



Vale of White Horse

District Council

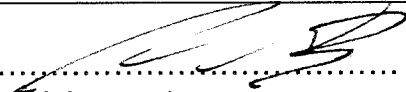
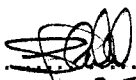
Local Government Act 2000 and the Local Authorities
(Executive Arrangements) (Access to Information) (England)
Regulations 2000

RECORD OF DECISIONS OF CABINET MEMBER OR KEY DECISION OF OFFICER			
1	Name of Decision maker	Councillor Matthew Barber	
2	Type of Decision (Please <input type="checkbox"/> as appropriate)	Key	Other Yes
3	Date of Decision (This should be the same as the date form signed)		
4	The Decisions	1. That the Vale of White Horse District Council does not award a contract for the provision of engineering services and it continues to deliver its engineering services in-house. 2. That the Vale of White Horse District Council delegates powers to the head of economy, leisure and property to agree to drawdown from the engineering Framework as and when required.	
5	Reasons for Decision	Background 1. In April 2013, the cabinet member for economy, leisure and property agreed to carry out a collaborative procurement with South Oxfordshire District Council (South) for the potential provision of engineering services, using the EU 'open' procedure route by means of a framework agreement for a period of four years. 2. At that time, an alternative option was considered to maintain the status quo with an in-house provision. This option was rejected, as it was considered good business sense to test the market and find out what the costs would be to provide the service for the Vale of White Horse District Council, as well as seeing if there were any economies of scale possible from letting a joint South and Vale contract. However, it was noted that providing the service in-house may need to be revisited in	

		<p>the light of the results of the tender process.</p> <p>3. Officers advised that they would provide a further report in August 2013 to recommend whether or not to award a contract.</p> <p>4. The present engineering service is provided by one full-time in-house member of staff (the principal engineer).</p> <p>The tender process</p> <p>5. The engineering services specification was based on the existing contract at South with fixed-fee areas of work and a schedule of hourly rates for non-fixed areas of work.</p> <p>6. The tender was led by South with only the Vale Council being named on the Framework. The pricing schedule provided prices for each council separately, plus an option if the contract was awarded to one contractor by both South and Vale. This allowed officers to identify any economies of scale if a joint contract was awarded.</p> <p>Award of contract</p> <p>7. South is due to agree the award of the Framework Agreement with drawdown contract thereunder for carrying out its engineering services from October 2013 to September 2017. As part of this Framework Agreement, the Vale Council is able to select specific parts and 'drawdown' from the contract services to be provided based on the prices submitted.</p> <p>8. No formal agreement is needed at this time. The Vale Council is a named party on the Framework and if or when it chooses to drawdown for occasional specific work, the Vale Council would enter into a drawdown contract for that work at the time.</p> <p>Conclusion</p> <p>9. Financially, it would not be best value for the Vale Council to award the contract. However, in terms of improving resilience and dealing with periods of leave and heavy work pressure, the Vale Council could drawdown specific services at a known cost as required. The cost of this is expected to be some £4,000 a year and could be met from the land drainage budget.</p>
6	Alternative Options Rejected	<p>10. Officers considered whether the Vale Council should award the contract for the provision of all of the engineering services. A financial evaluation has shown that the in-house resource represents good value for money. The cost of requesting all work to be carried out by a contractor, rather than it being done in-house, is prohibitive.</p>
7	Resource Implications	<p>11. The engineering service will continue to be provided by one in-house engineer, plus back-up from South's contractor during periods of leave and work pressure.</p>

