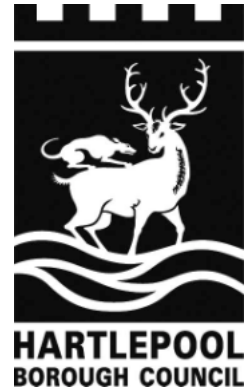


PLEASE NOTE START TIME

CONTRACT SCRUTINY COMMITTEE AGENDA



Monday, 16 May 2011

At 2.00 pm

**in Committee Room B
Civic Centre, Hartlepool**

MEMBERS: CONTRACT SCRUTINY COMMITTEE:

Councillors Aiken, Ingham, Lawton, Maness, Richardson, Simmons, Sutheran and Wells.

- 1. APOLOGIES FOR ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 3. MINUTES**
 - 3.1 To confirm the minutes of the meeting held on 11th April 2011
- 4. ITEMS FOR INFORMATION**
 - 4.1 Contract for the Review of Energy Bills – *Assistant Director (Resources)*
- 5. ANY OTHER ITEMS WHICH THE CHAIR CONSIDERS ARE URGENT**
- 6. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

PLEASE NOTE START TIME

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

7. TENDERS TO BE OPENED

- 7.1 Provision of Services for People with Mental Health Problems (ref 554) (Para 3) – *Commissioning and Contracts Manager*
- 7.2 *Waste Transfer Station Longhill Industrial Estate (ref 566) (Para 3) – Economic Development Officer*

8. ANY OTHER CONFIDENTIAL ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

CONTRACT SCRUTINY COMMITTEE

MINUTES AND DECISION RECORD

11 April 2011

The meeting commenced at 10.00 a.m. in the Civic Centre, Hartlepool

PRESENT: Councillor London (In the Chair);
Councillors Ingham, Lawton, Richardson, Simmons and
Sutheran

OFFICERS: David Hart, Strategic Procurement Manager
Brian Ayre, Commissioned Services Manager
Terry Maley, Procurement and Category Manager (Child and
Adult Services)
Amy Waller, Principal Housing Regeneration Officer
Kate Watchorn, Solicitor
Sarah Harrison, Democratic Services Officer

104. Apologies for Absence

Councillors Martyn Aiken and Sarah Maness.

105. Declarations of Interest

None.

106. Minutes of the Meeting held on 28 March 2011

Confirmed.

107. Exception to the Contract Procedure Rules (Residential, Rehabilitation and Transitional Care Services) – Commissioned Services Manager

Members were informed that there had been an exception granted to the Contract Procedure Rules in relation to the above contract as the Authority was not in a position to carry out the full tender process as the Authority had been unable to determine initially what funding would be obtained for this jointly funded initiative from the Primary Care Trust. Members were informed that this service was provided by West View Lodge and provided 20 beds to care for the elderly to assist with their transition from hospital to home.

It was clarified that the Local Authority provided just over 100,000 towards the total cost of the funding and that funding was guaranteed

for this financial year. Members were informed that the funding paid for 20 beds whether they were utilised or not and there were few occasions when the service was not fully used. The places were provided at a discounted rate to the PCT and Local Authority.

Decision

Members noted the Portfolio Holder for Adult and Public Health Services' agreement to make an exception to the Contract Procedure Rules in relation to the provision of residential rehabilitation and transitional care services.

108. Raby Road Corridor Housing Regeneration Scheme – Appointment of Preferred Developer – *Principal Housing Regeneration Officer*

Members were reminded that a tender had been opened at the Committee on 20 September 2010 from Keepmoat Homes and this had been evaluated by officers. The tender contained a detailed development brief for redevelopment of Perth Street, Hurworth Street, Grey Street and Turnbull Street and the development included at least 15 affordable homes. The Authority was to compulsorily purchase homes in the area and a Public Inquiry had taken place in February in relation to this. The outcome of the Inquiry is still unknown. The Community Safety and Housing Portfolio Holder approved the appointment of Keepmoat Homes in January 2011.

Decision

Members noted the decision to appoint Keepmoat Homes Ltd as the preferred developer for the Raby Road Corridor housing regeneration scheme.

109. Local Government Access to Information

Under Section 100 (A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) Order 2006.

Minute 110 – The Provision of Counselling Services for Employees of Hartlepool Borough Council (Contract Reference Number 469) – *Procurement and Category Manager* - Para 3 namely information relating to the financial or business affairs of any particular person (Including the Authority holding that information)

110. The Provision of Counselling Services for

**Employees of Hartlepool Borough Council
(Contract Reference Number 469) – Procurement and
Category Manager (Para 3 namely information relating to the
financial or business affairs of any particular person (Including the
Authority holding that information))**

Members were informed of the outcome of the tender process relating to the provision of counselling services which had been undertaken in collaboration with Middlesbrough Borough Council. Following evaluation of the tenders, the two Authorities had appointed suppliers pertinent to their geographical needs.

