

EAST RENFREWSHIRE COUNCILCABINET28 January 2021Report by Director of EnvironmentMIXED TENURE SCHEME**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Cabinet on the current circumstances with regard to the expiry of the contract with the Council's third-party provider for the management of the Mixed Tenure Scheme. In particular the report advises on the continuation since November 2019 of the previously competitively tendered contract on the same terms and conditions and contract rates which demonstrates that it was continued on a best value basis.

RECOMMENDATIONS

2. It is recommended that the Cabinet,
- (a) Notes that the contract with VERG (the Council's third-party Mixed Tenure Scheme provider) expired at the end of November 2019 and that due to an oversight and subsequently coronavirus related issues the contract was not retendered within the timescale required;
 - (b) Notes that the tendered contract was considered to have provided from December 2015 important high-quality services and value for money;
 - (c) Notes that for the reasons outlined in this report the contract has been continued on the previous terms and conditions and competitively tendered rates between the period from December 2019 to February 2021 at a projected cost of £375,000 (to 31 March 2021 should the Cabinet agreed to extend the current arrangement until then);
 - (d) The total expenditure is above EU threshold but is appropriate under the Public Contracts (Scotland) Regulations 2015, Regulation 33 (1) (C) which permits a negotiated contract without prior publication for reasons of urgency due to events unforeseen by the contracting authority;
 - (e) Approves the continued use of the contract on this basis until 31 March 2021 which is within the budgetary provision which had been made for the scheme over that period; and
 - (f) Notes that the contract will be competitively retendered to run from 31 March 2021.

BACKGROUND AND REPORT

3. The Mixed Tenure Scheme was established in 2013 to improve the condition of mixed tenure estates which comprise both Council houses and private properties. The existing contract was subject to competitive tender and awarded in December 2015.

4. The existing contract has provided a much-needed very high quality service and good value for money. It is highly appreciated by our residents and also by Elected Members. In addition, it has provided added value for the local economy, employability and opportunities for our Care Experienced Young People. This is explained in further detail in this report.

5. The scheme, which has an annual budget of £500,000, is managed on behalf of the Council by a third party contractor (called VERG). It should be noted the annual budget pays for the services provided directly by VERG as well paying for the services tendered to Private Contractors.

6. The main element of the contract with the third party contractor is the provision of a "Hit Squad" of around 10 operational staff. This squad deals with problems such as fly tipping or litter picks in Council areas regardless of housing tenure. They also undertake small remedial works, garden clearance, tree management and small project development.

7. In addition to the hit squad, the third party contractor manages on the Council's behalf services procured through a number of private contractors appointed by the Council through competitive tender and standard Council contract procedures. The services provided through these contracts includes:

- Garden and hedge maintenance.
- Close cleaning and painting to enhance the cleanliness and visual appearance of block properties
- Smaller improvements to the physical fabric of the estate (such as fence painting, minor repairs, fence replacement, bin store demolition, footpath improvements and slabbing etc)

8. Overall in the financial year 2019/20 the substantial number of projects delivered through the hit squad and contractors amounted to around:

- 2500 ad hoc requests (uplifts relating to garden and household waste and regular uplift of flytipping hotspots), (hit squad)
- 3829 close cleans
- 3250 garden maintenance visits (Contractor& HIT Squad)
- 60 tree cuts
- 100 repairs to fences
- 40 path/slabbing remedial repairs
- 40 close paintings

9. The Mixed Tenure Scheme also provides added value to the local economy and other Council strategic objectives by providing training for local people and creating and sustaining local employment. With the exception of the Project Officer, all 10 members of the current squad are from East Renfrewshire. The project further supports the Council Family Firm initiative for Care Experienced Young People (CEYP) in offering work experience. This particular element of the scheme is provided free of charge by the third party contractor. Since its creation the scheme has provided opportunities for work experience for 10 CEYP, 2 which are from East Renfrewshire and are still employed on the squad. The scheme has also provided volunteering opportunities with WorkER and Adult Education Services to 10 local residents, 2 of which are now employed.

10. The contract with the third party contractor expired in November 2019. Unfortunately, due to an oversight the re-tendering process was not started on time. When this was recognised and the re-tendering process recommenced just prior to March 2020 it was then further delayed due to staff having to deal with emerging Covid related issues.

