

HAMPSHIRE COUNTY COUNCIL

Officer Decision Report

Decision Maker:	John Tickle
Title:	Basingstoke Canal: Lock Gate Procurement Framework
Reference:	7542
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1. The decision:

- 1.1. To give authority to approve procurement strategy / invite tenders and spend under the proposed Basingstoke Canal Lock Gate Framework

2. Reason(s) for the decision:

Background

- 2.1. The Basingstoke Canal Authority (a local authority partnership hosted by Hampshire County Council [HCC] [BCA] manages the Basingstoke Canal for HCC and Surrey County Council [SCC] – the owners of the waterway since the mid 1970s. The Canal had become derelict under the last private owners and was restored by Countryside Rangers, Canal Society Volunteers and Manpower Services Commission Job Creation workers. They rebuilt the lock gates in a converted workshop using timber supplied by SCC's own sawmill. The BCA was formed from the two County Council's Countryside Ranger teams in 1990 to manage the restored waterway as a whole.
- 2.2. The BCA initially continued to build the lock gates themselves "in house". In the early 1990s changes in staffing and the cessation of the "job creation" apprentice's scheme led to lock gates being procured externally from specialist suppliers, or simply deferred.
- 2.3. A major reorganisation of the BCA occurred in 2011 and since this time the two-four sets of gates have been procured through an annual single tender waiver with a local oak specialist joiner.

Asset Management

- 2.4. The Canal is managed as an operational historic waterway for public recreation. The Canal has 29 operational locks with two sets of lock gates each and a dry dock with one set of gates.
- 2.5. Lock gates are timber and have an average lifespan of 25 years. The Canal's Asset Management Plan calls for the replacement of between 2 and 4 sets of

timber lock gates per annum to ensure that wholesale replacement is not required in a short period of time – which could not be afforded from current budgets.

- 2.6. Lock gates are critical water retention features – a failure could lead to widespread flooding, damaging infrastructure and neighbouring property.

Procurement strategy

- 2.7. On average the BCA are spending £46,000 per year on lock gates plus delivery costs met from existing revenue budgets. This is a significant expenditure which is not being tested for best value on the open market. Procurement officers advise that a framework would test the market to ensure that the BCA are getting best value for its Local Authority partners.
- 2.8. A four year framework would have a total value of up to £200,000 spread evenly over 4 years.
- 2.9. Currently the BCA accepts much of the financial risk for the manufacture of lock gates as they carry out the measurement and installation of the gates. Procurement officers have advised that risk up to delivery would normally rest with the supplier and the proposed Procurement Strategy reflects this approach.

Spending

- 2.10. Authority is also sought for spending overall of up to £200,000 on the life of the framework and up to £50,000 for the 2016-17 financial year; this can be met from the BCA's normal canal maintenance revenue budget.

3. Other options considered and rejected:

- 3.1. Continuation with existing annual single tender arrangements – this would not reduce financial risk on the BCA for failures in measurement or manufacture, nor test the market for costs. However, should the market test prove that the existing arrangements are the most affordable this remains a reserve position.

4. Conflicts of interest:

- 4.1. None

5. Dispensation granted by the Head of Paid Service:

- 5.1. None

6. Supporting information:

[Lock Gate Framework Procurement Strategy](#)

Approved by:

Date:

16 May 2016

John Tickle

**Assistant Director, Culture & Heritage,
Culture, Communities and Business Services**