

CABINET MEETING - 3 DECEMBER 2014 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: Procurement of Replacement Cremation Equipment Sunderland Crematorium	
Author(s): Report of the Deputy Chief Executive	
Purpose of Report: To seek Cabinet approval for the procurement of replacement cremation equipment at Sunderland Crematorium.	
Description of Decision: Cabinet is recommended to approve the procurement of three cremators and associated equipment at Sunderland Crematorium to replace the existing equipment which is approaching the end of its working life in order to maintain the efficiency and effectiveness of the council's crematorium service.	
Is the decision consistent with the Budget/Policy Framework? *Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: In accordance with the Constitution, Cabinet approval is required to permit the letting of a contract exceeding £250,000 in value.	
Alternative options to be considered and recommended to be rejected: Not replacing, or delaying the replacement of the cremation equipment could reduce the efficiency of the service because of the reduced reliability and increased maintenance costs of the existing equipment as it ages. This option has been rejected.	
Impacts analysed; Equality <input checked="checked" type="checkbox"/> Privacy <input type="checkbox"/> Sustainability <input type="checkbox"/> Crime and Disorder <input type="checkbox"/>	
Is this a “Key Decision” as defined in the Constitution? <u>Yes/No</u> Is it included in the 28 day Notice of Decisions? <u>Yes/No</u>	Scrutiny Committee

PROCUREMENT OF REPLACEMENT CREMATION EQUIPMENT

Report of Deputy Chief Executive

1. PURPOSE OF THE REPORT

- 1.1 To seek approval for the procurement of 3 replacement cremation units and associated equipment.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to approve the procurement of 3 new cremation units and associated equipment to replace existing equipment to maintain the efficiency and effectiveness of Sunderland Crematorium.

3. BACKGROUND

- 3.1 The Streetscene Bereavement and Registration Service operates the Council's only crematorium within Bishopwearmouth Cemetery, Chester Road, Sunderland. Approximately 2,400 cremations per annum are performed at the crematorium utilising three electric cremators on a rotating cycle to ensure that the Council meets its mercury emissions targets. The existing cremation equipment is one of only two nationally which operates on electricity and approaching 15 years old, which is the generally accepted efficient operating period for such equipment. To extend the period of operation of the cremation equipment will reduce their efficiency and become uneconomic to maintain and operate.
- 3.2 The replacement equipment will allow all three cremators to operate with modern environmental emissions control equipment ensuring compliance with air quality legislation, and also maintain and upgrade where possible, the existing heat energy recovery unit currently in place at the crematorium.
- 3.3 An assessment of the energy costs of operating the crematorium with the replacement equipment will be made to ensure operating costs are taken into account when evaluating tenders.
- 3.4 As part of the cremation improvement works a new crematorium chapel exit canopy to compliment the recently constructed entrance canopy will be procured. Funding has been previously identified for this work, which will take place immediately after the installation of the new cremation equipment to minimise disruption and inconvenience to service users.

- 3.5 The works to replace the equipment will be programmed to take place in a phased manner to allow the continuous operation of the crematorium.
- 3.6 There is budgetary provision for the replacement equipment in the Council's capital replacement programme.

4. PROCEDURE

- 4.1 The total capital purchase value of the equipment is likely to be in the region of £900K and is therefore subject to the procurement regulations and procedures of the Official Journal of the European Union (OJEU). Market analysis of cremation equipment suppliers has been carried out by the Corporate Procurement Team. The number of suppliers is relatively low but sufficient to ensure a competitive procurement takes place. An open tender process will be used to generate competition between suppliers to ensure best value. Tenders will be evaluated taking costs and quality into account.
- 4.2 The replacement equipment will be funded by capital financing identified in the medium term financial strategy capital programme.
- 4.3 It is anticipated that if cabinet approval is given the procurement process will commence in spring 2015 and the replacement and improvement works will be completed by spring 2016.

5. REASON FOR DECISION

- 5.1 To ensure that the Council's crematorium continues to operate efficiently and in accordance with the Constitution, Cabinet approval is required to permit the letting of a contract exceeding £250,000 in value.

6 ALTERNATIVE OPTIONS

- 6.1 Not replacing or delaying the replacement of the crematorium equipment and related abatement equipment would reduce the efficiency of the service and cost more as a result of increased maintenance costs. This option has been rejected.

7. IMPACT ANALYSIS

- 7.1 Equalities - An Equality analysis has been undertaken. This has shown that the proposal will not introduce any new equality issues.
- 7.2 Sustainability – An assessment of the proposal will include a review of the existing waste heat energy recovery system and the energy costs involved in operating the crematorium.

8. OTHER RELEVANT CONSIDERATIONS / CONSULTATIONS

- (a) Financial Implications – The Head of Financial Resources has been consulted on this proposal and confirms that there is provision from the current capital budget to procure the equipment.
- (b) Employee Implications – The Director of Human Resources and Organisational Development has been consulted and has confirmed there are no direct employee implications.
- (c) Legal Implications – The Head of Law and Governance has been consulted and confirms that legally compliant procedures are being pursued.
- (d) Health & Safety Considerations – The tenders will be evaluated to ensure compliance with the health and safety obligations of the Council.
- (e) Procurement – The Corporate Procurement Team has provided advice and guidance on this report.

9. LIST OF APPENDICES

None

10. BACKGROUND PAPERS

None

