

## OFFICER DECISION RECORD SHEET

**Name of decision maker:** Assistant Director of Planning, Development & Regeneration

**Service Area:** Strategic Planning & Regeneration

### Title of Decision:

### Decision made and reasons:

**Decision:** To award a 5-year contract to Essensys Limited for the Installation and Maintenance of the Phone and IT Systems at Kylna Court.

**Reason:** The Council are currently in the process of constructing 79 new affordable flats and a managed business suite at Kylna Court (formally known as Wood House).

The Council recently carried out an OJEU compliant tender for the maintenance of the telephone system at Maylands Business Centre and the installation and maintenance of the telephone system for the business suite at Kylna Court.

The Council have already awarded the first part of this contract to Essensys Limited for the maintenance of the phone system at Maylands Business Centre however we have held off awarding the contract for Kylna Court as we were still waiting for further information before we could formally award the contract for Kylna Court.

This has now been finalised so the Council would now like to move ahead so Essensys can start ordering the equipment to ensure the phone system has been installed in time for the opening of the business centre.

### Reports considered:

The procurement report is attached.

### Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Strategic Planning and Regeneration Officer, Maylands Business Centre  
ICT Operations Team Leader  
Commissioning, Procurement & Compliance Team Leader  
Group Manager of Strategic Planning & Regeneration

**Financial Comments:** The overall approved capital budget for the refit at Kylna Court for the office suites is £500k. At this stage, the latest project estimate is £501k. A further capital spend of £17k for the installation of telephony is within the acceptable 10% project tolerance. Revenue budgets are yet to be set for 19/20. Kylna Court is expected to complete in January 2019 and is projected to realise a small surplus.

### Monitoring Officer Comments:

No comments to add to the report.

### Deputy S151 Officers Comments:

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The capital costs incurred by the award of this contract are within the approved capital budget tolerance levels. The contract award will produce a slight overspend of 3% that will be incorporated as part of the wider 2018/19 capital spend and budget.

### **Financial:**

Contract set up fees/installation costs - £17,052.00  
Annual maintenance cost for Kylna Court - £25,800  
Contract costs over 5 years excl. inflationary uplifts would total - £146,052.00

There are also variable costs which are dependent on the occupancy levels of services taken up by the occupants:

Voice user (standard) - £7.50  
Voice user (lite) - £9.50  
Analogue line - £90.00  
Conference bridge - £20.00  
Call recording - £20.00  
Fax to Email - £15.00  
Basic IVR - £15.00  
Enhanced IVR - £10.50  
Public IP Address (single publicly routable RIPE address) – 8 included and £10 thereafter.

The maintenance costs and variable costs are recovered through the lease agreement to clients and variable costs are recharged on a monthly basis in arrears, so has a net nil impact to council budgets assuming that occupancy levels remain at 100%.

There is no reason to expect that occupancy levels would not be 100% as Kylna Court would be an extension of the service offered by Maylands Business Centre which currently has a waiting list for units.

### **Options considered and reasons for rejection:**

If this contract is not awarded, then the businesses at Kylna Court will not be able to operate from Kylna Court.

### **Officer Signature:**

Date:

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