11. At around the same time (March 2020) the Council began to identify a developing urgent need for additional resources to supplement Council resources in a number of areas. Initial COVID-19 related restrictions on undertaking certain types of work meant that the hit squad were likely to have surplus capacity. This meant that there was an opportunity for the scheme to assist with wider Covid related services

12. It was felt that without the Mixed Tenure Scheme the condition of local mixed tenure estates would deteriorate significantly during the lockdown period placing significant pressure on existing Council services. To have suspended this service due to the tendering/contract issue would have created health and safety risks for residents and in buildings had they not been addressed.

13. Given all the circumstances outlined above the contract with the third party contractor was allowed to continue to run on a monthly basis on the same terms and conditions and previously tendered rates particularly given the satisfaction with the quality of the service and perceived value for money provided through the existing contract. The contract payments continued to be invoiced by the contractor and paid monthly.

14. As a result of this decision the hit squad were then able to proceed to
- Assist ERC with delivering food parcels and equipment to the distribution points for those vulnerable residents in East Renfrewshire.
 - Assist the wider Environment Department in providing bank holiday cover
 - Sanitise handrails, door handles and lift panels at Montgomery Court Sheltered Housing complex.
 - Remove the waste generated by an increase in fly tipping & remove contaminated bin and fire hazards in communal areas.
 - Remove excess garden waste.

15. A re-tender exercise has commenced for the Mixed Tenure Scheme from 2021/22 with the aim of letting a new contract from 31 March 2021.

FINANCE AND EFFICIENCY

16. The total cost of the ongoing monthly continuation of the third party contract will be £375,000 for the period from December 2019 until the end of March 2021. There is no additional financial consequences for the Council in this respect. Budgetary provision of that level already exists.

17. Colleagues within Procurement are currently working on the development of an online contracts register which will be visible across the Council to all officers, ensuring a single source of accurate information for contract data. The system will include alert functionality for contract end dates ensuring sufficient time for officers to prepare for re-tendering activity. The system is expected to go live in the new financial year with training provided for appropriate staff dealing with contracts.

CONSULTATION

18. Legal Services and Procurement have been advised of the current position and the proposal to re-tender the scheme as quickly as possible (from 31 March 2021) and have raised no concerns given the particular circumstances.

PARTNERSHIP WORKING

19. This project will continue to be overseen by ERC Housing Services.

IMPLICATIONS OF THE PROPOSALS

20. There are no staffing, IT, legal, equality or financial implications directly associated with this report at this point in time.

CONCLUSIONS

21. The Mixed Tenure Scheme delivers essential rapid response neighbourhood services, ensuring mixed tenure areas within East Renfrewshire are well maintained for all residents. In order to support key Council services it was essential that this service was continued to ensure local mixed tenure estates were maintained effectively. For this reason it was felt that to discontinue the service during COVID would have been significantly detrimental to residents

RECOMMENDATIONS

22. It is recommended that the Cabinet,

- (a) Notes that the contract with VERG (the Council's third-party Mixed Tenure Scheme provider) expired at the end of November 2019 and that due to an oversight and subsequently coronavirus related issues the contract was not retendered within the timescale required;
- (b) Notes that the tendered contract was considered to have provided from December 2015 important high-quality services and value for money;
- (c) Notes that for the reasons outlined in this report the contract has been continued on the previous terms and conditions and competitively tendered rates between the period from December 2019 to February 2021 at a projected cost of £375,000 (to 31 March 2021 should the Cabinet agreed to extend the current arrangement until then);
- (d) The total expenditure is above EU threshold but is appropriate under the Public Contracts (Scotland) Regulations 2015, Regulation 33 (1) (C) which permits a negotiated contract without prior publication for reasons of urgency due to events unforeseen by the contracting authority;
- (e) Approves the continued use of the contract on this basis until 31 March 2021 which is within the budgetary provision which had been made for the scheme over that period; and
- (f) Notes that the contract will be competitively retendered to run from 31 March 2021.

Further information can be obtained from Phil Daws Head of Strategy Environment department 0141577 3186

Convener contact details

Councillor Danny Devlin
(Convener for Housing & Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107

January 2021

BLANK PAGE



Exemption from Contract Standing Orders

In order to comply with Contract Standing Orders all requirements for goods, works or services which are not covered by a relevant contract or framework must be subject to a quotation or tendering exercise.

