

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 3 MARCH 2015

**EXTENSION TO CURRENT RESPONSIVE REPAIRS SERVICE FOR COUNCIL HOUSE TENANTS
CONTRACTS – EXEMPTION REQUEST**

REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

This report seeks approval of the exemption request, which is out with the Exemption Co-ordinator's delegated authority, to extend the current Responsive Repairs Service to Council House Tenants contracts up to 30 June 2015.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) approves the extension of the current contracts for the Responsive Repairs Service for Council House Tenants:
- (ii) approves the exemption request in accordance with Section 16 of the Financial Regulations based on the criteria contained in item 16.24.10(d):
- (iii) authorises officers to negotiate with and appoint contractors from other contract areas should any incumbent contractor not agree to the proposed contract extension.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- We have a sustainable economy with good employment opportunities
- Our natural and built environment is protected and enjoyed.

3. BACKGROUND

3.1 The current term contracts for a Responsive Repairs Service for Council House tenants commenced on the 1 April 2010 and are due to expire on the 31 March 2015 which included the implementation for a two year extension contained in the contract documents. The contractors have been appointed on a trade and Community Housing Team (CHT) area basis.

4. CURRENT POSITION

4.1 Approval was given by the Communities Committee on the 27 May 2014 (Report No 264/14) to carry out the procurement of the Responsive Repairs Service term contracts which are to run from 1 April 2015 to 31 March 2018 with provisions for extensions up to 31 March 2020.

4.2 The procurement process was proceeding in accordance with the original programme, however following the initial assessment of the applicants who submitted completed Pre-Qualification Questionnaires (PQQ) an issue arose with the financial assessment. Re-assessment of the supplier financial evaluation was carried out in order to remove potential barriers to small/medium enterprises (SME's) and local businesses accessing this contract opportunity. In order to comply with European procurement legislation the contract opportunity had to be re-advertised through the Public Contracts Scotland web portal.

- 4.3 A policy is under development which includes the participation by contractors and sub-contractors in the proposed Angus Shared Apprenticeship Programme (ASAP) initiative. Due to the length of the Responsive Repairs Service term contracts, their suitability, the nature of the works and the size of contractors involved the decision was taken to pilot the promotion of the ASAP through this contract. In taking this opportunity to pilot the ASAP, the conditions of contract have been revised to contain specific provisions designed to encourage involvement by contractors in the ASAP and further the ends of this Council initiative.
- 4.4 The delays due to the re-issue of the PQQ and the timing of the development of the ASAP including the consideration of appropriate clauses has led to the revision of the procurement programme for the Responsive Repairs Service term contracts.

5. PROPOSALS

- 5.1 In order to ensure cover is provided it is proposed that the current Responsive Repairs Service terms contracts be extended from 1 April 2015 up to 30 June 2015. The documentation has been issued for tender on the 2 February and this extension allows time to fully assess the tenders and issue acceptances in accordance with the required European procurement timescales. The application of extension periods stated in the current conditions of contract has been fully implemented. An exemption is therefore requested to extend the current Responsive Repairs Service term contracts.
- 5.2 The estimated combined monthly value of the current Responsive Repairs Service terms contracts is approximately £300,000. The overall value for the three proposed three month extension is £900,000. The combination of the value and requirement for an extension means that, in accordance with the Financial Regulations, the approval of an exemption is out with the Exemption Co-ordinator's delegated authority and requires Committee approval.
- 5.3 The Corporate Procurement Manager (Exemption Co-ordinator) has been consulted on this request and based on the reasons for the delays noted above agrees that the proposed exemption is entirely justified under Financial Regulation 16.24.10(d):

“the exemption is for a temporary supply period of not longer than one year and is necessary to allow the carrying out of a full competitive tendering exercise for the supply (subject to the need for an exemption not being attributable to any failure to act with due diligence and foresight)”.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications relating to this report as the ongoing expenditure involved in these contracts have been included in proposed future allocations of the 2015/2016 HRA budget.

7. OTHER IMPLICATIONS

Risk

- 7.1 A risk register was produced for the procurement of the Responsive Repairs Service term contracts which are to run from 1 April 2015 to 31 March 2018. A possible delay in the procurement process was identified at a risk level which required monitoring and action. The actions contained in this report were stated as the countermeasure to be employed should a delay arise.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

Communities Committee 27/05/2014 Report No 246/14 – Term Contracts for a Responsive Repairs Service to Council House Tenants 2015 to 2018 – Procurement Authority Approval Request.

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