

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3749

Author:

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Department:

Commercial and Operations

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Subject:

Purchase of Ice Plant replacement and decommissioning works

Total Value:

Exempt (Type: Capital and Revenue)

Decision Being Taken:

1. To appoint a contractor to carry out installation works for a replacement ice plant and refrigeration equipment at the National Ice Centre (NIC) and decommissioning and ancillary works.
2. To note that a 5% contingency has been included in the decision value.
3. To approve a dispensation from Contract Procedure Rule 5.1.2 (requirement to seek tenders) under Finance Procedure Rule 3.29 on operational grounds.
4. To approve the spend associated with the decision and the impact this will have on the sinking fund reserve set out in the financial comments.

Reasons for the Decision(s)	<p>The NIC building is an asset owned by the Council. There is a requirement to maintain the asset which aligns to the Sport England grant conditions that form part of the initial funding package to build the facility, which covers a 50 year life span commencing in 2000.</p> <p>The original ice refrigeration plant is almost 20 years old and is now beyond its expected life span and it is a critical piece of equipment for the operation of the NIC. There has been a cost benefit analysis undertaken to compare replacement or maintaining the existing plant on a piece meal basis; this is captured in Appendix A. There are both financial and non financial risks associated with maintaining the current ice plant which support the business case for a replacement as the preferred option.</p> <p>Appendix A contains the quotes provided by the suppliers; the preferred supplier is Star Refrigeration Ltd. This is a niche market (both in Europe and internationally) and all relevant suppliers have been asked to submit a quote; only those providing appropriate/reasonable submissions have been included in Appendix A.</p> <p>Appendix A does not include any contingency in relation to the installation of the new plant; after consultation with the NIC is has been agreed that 5% is a prudent amount and has been captured as part of the decision value.</p> <p>The maintenance and servicing of the plant will be procured by the operator (separate legal entity) and not NCC, therefore this does not form part of this decision but does form part of the business case in Appendix A.</p>
Other Options Considered:	Maintaining current plant for another year - see implications set out in attached briefing paper and reasons why this option was rejected.
Background Papers:	N/A
Published Works:	N/A
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Dispensation from Financial Regulations:	Yes
Exempt Information:	

Description of what is exempt:

Financial information

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because of the impact to contractual negotiations and ensuring a contract that ensures value for money.

Documents exempt from publication:

Appendix A - Business case for replacement.pdf, Exempt decision value.docx, Financial Observations Final v2.docx, Appendix B - Sinking fund programme.pdf

Consultations:

Date: 18/12/2019
Other City Council Bodies: National Ice Centre board agreed the decision in the form.
Agreed the funding principle.

Date: 16/12/2019
Other: Trevor Bone & Steve Oakley
Agreed the need for replacement and procurement process.

Date: 06/12/2019
Chief Finance Officer: Ceri Walters discussed with CFO.
Agreed the funding principle.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

N/A

Equality:

EIA not required. Reasons: The decision does not relate to a new or changing policy, service or function.

Social Value Considerations:

N/A

Decision Type: Portfolio Holder

Subject to Call In: No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Cllr Georgia Power
Consultation Date: 19/12/2019
The order for the replacement Ice Plant has to be submitted prior to the end of the year to ensure the lead in time enables the replacement to occur during June 2020 without negatively impacting on the income generation of the NIC.

Advice Sought: Legal, Finance, Procurement

Legal Advice: This report does not raise any significant legal issues. The City Council is the owner of the Ice Centre and has responsibility for replacement of capital assets. The Ice Centre has undertaken a limited procurement exercise and negotiated a contract with a specialist provider. As a contract for works the value is below the applicable financial threshold in the Public Contracts Regulations 2015 and a direct award is permissible. As the contract is being made substantially on the provider's terms and conditions the contract will need to be closely and proactively managed. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 20/12/2019.

Finance Advice: This advice is exempt from publication and is contained within an exempt appendix

Procurement Advice: If the dispensation is granted, there are no direct procurement issues with this decision as the value of the contract is below the OJEU threshold for works. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 20/12/2019.

Signatures
Sam Webster (PH Finance, Growth and City Centre)
SIGNED and Dated: 30/12/2019
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 30/12/2019
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 30/12/2019
Chief Finance Officer's Comments: Dispensation based on advice from colleagues