

PROCUREMENT STAGE 1¹ – APPROVAL TO PROCEED TO TENDER

This form must be completed for all procurements above the tender threshold (£75,000 - Services and Supplies and £500,000 - Works)

If contract value is over Cabinet approval threshold (£750,000) this form shall be appended to the Cabinet report. This form will be “open” for publication.

1.	INTRODUCTION	
1.1	Contract Title	Procurement of Energy – Water and Sewerage service for Council Buildings 2021
1.2	Reference	<i>For completion by Procurement Services</i>
1.3	Directorate	Asset Management Finance, Governance & Property
1.4	Contract Cost	£ To be added when issues
1.5	Description	<p>Thurrock Council presently purchases water and sewerage services to its operational buildings, e.g. offices, public buildings and libraries. This procurement is to be completed under the CCS framework RM3790 of which there are 7 suppliers shown. It is anticipated that a further competition between the 7 suppliers will be conducted to ensure that the Council achieves value for money.</p> <p>The existing framework allows for a seamless continuous process with authority to continue being renewed by members every 4 years subject to a procurement review.</p>
1.6	Contract Term	This is a rolling contract through CCS frameworks, a four year authority is sought to secure continuation of water and sewerage supply at the best rates.
1.7	Political Sensitivity	NA
2.	BUSINESS CASE	

¹ Docusign Version, April 2019 onwards

2.1	Business Case	<p>This procurement process is to allow organisations to provide billing services through the existing suppliers, the normal suppliers fixed costs will not change only the billing costs. Since this represents between 5 to 15% of the total costs any savings are going to be minimal, CCS provide a simple way of delivering this service. The key savings will be in centralising the payment and allowing for full validation of this utility.</p> <p>Procurement have undertaken a review of the possible framework suppliers that meet this requirement and the fee structures of CCS is still considered to be the best value provider for the council.</p> <p>The existing Crown Commercial Services (CCS) customer access agreement is evergreen which allows a seamless continuation of the framework contracts subject to member's approval.</p> <p>This continuous process avoids the risk of out of contract rates being incurred by the Council and simplifies future migration between any new framework suppliers appointed by CCS.</p> <p>Due to the continuing structural changes the council is going through flexible contracts which don't lock the council into long term commitments is seen as a key requirement.</p> <p>The continuous nature of the CCS access agreement means leaving the contract only requires a short termination notice, allowing accounts to leave the contract as circumstances change. This is a very flexible arrangement and only possible with the largest framework providers.</p> <p>Individual accounts can be migrated on and off the contract given suitable notice is given in the procurement cycle.</p>
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2.2	Key Deliverables	<p>To place a contract for the procurement of water & sewerage for the Councils portfolio of buildings including public offices, libraries and other public services outlets.</p> <p>Existing energy frameworks have been evaluated by Procurement to allow the most appropriate to be selected. The service will be set-up to deliver the following:</p> <ol style="list-style-type: none"> 1) An energy framework agreement will be used to deliver fully competitive OJEU compliant procurement process 2) The payment terms of the suppliers will be explored to obtain the best conditions for the Council. Typically this is 21 days. 3) Paper bills are to be eliminated moving to a fully digital payment process 4) Electronic Data Interchange (EDI) files will be provided. This file will be processed by systemslink and finance will receive a formatted export file for payment. This will enable some validation to of the bill before it is paid. This new process will eliminate the manual downloading of invoices and simplify the payment process. 5) Energy auditing software is used to operate a query management service to identify any issues and track the resolution through to conclusion.
2.3	Commercial Pressures	Services is the key considerations as prices differences for this services will be minimal
2.4	Contractor Employment Status ²	N/A
2.5	Award Criteria	Framework contracts with a single supplier for water and sewerage services (or a single supplier for each of these two requirements)
2.6	Social Value	NA
2.7	Previous Contract	None

² Use online self-assessment tool: <https://www.gov.uk/guidance/check-employment-status-for-tax>

3.		FINANCIAL CONSIDERATIONS					
3.1	Previous Contract Cost	A 3% inflation factor has been applied to current costs					
3.2	Scope Changes	Is there any increase / decrease in scope that could impact costs?	No				
3.3	Annual Cost	Year	20/21 £000's	21/22 £000's	22/23 £000's	Later £000's	Total £000's
		Total Spend	£154	£161	£169	£177	£661
3.4	Funding Breakdown Identified	Revenue Budget	£154	£161	£169	£177	£661
		Capital Budget	£	£	£	£	£
		Other (Please State)	£	£	£	£	£
		Other (Please State)	£	£	£	£	£
		Total Funding	£154	£161	£169	£177	£661
3.5	Budget Code(s)	A central code will be setup when payment is centralied into a single payment.					
3.6	Unsupported borrowing	N/A					
3.7	Other Financial Implications	NA					

