

Report To: Environment & Regeneration Committee **Date:** 7 June 2012
Report By: Corporate Director Environment,
Regeneration and Resources **Report No:** FIN/33/12/AP/BH
Contact Officer: Brendan Hurrell **Contact No:** 01475 712654
Subject: Request to Proceed to Tender – Blacksmiths

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval to issue tenders for Blacksmiths work.

2.0 SUMMARY

- 2.1 The last term contract for Blacksmiths work ended on the 31st of March 2012. The work was re-tendered in January 2012. However, the tender did not capture the entire Council spend on Blacksmith work. As such a contract resulting from this tender may not have provided best value for the Council.
- 2.2 The estimated value of the contract over the potential contract period is in excess of £250,000 which in terms of the Standing Orders requires Committee approval before tenders are issued.
- 2.3 The contract will be advertised to interested parties on the basis of a 70% price 30% quality basis. The contract will have 3 lots with 1 lot for each of the following Services:-
Property and Facilities Management
Environmental and Commercial Services
CHCP
- 2.4 Lotting the contract will allow suppliers to bid for tranches of work that they otherwise would not have been able to had the contract sum been aggregated to the total estimated value of £240,000 per annum. This approach will encourage SME bids as firms can only win one lot and increase the likelihood of achieving best value.
- 2.5 Tenders will be advertised on the basis of a 2 year contract.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee approve the issuing of tenders in respect of the Blacksmiths work for a period of 2 years.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The last contract for Blacksmiths work ended on the 31st of March 2012. The work was re-tendered in January 2012 however, the tender did not capture the entire Council spend on Blacksmith work. As such a contract resulting from this tender may not have provided best value for the Council.
- 4.2 The estimated value of the contract over the potential contract period is in excess of £250,000 which in terms of the Standing Orders requires Committee approval before tenders are issued.
- 4.3 Orders continue to be placed on the last incumbent supplier, until a new contract is in place. Orders are being issued on a job by job basis and will be monitored to ensure that spends do not breach any thresholds within the Financial Regulations or Contract Standing Orders.

5.0 CURRENT POSITION

- 5.1 The contract will be advertised to interested parties on the basis of a 70% price 30% quality basis. The contract will have 3 lots with 1 lot for each of the following Services:-
Property and Facilities Management
Environmental and Commercial Services
CHCP
- 5.2 Lotting the contract will allow suppliers to bid for tranches of work. Had the contract sum been aggregated to the total annual value, some SMEs may not have been able to bid due to the value of the contract in comparison to their turnover. This approach will encourage SME bids and increase the likelihood of achieving best value.
- 5.3 Tenders will be advertised on the basis of a 2 year contract.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
		1/4/12	Up to £240,000	-	Contain in existing budgets.

The overall costs of this contract will be contained within existing Budgets.

7.0 LEGAL IMPLICATIONS

- 7.1 The Head of Legal and Democratic Services confirm that the proposals outlined within this report comply with the European Procurement Directives.