do so.
- 7.3 The terms and conditions will be reviewed by the Solicitor to the Council.

8 RISK MANAGEMENT

- 8.1 Failure to enter into the new water framework could mean that the Council are left without competitive pricing which would be provided by YPO and their collaborators.

9. EQUALITY IMPACT ASSESSMENT

- 9.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

9.2 In entering into a contract with YPO using the framework the Council will achieve the most economically advantageous result in terms of price and quality of service.

10. CONSULTEES

Chief Executive
Head of Transformation and Communications
Finance Manager
Facilities & Asset Manager
Legal
Procurement