

**FALKIRK COUNCIL**

**Subject: NATIONAL CONTRACT FOR THE SUPPLY OF WATER AND WASTE WATER SERVICES**  
**Meeting: EXECUTIVE**  
**Date: 30 SEPTEMBER 2014**  
**Author: DIRECTOR OF DEVELOPMENT SERVICES**

**1. INTRODUCTION**

- 1.1 Policy & Resources Committee at its meeting of 5 April 2011 agreed to the Council's participation in the Scottish Procurement Directorate's national contract for the supply of water and waste water services. The contract commenced in April 2011 and ends March 2015.
- 1.2 The purpose of this report is to seek Member approval to update the existing agency agreement for continuation of the Council's involvement in this national contract from 31 March 2015 onwards.

**2. CURRENT CONTRACTS**

- 2.1 The Council's involvement in the current national contracts provides for all of the Council's water and waste water services, including additional benefits such as water efficiency measures and leak detection up to 31 March 2015.
- 2.2 Scottish Procurement estimate that, by utilising the current national procurement strategy, savings across the whole public sector are currently standing at £22.8 million over the term of the existing contract, which it aims to maintain and increase in the new contract. Falkirk Council's total savings over the last three years were £194,485, which was in line with expectations. This saving was achieved through the discounted rates available to the Council within the national contract.

**3. FUTURE CONTRACT STRATEGY**

- 3.1 As noted in section 2.1, contracts are in place for the Council's water and waste water needs until end of March 2015. The Council now needs to consider extending these agreements in order to allow advanced purchasing and contract set-up for the period beyond 31 March 2015, by entering into the agency agreement by 15 October 2014.
- 3.2 There is only one wholesaler in Scotland, Scottish Water, which sets the wholesale price (minimum price) along with the maximum price a licence provider can charge. There are thirteen licence providers of which our current supplier, Business Stream, is one. The difference in prices from each licence provider, offered by discounts on the price set, will form the basis of the price competition.
- 3.3 The new agency agreement will cover the contract for an initial supply period of three years (1 April 2015 – 31 March 2018) with an option to extend for a further one year and possible two years, subject to policy guidance being sought by Scottish Procurement.

- 3.4 Scottish Procurement's current purchasing power of around £82m for water and waste water services will allow the Scottish public sector to exert more influence on suppliers to promote water efficiency activities, provide the most competitive price available and make improvements to levels of service more attainable.
- 3.5 Falkirk Council's spend in the last full financial year, 2013-14, for water and waste water services was £825,000.

**4. RECOMMENDATIONS**

**It is recommended that Members:**

- 4.1 **Approve the signing of an agency agreement allowing continuing participation in the national contracts for the supply of water and waste water services from 31<sup>st</sup> March 2015 onwards, before the deadline of 15 October 2014.**
- 4.2 **Agree to continued participation in the national contracts for the supply of water and waste water services contract from 31 March 2015 onwards.**

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**DIRECTOR OF DEVELOPMENT SERVICES**

Date: 1 September 2014  
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