

REPORT TO: Executive Board

DATE: 17th June 2021

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Corporate Services

SUBJECT: Waste, Water & Ancillary Services Contract

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 To notify members of the intention to undertake a procurement exercise via a suitable framework in respect of the provision of a Waste, Water & Ancillary Services contract.

2.0 RECOMMENDATION: That

- 2.1 Members note the intention to undertake a procurement exercise via a suitable framework in respect of the provision of a Waste, Water and Ancillary Services Contract, and subject to competitive prices and a suitable contract term being available it is the intention to award a contract to 'Wave' as the sole provider on the various frameworks available.**

3.0 SUPPORTING INFORMATION

- 3.1 On April 1st 2017 the water industry was deregulated which enabled commercial customers to switch suppliers as opposed to being forced to obtain the service from a single supplier, which in our case was United Utilities (UU). Soon after deregulation UU entered into a joint venture with Severn Trent Water to create 'Water Plus' which by default has acted as our provider of Waste, Water & Ancillary services ever since.
- 3.2 The Yorkshire Purchasing Organisation (YPO), The North East Procurement Organisation (NEPO) and Manchester Council all now have a suitable frameworks in place from which this service can be obtained. The only provider on each framework is 'Wave' who are a leading national water retailer and were formed from two established regional entities, Anglian Water Business and NWG Business following deregulation.

- 3.3 Wave have clearly demonstrated excellent value in becoming the only provider on each of the above frameworks as such it is the intention to award a contract to Wave via one of these frameworks subject to the prices being competitive against our costs over recent years, and subject to a suitable term being available.
- 3.4 The intention is to award a contract for a minimum of a 3 year period with the option of extending for a further year, subject to satisfactory performance. The average annual cost of the service to corporate buildings (all non-schools) over the past 3 years has been £472k as such the overall likely cost of the contract over a 4 year period will be in the region of £1.89m.
- 3.5 Any cost saving coming out of the new procurement arrangements will be associated with the retail arm of the service, e.g. the billing and support services, which only accounts for between 7% and 10% of the overall cost of the service, as such the likely financial saving will be minimal. The wholesale side of the service will still be provided by United Utilities via a sub contract arrangement with the new provider as they still own the infrastructure associated with the service hence costs associated with the wholesale side of the business are likely to remain the same. The added benefit of entering in to a new contract will likely be with the ancillary services side of the business, leak detection, support services etc.

4.0 POLICY IMPLICATIONS

- 4.1 The above course of action is in-line with our procurement strategy of obtaining best value from our procurement processes.

5.0 FINANCIAL IMPLICATIONS

- 5.1 As indicated the likely cost of the service over a 4 year period will be in the region of £1.89m. The budget for the provision of these services exists as such. The financial savings are likely to be minimal as the retail arm of the industry accounts for between circa 7% and 10% of the overall cost of the service.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 RISK ANALYSIS

There are no significant risks associated with the above course of action.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

There are no background papers under the meaning of the Act.