

## **Divisions Affected – All**

# **DELEGATED DECISIONS BY THE CABINET MEMBER FOR FINANCE**

**14 JUNE 2024**

## **REPROCUREMENT OF WATER AND WASTE SUPPLIES**

### **Report by Executive Director of Resources**

## **RECOMMENDATION**

The Cabinet Member is **RECOMMENDED** to:

- a) Approve the award of a contract to Anglian Water National Business Ltd (trading as Wave) following a tendering process, for the provision of water supply and wastewater services.**

## **Executive Summary**

1. The current contract for water and wastewater services has expired. A procurement exercise has been completed and following an evaluation of the tenders it is recommended that the contract is awarded to Anglian Water National Business Ltd (trading as Wave) on an initial two-year contract with the option to extend for a further two one-year periods.
2. Based on the current service provision, the cost of the contract for the corporate estate would be approximately £245,000 annually (dependent on consumption). If maintained schools who opted into the former contract continue to opt in this would rise to £413,000 per annum.

## **Background**

3. Since deregulation of the water retail market in April 2017, business customers (including the public sector) in England have been able to select their water supply and wastewater services provider. This means that to comply with Public Contract Regulations, 2015, Oxfordshire County Council (OCC) must secure a water services provider for the corporate estate through a competitive tender.
4. Thames Water was the sole provider in the Oxfordshire area. Following the transfer of their retail business to Castle Water in April 2017) OCC participated in a multi-authority procurement led by the London Energy Project (LEP). This procurement process completed with the contract being awarded to Anglian Business National Ltd (trading as Wave). The current Framework agreement and contract has now ended.

5. A procurement exercise has been undertaken, returns evaluated and terms of a new contract have been agreed.
6. Contract Procedure Rules and Legislation allows for use of compliant frameworks which are open to the Council.
7. Whilst procurement through a multi-authority framework helps secure the best value for money, the market structure means there is only limited opportunity to directly reduce organisational costs (the retail element constitutes only 6% of the overall contract price). The contract therefore leans heavily towards quality whilst also looking to make savings through improving water efficiency and reducing water use. Emphasis was therefore placed on these elements in the service specification and evaluation assessment conducted within the framework.
8. As a result of this exercise the NEPO and YPO frameworks agreements were used and from these 5 tenders were received. These were reviewed and analysed, and an evaluation and recommendation report prepared, recommending that Anglian Water Business (National) Ltd trading as Wave were awarded the contract.
9. The contract will cover all corporate sites. As with the previous contract Schools will have an opportunity to opt into the contract, but as they hold delegated budgets for this service there will be no obligation for them to do so.
10. Based on the current service provision, the cost of the contract for the corporate estate would be approximately £245,000 annually (dependent on consumption). If maintained schools, who opted into the former contract, continue to opt in this would rise to £413,000 annually.
11. The contract will be for a term of two years with the option to extend for a further two one-year periods. The maximum length of the contract is for a total of 4 years.
12. Opportunities for financial savings in terms of price are limited due to the 94% wholesale element. Based on the prices agreed against the out of contract rates savings in the region of £12,700 per year on the supply for the corporate estate will be achieved and £6,800 in respect of schools that had opted in to the old contract.
13. With the limited opportunities for savings in this contract, much of the evaluation and focus was on added benefits. At the forefront of this was improved customer service, data management and billing processes. In addition, considerable emphasis was placed on water reduction and efficiency services which if implemented will contribute to reducing contract costs.
14. The recommendation of the evaluation panel is that Anglian Water Business should be awarded the contract, subject to agreement of terms & conditions.

## **Corporate Policies and Priorities**

15. The procurement of water and waste services will support the Property and Asset Strategy 2022/23 by reducing operational running costs in buildings to support financial sustainability.

## **Financial Implications**

16. The procurement exercise has ensured value for money has been achieved. The Finance Business Partner for Property was part of the evaluation team considering the tenders received and supported the evaluation and award recommendation.

17. Based on the current service provision, the cost of the contract for the corporate estate would be approximately £245,000 annually (dependent on consumption). If maintained schools, who opted into the former contract, continue to opt in this would rise to £413,000 annually. Based on the prices agreed against the out of contract rates savings in the region of £12,700 per year on the supply for the corporate estate will be achieved and £6,800 in respect of schools that had opted in to the old contract.

Comments checked by:

Prem Salha, Finance Business Partner (Resources)  
[Prem.salhan@oxfordshire.gov.uk](mailto:Prem.salhan@oxfordshire.gov.uk)

## **Legal Implications**

18. The value of the contract over its lifetime is in excess of the threshold for contracts for services and the award of the Contract is therefore governed by the Public Contracts Regulations 2015 ("PCR"). The procurement process was undertaken via a PCR compliant framework (the NEPO framework). The terms of the call off contract are not as favourable as the old contract, but nevertheless can be managed successfully. Maintained schools will be able to order services under the Council's Call Off Contract, but each school will remain the designated contact for billing purposes. Officers across services were engaged with the procurement process to ensure such compliance.

Comments checked by:

Busola Akande, Solicitor Legal Services  
[Busola.Akande@oxfordshire.gov.uk](mailto:Busola.Akande@oxfordshire.gov.uk)

## **Staff Implications**

19. There are no staff implications.

## **Equality & Inclusion Implications**

20. Suppliers will be screened for relevance against our statutory duties to promote equality and where relevant an impact assessment (ECIA) will be completed.

## **Sustainability Implications**

21. Though the review and analyse of data provided consumption of water and wastewater generated will be reduced.

## **Risk Management**

22. As part of the procurement process the financial stability of the suppliers will be reviewed to ensure that the service can be delivered for the term of the contract

**Report by Lorna Baxter**  
**Executive Director of Resources.**

### **Contact Officers:**

Michael Smedley, Head of Estates, Assets, and Investment  
Michael.smedley@Oxfordshire.gov.uk

24 May 2024