The outcome of the tendering process was detailed in the exempt section of the minutes.

Decision

Members noted the outcome of the tendering process.

**111. Any Other Items which the Chairman Considers
are Urgent**

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

Electronic Tendering Process

The Strategic Procurement Manager attended the meeting to discuss ways in which the process of opening electronic tenders at the Contract Scrutiny Committee could be streamlined as there had been delays with pages loading on the laptop and printing of the documents. Alternative suggestions were that the Democratic Services Team in their impartial role, open the tenders prior to the meeting and print off the tender documents for Members to examine or that the Tenders be opened electronically at the meeting but a pro forma be used to record details of the tender which could be handed round to Members to sign.

Members were of the opinion that the process of opening tenders must be transparent and wished to be present when the electronic seal on the tenders was opened. Another issue highlighted was the size of the screen so that documents could be viewed. Members asked that the Assistant Director (Resources) be present at the next meeting when electronic tenders were opened.

Decision

That:-

- The Assistant Director (Resources) be present at the next

meeting when electronic tenders were opened.

- A large screen be provided for Members to view documents
- A pro forma be introduced so that details of the documents could be recorded and viewed by Members

The meeting concluded at 11.35 am

CHAIR

CONTRACT SCRUTINY COMMITTEE

16th May 2011



Report of: Assistant Director (Resources)

Subject: CONTRACT FOR THE REVIEW OF ENERGY
BILLS

1. PURPOSE OF REPORT

- 1.1 To update the Committee on the evaluation of the tenders received for the provision of tenders for the review of energy bills.

2. BACKGROUND

- 2.1 Hartlepool Borough Council uses the North East Procurement Organisation (NEPO) contract to procure its electricity supplies. The preferred utility supplier offers Hartlepool, through NEPO, a set price per kWh for the energy it supplies.
- 2.2 It is possible that the energy supply contract contains hidden chargeable elements that our energy supplier is collecting on behalf of the supply chain. These elements include charges relating to the transportation and distribution of electricity through the grid network and associated infrastructure charges.
- 2.3 The energy supplier has no incentive to examine the accuracy of these costs and simply passes them on as part of their supply arrangement.
- 2.4 Using the NEPO e-tendering system Hartlepool B.C. invited tenders to submit details on the following criteria (below) in order to be awarded the Contract to undertake a retrospective audit on its electricity bills in order to recover any over charges.

- The methodology for fulfilling the Contract and meeting the specification

- The project timetable
- Similar tenders executed
- Details of account management
- Invoicing arrangements
- An estimate of the savings HBC could make
- The percentage fee the company would expect if overpayments were found.

3. EVALUATION PROCESS

- 3.1 Electronic tenders were invited on the 16th December 2010 with a closing date of 14th January 2011. Contract Scrutiny Committee formally received 11 tenders on 14th February 2011.
- 3.2 The Procurement Team undertook a tender evaluation exercise by the application of formal tender criteria. The application of this criteria eliminated 9 bidders that did not meet tender requirements. Three tenderers failed to meet the relevant financial criteria; two tenderers failed to sign and return the Form of Tender; two tenderers applied 'set up costs' to what should have been a 'no win no fee' bid and one tenderer had the incorrect interpretation of what was required.
- 3.3 Two bidders remained and were invited to interview to assess their competency within the field of energy billing cost recovery and to clarify
- 3.4 The interview panel comprised of Albert Williams, Property Services Manager, Dave Hammond, Energy Management Officer, David Hart, Strategic Procurement Manager and Karen Burke, Procurement Category Manager.
- 3.5 After reviewing the facts / information from the interview process a decision was made to award the contract to Tender no. 7 - PCMG Limited.
- 3.6 It was agreed by the panel to award the tender to Tenderer No. 7 on the basis of:-
- That they had a proven track record of undertaking the same project for other organisations including Local Authorities;
 - The company requested the lowest fixed percentage on any costs recovered. The Procurement Team also negotiated a further reduction with PCMG Limited on their percentages.

4. FINANCIAL CONSIDERATION

- 4.1 There is no financial risk to the Council as the service is free of charge with the Cost Management Company operating on a fixed percentage of any costs recovered.

5. RECOMMENDATIONS

- 5.1 That the Contract Scrutiny Committee notes the report.

6. BACKGROUND PAPERS

None.

7. CONTACT OFFICER

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