

REPORT TO: POLICY AND RESOURCES COMMITTEE - 8 NOVEMBER 2010

**REPORT ON: INSTALLATION OF AUTOMATIC METER READING TECHNOLOGY TO
250 COUNCIL PROPERTIES
CONTRACT NR 10-1102**

REPORT BY: CITY ARCHITECTURAL SERVICES OFFICER

REPORT NO: 655-2010

1.0 PURPOSE OF REPORT

1.1 This report details the tenders received for the above project and requests approval to accept the best value tender and associated allowances.

2.0 RECOMMENDATIONS

2.1 It is recommended to approve that the Director of Finance enter into a Buying Solution Framework Agreement with Stark Software International Ltd, Horley.

3.0 FINANCIAL IMPLICATIONS

3.1 The Director of Finance has stated that the project capital costs of £82,407 can be met from the allowance of £100,000 within the Chief Executive's Capital Estimates 2010/11 for 'Energy-Spend to Save'.

3.2 The on-going revenue costs for maintenance and support of £15,664 per annum will be met from the existing provision for Energy Management in the City Development Department's revenue budget.

3.3 Advanced meter reading does not produce direct savings however if the identified measures through the contract (Item 4.2) are implemented then, equating savings directly to consumption, overall savings of £80,000 per year of the 2 remaining years of the carbon management plan may be achieved. A further cost saving of approximately £9,000 per year may be realised by the reduction in carbon allowances which we will be required to purchase.

4.0 POLICY IMPLICATIONS

4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment.

There are no major issues.

4.2 With regard to Sustainability the introduction of advanced metering will result in identifying significant opportunities for cost-effective greenhouse gas emission reductions. A total of 1,450 tonnes of Carbon Dioxide over the life of the Council's Carbon Management Plan has been targeted. If 80% of the identified opportunities are implemented then 725 tonnes of carbon will be saved in each of the two remaining years of this contract.

5.0 TENDER REPORT

5.1 The City Development Department have issued a tender enquiry to four companies through the OGC Government Website for installing and monitoring Gas/Electric meters to 250 Dundee City Council properties. The meters have major benefits; they will monitor and analyse consumption over a period of five years.

5.2 Four firms were invited to submit tenders and two compliant tenders were received. The City Development Department have evaluated the offers received and conclude that that Stark Software International Ltd, Horley provide the best solution. Stark have provided a Buying Solutions Framework Agreement and the Council shall be required to enter into this.

5.3 The Stark tender is recommended for acceptance and if agreed to it brings out the following:-

Capital Costs

Stark International Ltd., Horley	£65,907
Allowance for professional Services	<u>£16,500</u>

<u>Project Capital Costs</u>	<u>£82,407</u>
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Project Revenue Costs (over 5 year period)

Stark International Ltd., Horley_	<u>£78,320</u>
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6.0 CONSULTATIONS

6.1 The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and Director of City Development have been consulted in the preparation of this report.

There are no major issues.

7.0 BACKGROUND PAPERS

7.1 None.

Rob Pedersen
City Architectural Services Officer

25 October, 2010

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