

Cabinet Report



Listening Learning Leading

Report of Head of HR, IT and Technical Services

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To: CABINET

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Replacement of Moulsoford sewage treatment works

Recommendations

- (a) To begin a procurement process to identify a suitable supplier for a new replacement sewage treatment works (STW) at Moulsoford.
- (b) Subject to the winning tender being within capital allocation, to delegate the award of the contract to supply and install a new STW to the head of service in consultation with the cabinet member. Decision to award to be recorded and fully documented using 'record of officer decision' documentation.
- (c) To note that the transfer of budget from the provisional to the approved capital programme for the project will be undertaken using an individual cabinet member decision once actual costs are known.

Purpose of Report

1. To set out the case for procuring a new STW for Moulsoford and to obtain authorisation to begin a procurement process to supply and install a new works and to delegate authority (subject to financial limits) to award the contract to the Head of Service in consultation with the cabinet member.

Corporate objectives

2. This project falls under a number of corporate objectives including investing in the district's future and services that meet residents' needs.

Background

3. Moulsoford is not on mains waste water drainage and a small council owned STW serves 57 properties in the village. Properties not connected to the works have other separate arrangements for dealing with their waste water such as septic tanks. The location of the works is shown in appendix one.
4. The current STW is composed of two connected sections, as shown on the plan in appendix one. Waste water flows from the houses through a private sewer into a three stage solids collection tank located to the rear of 42 Underhill. The waste water is then pumped up hill to two filter beds located behind 25 Underhill where the water is treated and discharged to the ground via land drains and ditches. There is no roadway to the filter bed site so vehicle access to maintain the filter beds is difficult.
5. The District Council owns and is responsible for the running and maintenance of the existing system.
6. To try to reduce future council liabilities a significant amount of officer time has been invested in negotiating with Thames Water to try to persuade them to adopt a new STW once we have upgraded the works. Unfortunately, because the site access is too narrow to accommodate Thames Water's standard sized vacuum tankers they are not willing to do this. The council plans to empty the new system using a smaller tanker (as we do now), but Thames Water only want to use large tankers which can access any of their works.
7. The possibility of discharging the sewage to public sewers on the east side of the river Thames in South Stoke was also explored with Thames Water in 2013/14. This option would mean that a STW in Moulsoford was not necessary. Unfortunately this was discounted due to the very high construction costs.
8. Officers have serious concerns about the environmental performance of the current STW which does not have a discharge consent from the Environment Agency. The works urgently need to be replaced.
9. The council has allocated £300,000 in the provisional capital programme to pay for a replacement STW at Moulsoford. This amount is considered sufficient to replace the works with the proposed system.
10. The council obtained planning permission for a new package works on 10 March 2016, reference P15/S4368/FUL. The proposed location and layout of the new system is shown in appendix two. The design is similar to that shown in appendix three.
11. It is intended to install the new works adjacent to the current solids tanks and pumping station, and to discharge treated waste water across land owned by SOHA into the highways road drainage system. The Environment Agency, SOHA and the Highways Authority have indicated that they would be content with the proposed waste water discharge arrangements and we are in the process of formalising these consents.
12. To facilitate access to the new works, because they will be located slightly further from the road and around a tight right angle bend, one garage on the site needs to be removed.

13. Following the installation of the new STW the current works will need to be made safe for the long term. It is planned to consider this aspect in more detail once the new works are operational.
14. The proposed procurement process will be managed by Capita procurement through an open tender process advertised via the Capita portal. Monson Engineering will act as technical consultants for the procurement and project managers for the construction.
15. The evaluation of tenders will be undertaken against a published criteria by a panel including Capita, Monson and council technical and legal staff. A document detailing the evaluation of each tender will be prepared along with a recommendation to the head of service for technical services and the portfolio holder, if appropriate, regarding which tender is considered best value.
16. On consideration of the evaluation report the decision to award of the contract will be delegated to the Head of Service for technical services in consultation with the cabinet member.

Options

17. **Do nothing:** This is considered a less favourable option because the STW has gone beyond its design life and needs to be replaced.
18. **Upgrade rather than replace the current works:** The design for the new works will be three times larger than the current works and therefore refurbishment is not a realistic option.
19. **Connect to the Thames Water sewer:** Connecting the private drainage system at Moultsford to Thames Waters' sewer on the opposite side of the river at South Stoke, making a treatment plant in Moultsford unnecessary, was costed in June 2014. The costs for constructing a sewer and upgrading the current Thames Water sewer and sewage works to receive the waste were estimated at £2,364,500. To proceed with this proposal Thames Water would require the council to meet these costs for the proposal to be viable. This option was discounted on cost grounds at the time and is still considered unacceptably high.
20. Replace STW in line with report recommendations.

Financial implications

21. The council has allocated £300,000 in the provisional capital programme to pay for a replacement STW at Moultsford. This amount is considered to be sufficient, but costs have not yet been confirmed in the market. The transfer of budget from the provisional to the approved capital programme for the project will be undertaken using an individual cabinet member decision once actual costs are known.
22. Ongoing maintenance and running costs of the new plant will be met by residents in the same way as for the current plant. This is calculated by adding up the costs for running all the council's STW then dividing the total by the number of properties served by all the works. The council's current policy on calculating charges for residents using council owned STWs only allow for recovery of ongoing maintenance and running costs not capital spent on upgrading works.

Legal implications

23. Planning permission has been granted for the proposed new STW, reference P15/S4368/FUL.
24. Building regulations approval for the works and also permission to discharge the treated effluent from the STW into the highways surface water drain across SOHA land will also need to be obtained from SOHA, the Environment Agency and Oxfordshire County Council Highways authority who own the drain.
25. Following the tender process a form of works contract a suitable standard form of works contract will be entered into with the selected provider to address risk and liability of the parties

Risks

26. As above officers are in the process of formalising consents with SOHA, the Environment Agency and the Highways Authority, but until they are formalised there is a risk that they will not be forthcoming. This risk is considered to be low.
27. Building regulations permission will be needed for the STW. The design is very similar to other package STWs the council has recently installed in other locations and obtaining building regulations approval is considered to be relatively straightforward.

Other implications

28. None

Conclusion

29. Officers have considered a range of options to resolve the capacity, design problems and age of the current STW. Having considered the options the preferred proposal is to undertake an open tender to replace the current STW with a new system designed to accommodate the volume of sewage produced by the 57 houses connected.
30. Having undertaken a tender evaluation process it is proposed that the decision to award of the contract will be delegated to the head of service for technical services in consultation with the portfolio holder, provided that the total project costs (including build and project management costs) are less than the current budget of £300,000. In the event that costs are above the current budget a further report recommending a course of action will be presented for consideration by portfolio holder/cabinet.

Background Papers

- None