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REPORT TO:	CABINET 10 June 2019
SUBJECT:	Contract Variation to the Cremators and Maintenance Contract for the Installation of Compact Coolers
LEAD OFFICER:	Hazel Simmonds, Executive Director of Gateway, Strategy and Engagement Julia Pitt, Director of Gateway Services
CABINET MEMBER:	Cllr Oliver Lewis, Cabinet Member for Culture, Leisure & Sport
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON A manifesto promise was made by the Administration to improve access to bereavement services for the community. Replacing the cremators will improve the accessibility to dignified end of life services for all in the borough and will offer genuine choice for the families. The ability for all to be able to access local end of life services will have a positive impact on the mental health of the bereaved as the wishes of both themselves and the deceased can be followed through easing the journey of bereavement for residents.	
FINANCIAL IMPACT The original value of the award was £497,082. The new value with the variation will be £610,947.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

The Leader of the Council has delegated to the Cabinet or Nominated Cabinet Member for Culture, Leisure and Sport the power to make the decisions set out in the recommendations below

1. RECOMMENDATION

- 1.1 The Cabinet Member for Culture, Leisure and Sport is recommended by the Contracts and Commissioning Board to approve the contract variation with Facultatieve Technologies for the installation of cremators and a maintenance under Regulation 29 of the Councils Tenders and Contracts Regulations the addition of the installation of new Compact Coolers at a cost of £113,865. The new maximum contract value will now be £610,947.

2. EXECUTIVE SUMMARY

- 2.1 The contract variation is required to replace the existing compact coolers in the Council's Crematorium. The new design layout for the new cremators at the Crematorium has highlighted the requirement to include the fit out of new cooling units which were not due to be replaced for a couple of years but in do so now will save the Council money, in the long run.
- 2.2 The content of this report is to be endorsed by the Contracts and Commissioning Board

CCB ref. number	CCB Approval Date
CCB1487/19-20	20/05/2019

3. DETAIL

- 3.1 The Cremators and maintenance contract was procured through the YPO Crematorium framework II (OJEU award: 2016/S 127-228863) and approved by CCB on 8th February 2019 (CCB1455/18-19).
- 3.2 The variation to this contract was unforeseen by the Council when it originally procured the new cremators. When the compact coolers are installed, the layout of the crematorium will need to be changed to accommodate, and this was unknown during the procurement process. By including the purchase and installation of the new compact coolers at the same time as the new cremators, it will save the Council over £100,000 in installation costs. Although a price was given by Facultatieve Technologies for cooling units in the procurement process, this was not required and was not included in the evaluation
- 3.3 The variation is considered to be permissible under PCR 2015, regulation 72e applies, as the modifications to the contract are not substantial. It is not considered that the additional requirement would have not have allowed for any other providers to be selected or any other provider to be attracted to the procurement process, and it does not considerably extend the scope of the procurement as it is an add-on to the main requirement. The value of the increase of the contract is lower than the EU threshold value and therefore would not require the new contract to be procured via an OJEU process and therefore the risk of any successful procurement challenge is also considered to be low.
- 3.4 Installation of new Compact Coolers in conjunction with the installation of the new cremators will future proof the technology and existing equipment will need replacing during the life of the new cremators and doing so at a later stage will cost the Council significantly more than undertaking the works now.
- 3.5 When assessing the information provided in the kick off meeting with the supplier for the cremators it became clear that the installation was more practical and cost effective at this time as the level of rework required in the

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future would cost £220,000 (at current prices) compared to £114,000 by undertaking the work as part of the wider installation. The original value of the award was £497,082. The new value with the variation will be £610,947. The percentage increase is 22%.

4. CONSULTATION

- 4.1 The buying of cooling units has not needed a consultation. The service to residents is not changing.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 1. Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Revenue Budget available				
Expenditure	35	35	35	35
Income				
Effect of decision from report				
Expenditure	7	7	7	7
Income				
Remaining budget	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>
Capital Budget available				
Expenditure	600	0	0	0
Income				
Effect of decision from report				
Expenditure	578			
Income				
Remaining budget	<u>22</u>	<u></u>	<u></u>	<u></u>

- There is a capital budget of £600k available for this project, any underspend will be used to increase the capital fund for the crematorium refurbishment. The capital budget has been decreased from 2018/19 due to the funds being needed for another project in 2019/20.
- The yearly maintenance cost of £7k will be funded from the existing crematorium revenue budget for maintenance of bereavement service equipment.

2 The effect of the decision

This decision will provide the Council with a fit for purpose crematory which will allow the service to meet the demands of the community as the death rate grows over the coming years and to accommodate all residents as the population grows in size physically.

This will facilitate the Council continuing to offer exceptional end of life services to both the deceased in terms of the dignity which can be provided and to the bereaved at difficult times in their lives. This will also address some of the issues of funeral poverty as residents who could not be accommodated with the current equipment will not be pushed to more costly private

3 Risks

There are no financial risks associated with this variation.

4 Options

See section 12 (below).

5 Future savings/efficiencies

Further efficiencies will be achieved through the improved technology used in the proposed Compact Coolers which will reduce energy consumption

Approved by: Flora Osiyemi, Head of Finance – Place, Residents & Gateway

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance comments that there are no additional legal considerations arising directly from this report

Approved by: Sean Murphy, Director of Law and Monitoring

7. HUMAN RESOURCES IMPACT

7.1 This paragraph should include any considerations in relation to staffing levels, restructuring/regrading, recruitment, employee relations, the Council's personnel policies or other human resources matter.

Approved by: Sue Moorman, Director of Human Resources

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8. EQUALITIES IMPACT

- 8.1 A full Equality Analysis is not needed for this procurement, due the fact the procurement will not cause any positive or negative effects on protected characteristics. The buying of two cremators and maintenance will not mean any changes to the service. The Bereavement Service change programme are working on an equalities analysis of which this procurement is one small element.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 There are no environmental impacts related to this variation.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts related to this procurement.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Varying the contract to include the compact coolers will ensure that the best value can be achieved over the life time of the cremators by ensuring that the existing boiler equipment, which will reach the end of its usable life before the end of the expected life of the cremators, can be replaced at the most cost efficient time and reduce the risk of future costs which would be estimated at current prices to be £220k

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Cremation equipment is a specialist market and there are a small number of suppliers who are able to supply the equipment to allow the Council to provide a cremation service to the community. Surveys have shown that the crematorium would need to be refitted if the coolers were fitted in at a future point in time. Due to the award of the cremators and maintenance to Facultatieve Technologies (FT), and the works that will go ahead in summer 2019, time is limited. Market testing has shown that coolers from other brands, apart from FT, are incompatible with the cremators which have been brought by the Council.

CONTACT OFFICER: Becky Saunders, Category Manager, x63263

BACKGROUND DOCUMENTS: None