

Finance and Resources Committee

10.00 a.m., Thursday 20 May 2021

Waiver Extension – Building Energy Management System (BEMS)

Item no	
Executive	Executive
Wards All	All
Council Commitments	

1. Recommendations

1.1 That the Finance and Resources Committee:

- 1.1.1 Notes the contract extension for the BEMS services awarded to TESGL Limited until 30 September 2021, through a waiver of the Contract Standing Orders, at an estimated total cost of £250,000. This contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Resources, in consultation with the Convenor and Vice Convenor of Finance and Resources; and,
- 1.1.2 Approves a further 3-month extension of the contract from 1 October 2021 until 31 December 2021, at an estimated value of £125,000, to enable sufficient time for the procurement of the replacement service.

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Waiver Extension – Building Energy Management Systems (BEMS)

2. Executive Summary

- 2.1 This report notes the contract extension for the BEMS services, which was awarded to TESGL Limited, through a waiver of the Contract Standing Orders, to run until 30 September 2021, at an estimated value of £250,000. This contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Scheme of Delegation, the Executive Director of Resources having taken that decision in consultation with Convenor and Vice-Convenor of the Committee, subject to it being reported to the next available meeting of this Committee.
- 2.2 The report also seeks approval for a further 3-month extension of the contract, from 1 October 2021 until 31 December 2021, at an estimated value £125,000. This is to allow sufficient time for the procurement of the replacement service to be concluded.

3. Background

- 3.1 TESGL Limited have supplied the Council's Building Energy Management System (BEMS) solution since 13 April 2016. This ensures the functionality of Automatic Controls Systems (ACS) primarily those pertaining to Heating, Ventilation and Air Conditioning (HVAC) systems within buildings across the Council's estate.
- 3.2 The contract with TESGL Limited expired in August 2020, but the procurement exercise to retender the contract has been delayed due to the impact of the Covid-19 pandemic. The contract was extended until 31 March 2021 through a waiver of the Contract Standing Orders and extended again under delegated authority until 30 September 2021 through a waiver of the Contract Standing Orders, at an estimated value of £250,000. The contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Scheme of Delegation, with the Executive Director of Resources having taken that decision in consultation with Convenor and Vice-Convenor of Finance and Resources, subject to it being reported to the next available meeting of this Committee.

4. Main report

- 4.1 The contract is operated across the Council's operational estate, inclusive of schools and care homes, including assurance of supply in order to maintain energy (heat and electricity) and avoid ventilation and water issues (Legionella).
- 4.2 The extension will allow for changes to the way in which BEMS is tendered allowing for integration with the new hard Facilities Management (FM) contract and Computer Aided Facilities Management (CAFM) integration, increasing estate awareness and control, whilst maximising the FM strategy. The new hard FM contract is subject to a separate report on the Committee agenda.
- 4.3 The additional time will enable investigation into the existing hardware, to implement changes to the procurement approach, contingency timing for the procurement process and to allow time for a managed transition to a new supplier, if necessary.
- 4.4 The process for tendering this service is currently under way and it is anticipated that a new supplier will be in place by 31 December 2021. Consequently, a further 3-month extension to the decision taken under delegated authority is required, at an estimated value of £125,000, to enable the retendering exercise to complete.
- 4.5 If the extension is not awarded there would be a detrimental impact upon the ability to manage the energy usage and air and water quality and would place a risk on the safe operation of properties across the estate.

5. Next Steps

- 5.1 Subject to approval, the existing extension to the contract with the supplier is due to end on 31 December 2021, and the tender exercise for the new contract has already commenced.

6. Financial impact

- 6.1 The estimated value of the proposed extension, from 1 April until 31 December 2021, is £375,000.
- 6.2 This waiver represents an increased risk of challenge within what is a competitive market; however, this is mitigated by the intention to use the extension period to undertake a tender exercise, which will permit other potential suppliers to come forward for consideration.

7. Stakeholder/Community Impact

- 7.1 Not applicable

8. Background reading/external references

8.1 None.

9. Appendices

9.1 None.