4.		PROCUREMENT ROUTE
4.1	Procurement Route	Direct Award under Framework (waiver)
4.2	Procurement Route Rationale	Procurement have undertaken a review of the available frameworks and this is considered best value. The framework allows for a seamless continuous process with authority to continue being renewed.
4.3	Does the contract require a waiver?	No
4.4	Single Source justification	N/A - not a single source
4.5	Waiver Rationale	n/a

5.		PROCUREMENT TIMETABLE	
5.1	Procurement Timetable	Publish Contract Notice	N/A
		Selection Questionnaire Return	N/A
		Invitation to Tender Issue	N/A
		Invitation to Tender Return	N/A
		Notification of Result	N/A
		Standstill Period	N/A
		Expected Award Date	01 August 2021
		Contract Commencement	01 October 2021

6. RISKS, CONSULTATION AND MANAGEMENT						
6.1	Tender Process Risks	Risk Level			Negative Impact	Mitigation
	No contract in Place	E - Very Low Likelihood	I - Critical Impact	EI - Low Risk	Out of contract rates can be upto 2 times the normal rate	The contract will continue until a termination notice is issued
	Supplier fails	E - Very Low Likelihood	II - Significant Impact	EII - Low Risk	Unknown cost with the new supplier, and potentially out of contract rates during the transition process	This is the same supplier, there is not change only the billing service is at risk
	Click here to enter text.	Select Likelihood	Select Impact	Select Risk Level	Enter Negative Impact or N/A	Enter Mitigation or N/A
6.2	Contract Performance Risks	Risk Level			Negative Impact	Mitigation
	Billing systems inaccurate	D - Low Likelihood	II - Significant Impact	DII - Low Risk	Over payment	Lots of time validating invoices
	Supplier fails to make transfer	E - Very Low Likelihood	II - Significant Impact	EII - Low Risk	Out of contract rates incurred	CCS have a team to manage this with the suppliers
6.3	Contingency	Remain with the current arrangements. CCS will continue to provide framework suppliers who have been through their own EU compliant tendering process				
6.4	Consultation	Finance has been involved in the requirement to centralise the payment of water under a framework contract.				
6.5	Project and Contract Management ³	Tier 1 - High Level Contract Management				
		Each EDI billing files will be validated through the Monitoring and Targeting software, any queries are raised with the supplier and any corrections implemented. Validated files will be exported into the finance system to allow bulky payments of the monthly bill. Energy Procurement & Efficiency Manager will manage this contract with all parties.				
6.6	Procurement Implications	This approach has been discussed with the Responsible Officer and approved by Procurement as the best option.				

7. LEGAL, FINANCE AND PROCUREMENT APPROVAL		
7.1	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications
		Name Angela Corsan
		Signed  <small>Angela Corsan (Mar 18, 2021 16:13 GMT)</small>
		Date Mar 18, 2021

³ Refer to the contract management framework or your category manager for guidance

7.2	Legal	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications	
		Name	Kevin Molloy
		Signed	<u><i>Kevin molloy</i></u> kevin molloy (Mar 24, 2021 10:47 GMT)
		Date	Mar 24, 2021
7.3	Finance	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications	
		Name	Jonathan Wilson
		Signed	<u><i>J. D. Wilson</i></u> J. D. Wilson (Apr 23, 2021 17:45 GMT+1)
		Date	Apr 23, 2021

8.	APPROVAL TO PROCEED		
8.1	Approval Level	Select Contract Award delegation level	
8.2	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been met: <ul style="list-style-type: none"> • Compliance will occur with all regulatory or statutory provisions and the Council's decision making requirements • The Contract will be included on the Council's Contract Register • Value for Money will be achieved • Advice has or will be sought from the Director of Finance and Corporate governance as to an appropriate security bond or guarantee • Document Retention Policy has and will be complied with • Financial Evaluation will be made of all the proposed tenders including the recommended bidder • Advice has been and will be sought and followed from Procurement, Legal and Finance as necessary 	
		Name	Chris Licioni
		Signed	<u><i>C Licioni</i></u> C Licioni (Mar 22, 2021 10:20 GMT)
		Date	Mar 22, 2021
8.3	Assistant Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Michelle Thompson
		Signed	<u><i>m Thompson</i></u> m Thompson (May 6, 2021 09:09 GMT+1)
		Date	May 6, 2021
8.4	Corporate Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13. I confirm that the Portfolio Holder has been consulted as required	
		Name	Enter Name
		Signed	
		Date	

8.5	Director of Finance and IT (If waiver required)	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Sean Clark
		Signed	<u>Seán Clark</u> <small>Seán Clark (May 6, 2021 10:57 GMT+1)</small>
		Date	May 6, 2021
8.6	Cabinet	Minute Number	Enter approval minute reference
		Date	Click here to enter a date.
Now send complete form to Procurement Services signed and scanned			