

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 and Wastewater Services	To authorise the entering into a contract for the provision of water and wastewater services with the Yorkshire Purchasing Organisation (YPO).	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, for the provision of water and wastewater services.	18/01/18

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

Dated: 17/01/18
 Signed: 
 Councillor: N. DESMOND
 Cabinet Member

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).

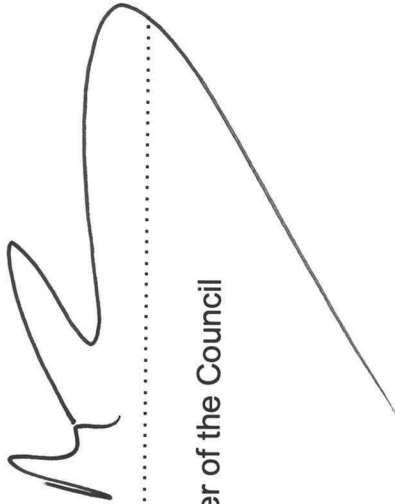
I, M. Hart, as Strong Leader, delegate the decision to authorise the entering into a contract for the provision of water and wastewater services with the Yorkshire Purchasing Organisation to the Cabinet Member detailed below:

Cabinet Member for Resources, Councillor Nathan Desmond

Dated:

11.01.18 .

Signed:

A handwritten signature in black ink, appearing to be 'N. Desmond', written over a horizontal dotted line.

Leader of the Council

To: Leader of the Council
From: Director of Economic Prosperity & Place
Date: 08 January 2018

Contract for the Supply of Water and Wastewater Services

1. PURPOSE

To seek approval to progress the procurement of the Council's water supply and wastewater services following the introduction of competition requirements in the water market by the Water Act 2014.

2. RECOMMENDATION

The Leader is asked to **DECIDE**:

- 2.1 To authorise the entering into a contract with the Yorkshire Purchasing Organisation (YPO) to be included in the YPO procurement for the provision of water and waste water services; and
- 2.2 To enter into any resulting agreement with the chosen supplier(s) for the provision of the services in accordance with the details within this report.

3. BACKGROUND

The Council currently purchases its water supply and wastewater services from Severn Trent Water Limited.

Following the deregulation of the water, wastewater and ancillary services in April 2017, YPO has developed, in collaboration with other purchasing organisations, a water supply and wastewater services framework (RM2790).

YPO and the collaborative group have worked with suppliers, customers and policy makers to influence Water Market Policy (OFWAT and DEFRA) to ensure the framework meets customers' needs, which is compliant with the Public Contracts Regulations 2015.

In accordance with Contract Procedure Rule 17, Officers have established that a relevant framework now exists for the supply of water and wastewater services.

Utility contracts are very complex in procurement terms and in order to take advantage of the new YPO Framework Agreement, Wyre Forest District Council has to enter into an Agreement with YPO in advance to ensure that the Council's requirements are considered for the supply of water and wastewater services.

YPO conduct an aggregated eAuction, using the collation of customer requirements, in order to obtain a better overall price. A contract is then awarded (2/3 year contract - yet to be confirmed).

4. KEY ISSUES

The framework has followed EU procurement regulations and was subject to the full EU procurement process.

Because the water supply and wastewater services for Wyre Forest have to be procured in advance of the contract, the Council would need to commit to entering into an agreement with YPO.

The Framework Agreement has been let for an initial term of 3 years (expiring 31/03/2020) with the option to extend by 12 months. To align with OFWAT regulated pricing, which sets industry prices for 5 years (next due 2019 for the period 2020 to 2025); the eAuction will be set for 2/3 year contract (yet to be confirmed).

5. RECOMMENDATION

It is recommended that the Council purchases its water supply and wastewater services through the framework from YPO upon completion of the next eAuction (date to be confirmed), as the framework provides better value for money as costs are driven down by the opportunity for aggregated demand and is compliant with the Public Contracts Regulations 2015.

6. FINANCIAL IMPLICATIONS

The current 2018/19 MTFS budget indicates a spend of £82,000 per annum on the supply of water and wastewater services to its various sites. With an anticipated 4 year contract, the total value of the contract is calculated to be £328,000 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

The Contract Procedure Rules require Cabinet approval to enter into contracts where the estimated value of the contract exceeds £160,000.

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.

The terms and conditions will be reviewed by the Solicitor of the Council.

8. RISK MANAGEMENT

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 NEEDS ASSESSMENT

This is a report relates to the procurement of a contract for Water and Wastewater Services and there is no requirement to consider an Equality Impact Assessment.

10. CONSULTEES

Chief Executive
Director of Economic Prosperity & Place
Financial Services Manager & Accountant
Facilities & Asset Manager
Legal
Procurement