

Appendix A

The water contract is comprised of two elements, the wholesale cost of the water supply and the retail cost of the water supply.

- The wholesale cost accounts for approximately 94% of the total water costs
- The retail cost accounts for approximately 6% of the total water costs.

The total water costs for LBBD are £2,450,000, this is split as follows:

- Approximately £770,000 are costs associated with corporate buildings
- Approximately £1,680,000 are costs associated with schools buildings

The water retailer purchases water from the wholesaler, these costs are passed on directly to LBBD. The retailer then charges LBBD for providing the water from the wholesaler to the Council. These retail costs may differ from retailer to retailer and is the main subject of the contract tender.

The tables below provide a breakdown of the water contract costs:

Description – Contract Value	Cost	Duration
Total contract value	£2,450,000	2+2 years
Annual contract value	£612,500	Per annum

Description – Wholesale Costs	Cost
Total Contract Wholesale Costs (~94% of total contract costs)	£2,303,000
Annual wholesale costs	£575,750

Description – Retail Costs	Cost
Total Contract Retail Costs (~6% of total contract costs)	£147,000
Annual retail costs	£36,750