



ADUR & WORTHING
COUNCILS

Adur Cabinet Member for Finance &
Resources and the Worthing Cabinet
Member for Resources
JAW/002/24-25
Date

Decision to be taken on or after

Key Decision [Yes/No]

Ward(s) Affected: All

Water Contract Award

Report by the Assistant Director for Regenerative Development

Executive Summary

1. Purpose

- 1.1. To direct award a 2 year water supplier contract with the option to extend for 2 further periods of 12 months under the same Terms & Condition. This has been procured via the Laser Framework with the intention of a direct award to Business Stream.
- 1.2. The purpose will be to receive supplier water and waste billing across our corporate site portfolio.

2. Recommendations

- 2.1. The Cabinet Members are recommended to approve a direct award of the water contract to Business Stream following a 10 day standstill period for any objections which expired on 29th April 2024.

3. Context

- 3.1. This contract is to continue to provide water and waste services for Council premises at the best price / value.
- 3.2. The Council uses the services of the Laser framework (Kent County Council) to procure utilities contracts.
- 3.3. The annual value of the contract is estimated at £142,797.25.

4. Issues for consideration

- 4.1. A mini tender competition was initially run by LASER with competitive bids returned by WAVE and Business Stream. WAVE came out as the overall highest scorer with 843.66 points opposed to Business Stream who had an overall score of 834.00. (ca. 1% difference).
- 4.2. When the scoring was considered further it was found that Wave had scored higher on the factors that were least important to the Council, such as scoring additional points for future metering improvements which the Council would not be considering undertaking due to the additional costs involved.
- 4.3. Business Stream scored higher on both pricing and quality of service than Wave. These were considered more crucial factors due to both the Council's current financial situation and to ensure accuracy of billing and administration services. Business stream also has a local Worthing based office.
- 4.4. Following a meeting to discuss the tender submissions, which included the procurement team and the Assistant Director of Regenerative Development, it was considered that it would be in the best interests of the Council to withdraw from the mini competition process and progress with a direct award via Laser to Business Stream.

5. Engagement and Communication

- 5.1. We have engaged with our incumbent water supplier ADSM to produce an up to date portfolio with annual consumption use for sharing with LASER to secure pricing.

- 5.2. Water and waste costs are governed and set by Ofwat. The supplier will then add their Retail Uplift fee. Wave would charge 6.85% on top of the wholesale rates and Business Stream charge a fee of 4.89%. To directly award the contract to Business Stream would see an annual overall saving between suppliers of £4k.
- 5.3. Discussions have taken place with various Council departments such as - Procurement, Finance, Legal and Democratic Services to ensure compliance with the correct Framework process.

6. Financial Implications

- 6.1. The Finance department has been included in discussions from the early stages of the procurement process.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilities, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 7.3 Section 3(1) of the Local Government Act 1999 contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regards to a combination of economy, efficiency and effectiveness.
- 7.4 Section 1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.5 Officers must ensure that the proposed appointment is compliant with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution. Where the Contract is an above threshold contract for goods and/or services as defined by the Public Contract Regulations 2015 any procurement exercise must be conducted in accordance with those Regulations.
- 7.6 The Legal department will be reviewing the terms and conditions of the contract with the Service Provider prior to it being signed.

Background Papers

The water contract was added onto the Councils Forward Plan on 25/08/23

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Sustainability & Risk Assessment

- 1. Economic**
Matter considered and no issues identified.
- 2. Social**
Matter considered and no issues identified.
 - 2.1 Social Value**
Matter considered and no issues identified.
 - 2.2 Equality Issues**
Matter considered and no issues identified.
 - 2.3 Community Safety Issues (Section 17)**
Matter considered and no issues identified.
 - 2.4 Human Rights Issues**
Matter considered and no issues identified.
- 3. Environmental**
Matter considered and no issues identified.
- 4. Governance**
Matter considered and no issues identified.