8	Legal implications	<p>12. The procurement of the engineering services was a Framework Agreement led by South and included the Vale Council only and no other councils. The Framework Agreement will be for four years until the end of September 2017 and no extension is allowed.</p> <p>13. The procurement has followed an 'open' process, whereby the specification and costs are obtained at the outset. The procurement has followed European regulations, but does not commit either council to accept any prices.</p> <p>14. As the contract is a Framework, the Vale Council can decide if it wishes to 'drawdown' any or all items of the contract, either fixed or non-fixed. This provides some back-up to cover essential work if, for whatever reason, the service cannot be provided in-house.</p> <p>15. This ICMD allows for the head of economy, leisure and property to agree to drawdown from the Framework should the exigencies of the service require it and it is within budget.</p> <p>16. The council's legal team will complete the final contract details and the contract will be sealed by the head of legal and democratic services.</p>
9	Financial implications	<p>17. The total cost of providing the service in-house by one full-time equivalent (the principal engineer) is significantly less than the contractor's costs. The table in appendix one compares these two costs. This shows that the cost of carrying out the work in-house represents good value for money. Therefore, the cost of requesting all work to be carried out by a contractor, rather than it being done in-house, is prohibitive.</p> <p>18. The costs of the present contract are met from cost centres of two services - planning and economy, leisure and property. Table 1 in appendix one compares the contractor costs and the current in-house cost. Even with the additional cost of carrying out essential planning advice by a contractor when the engineer is absent (estimated at £2,000 per year), the in-house provision is much cheaper across all aspects of the service.</p> <p>19. The prices available to the Vale Council for all parts of the service are the same if the contract is awarded jointly with South or not. There are no cost savings or economies of scale available from awarding a joint South and Vale contract.</p> <p>20. As part of the tender process with South, officers obtained costings to provide the service for Vale Council separate from South for both fixed and non-fixed works as shown in table 1 in appendix one.</p>
	Other implications	<p>Equality implications</p> <p>21. The Vale Council has paid due regard to the public sector equality duties through the inclusion of relevant equality</p>

		<p>requirements within the specification and the evaluation of the tenders. The option of 'drawing down' services from the South contractor improves the resilience of the service as well as protecting the health and well being of the employee.</p> <p>Risk</p> <p>22. Officers have identified two notable risks in having just one in-house engineer providing all the engineering services. One risk is the Vale Council relying on just one full-time engineer to provide all the engineering service. The engineer has vast experience and knowledge built up during two periods of particularly severe flooding in 2001 and 2007. Following these events, the Vale Council carried out a number of flood alleviation schemes all designed and implemented by this engineer. The risk is reduced by having well organised documents and reports saved electronically, which can be readily and easily accessed and kept for future reference.</p> <p>23. The other risk is a long and/or unplanned period of absence by the engineer, which would mainly impact on the advice provided to the planning service. as this is time dependent. This risk can be reduced by having the option of drawing down services from the South-led Framework Agreement when they are required.</p>
10	List of Consultees (See guidance below)	<p>Officers:</p> <p>Legal, Pat Connell, email response 20 Sept 2013 Finance, Rhona Bellis, email response 2 Sept 2013 Equalities, Cheryl Reeves, email response 2 Sept 2013 Procurement, included in legal response Sustainability, Heather Saunders, email response 2 Sept 2013 Communications, Gavin Walton, no response HR, Ruth Fisher, email response 3 Sept. 2013 and 24 September 2013 Democratic services, Steven Corrigan, email response 22 August 2013 to agree to ICMD rather than report Planning (Adrian Duffield and Paula Fox, no reply to email of 28 August 2013) Head of service – Chris Tyson, email response 23 September 2013 Strategic director, Matt Prosser, email response 24 September 2013 Cabinet member -</p>
11	Reports and Background Papers Considered	None
12	Date of receipt of Reports	
13	Declarations of	

	Interests	None
14	Dispensations	None
15	Is this decision confidential and if so, under which Exempt category?	No
16	"Call in" Waived?	No
17	Signature and Date	 Decision maker Dated <i>25. IX. MMXIII</i>
18	This form must be physically handed to a member of the Democratic Services Team	<p>Note: The date and time at which this form is received will be recorded by the Head of Democratic Services. The decision will then be published and is subject to "call in".</p>  Date <i>25-9-13</i> Time <i>8:40</i> Head of Democratic Services Date and Time Form Received ff
19	Details of Publication on the Web and date of expiry of "Call In" Note: This part of the Form will be completed by Democratic Services	Date of Expiry of "Call In" <i>3-10-13</i> Date Published.... <i>26-9-13</i> Date ^{emailed} hand delivered to Chair of Scrutiny... <i>26-9-13</i>

Appendix one

Table 1 Comparative costs for engineering services 2013

Specification number	Service	Tendered fee	In-house cost
A	Land drainage, flood alleviation and sewerage (including in an emergency)	£32,000	£21,107
B	Housing Act works	£9,000	£5,159
C	Planning – development control	£18,000	£14,071
D	Planning policy (including other planning advice e.g. White Horse leisure and tennis centre)	£5,000	£1,407
	Total	£64,000	£41,745
E to I	Non fixed fee (capital programmes)	£45 per hour (estimated at £9,540)	£5,159
	Total	£73,540	£46,904*

* Total does not include providing essential cover for engineer when absent estimated at £2,500 per year.