



Chair's Briefing - Council

Monday, 17 February 2020

Subject: Approval for Exemption from Procurement

Report by:

Chief Executive

Contact Officer:

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Purpose / Summary:

Contract for the Support and Maintenance of the Cremator at Lea Fields Crematorium

RECOMMENDATION(S): That Council approve an exemption from the Public Contract Regulations 2015 and direct award the support and maintenance contract of the cremator to Facultatieve Technologies Ltd

IMPLICATIONS

Legal: The Councils Contract and Procurement Procedure Rules within the Constitution allow for exemption from the Public Contract Regulations 2015.

Due to expediency this Exemption is being presented to the Council, rather than the Corporate Policy and Resources Committee who have delegated responsibility.

Financial : FIN/183/20/TJB

An annual budget provision of £38,900 is built into the Medium Term Financial Plan from 2020/21 onwards for the repairs and maintenance of the cremator, as per the approved Business Case, which will be sufficient to cover the cost of the proposed agreement (£368,000 over ten years), resulting in a small surplus of £2,100 per annum.

This proposal will save the Council upto £10k over the life of the contract in relation to framework costs passed onto customers.

Staffing : None

Equality and Diversity including Human Rights : None

Data Protection Implications : None

Climate Related Risks and Opportunities : None

Section 17 Crime and Disorder Considerations : None

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report: N/A

Risk Assessment : N/A

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 Introduction

- 1.1 Lea Fields Crematorium has now been completed and the building became operational on 3rd February 2020.

2. Current Position

- 2.1 As part of the Council's financial due diligence, the original business plan identified costs in relation to the purchase and support and maintenance of the crematoria and abatement equipment. The provision of the cremator was included in the overall contract with Willmott Dixon and was purchased by them directly. The cremator was provided by Facultatieve Technologies Ltd (FT), leaders in the supply and installation of crematoria equipment.
- 2.2 Although the crematoria and abatement equipment is under full warranty, a support and maintenance agreement now needs to be put in place to ensure optimal performance of the cremator and associated equipment going forward.

3. Procurement

- 3.1 There is only a very small list of operators in the market with the skills and technology to be able to fully support and maintain crematoria equipment. There is only one framework available through the Yorkshire Purchasing Organisation (YPO), which lists 4 companies although only 3 are eligible to provide this service through the framework route. It is also apparent that installers favour supporting their own equipment and it is difficult for companies to obtain parts to be able to maintain another provider's equipment.
- 3.2 In addition, awards through the framework incur an extra cost for the suppliers between 1.5 – 2.5%, which is passed onto the customer.
- 3.3 The expected life of the cremator is approximately 10 years, dependent on the usage. The Council therefore requires a support and maintenance contract to be put in place for a minimum of 10 years with a possible option of extensions up to a further 5 years.
- 3.4 Facultatieve Technologies have provided a quotation to cover a 10 year agreement, this covers all aspects of servicing, maintenance, call outs and parts. In addition, FT have the facility to remotely access the cremator to check performance levels, investigate any concerns raised by the Council, and fix remotely where possible. Should call outs be necessary then engineers are also based nearby in Leeds to enable same day attendance.
- 3.5 The cost of this agreement will be c. £368,000.

4. Recommendation

- 4.1 That Full Council approve the exemption and direct award the contract for support and maintenance of the crematoria and abatement equipment to Facultative Technologies Ltd for a 10 year agreement, this will avoid the application of the percentage increase that would be applied through the framework route and save the Council up to £10k over the life of the contract.