Where the total value over the life of the requirement is above £10,000 but under £50,000 for goods and services and above £20,000 but under £150,000 for works a Quick Quote is required.

Where the total value over the life of the requirement for goods & services is above £50,000 for goods and services and above £150,000 for Works a tender exercise is required and your Procurement Category Manager should be contacted.

We do acknowledge that in some circumstances it may not always be prudent to carry out such exercises and this has been reflected in Standing Order 15 of Contract Standing Orders with the introduction of an exemption clause for contracts meeting certain criteria.

Clause 15 i / ii / iii - The Council may exempt from competition, any contract for works, goods or services which, in the opinion of the Director of the procuring department is (i) urgently required to minimise risk of personal injury or damage to property, (ii) a contract to which special circumstances apply (iii) of a proprietary nature.

This form must be completed for all requests under 15 i /ii/ iii. Additionally, where there is a value of £100,000 or more (goods and services) and £200,000 or more (works) you are also required to submit a report to Cabinet or appropriate committee for approval prior to entering into the contract.

Please note exemptions **cannot** be given for a value in excess of the EU procurement threshold, (£189,330 for goods & services / £4,733,252 million for works). Please contact your Category Manager to discuss the most appropriate tender route.

Exemptions will not be granted unless all information is completed, and clear justification can be provided. Web addresses and search dates must be included along with any other relevant information which will demonstrate your findings. Please allow 5 working days for a response.

Supplier Name	Verg LTD	
Total Cost <i>(all elements to be included for the period of the exemption with a clear breakdown of costs given showing split between goods, works and services)</i>	Goods	£
	Works	£
	Services	£ 385,000
	Total	
Description of the requirement & justification for request	<p>The Mixed Tenure Scheme was established to implement a number of identified outcomes which would benefit local communities and the Council, these included:</p> <ul style="list-style-type: none"> • Protection of the significant investment the Council makes in maintaining and improving its council house stock • Creating a rapid response team that deals with local problems quickly and effectively • Building relationships with all tenures within estates to improve communication, identify local issues and improve estate management • Determining local priorities and developing ways of ensuring local input in to the ongoing running of the initiative • Ensuring “Value for Money” through better procurement and use of local business 	

	<ul style="list-style-type: none"> • Creating and sustaining employment opportunities both within the scheme and local contractors • Improving the kerb side appeal of properties reducing void loss and ensuring communities are sustainable. <p>The existing contract ended March 2020, this exemption seeks approval of or the continuation of Housing Services, Mixed Tenure Scheme with the current Contractor until retender and award at 31st March 2021.</p>
Please confirm if this is a one off purchase or a recurring requirement	One off requirement pending retender exercise
Please indicate the time period the exemption has to apply for all recurring requirements	One year, ends 31 March 2021
Supplier Code <i>(can be obtained from financial system)</i>	
Supplier Address	VERG LTD 211b Main Street Bellshill
Supplier Postcode	ML4 1AJ

15 i – is this exemption urgent in nature to minimise risk of personal injury or damage to property.	
15 ii - Is this exemption for special circumstances (such as an urgent need to fulfil an ongoing Council function otherwise incapable of performance.	This service is an essential council provision in mixed tenure estates to ensure they are well maintained. Following COVID 19 and the impact of lockdown and reduced services, this scheme is required more than ever to support local communities and other council services.
15 iii - Is this exemption for Proprietary works, goods or services. (E.g. goods manufactured and sold only by the owner of the patent, formula, brand name, or trademark associated with the product)?	.
Where the exemption value is £100,000 or more (goods and services) / £200,000 or more (works) – please provide details of the Cabinet or appropriate committee where this will be reported including the date and attach a copy of the report.	
You must not enter into a contract until approval has been granted by Cabinet or appropriate committee.	

Please note that if an exemption is granted and if required, Cabinet or relevant committee approval is granted, there is a requirement to:	
1) Enter into a direct contract or Service Level Agreement drawn up between the Council and the contractor (where appropriate).	
2) Publish an award notice.	
Contact should be made with your Procurement Category Manager following approval to ensure these tasks are completed. An exemption may not be given until the direct contract/ SLA has been approved by your Procurement Category Manager. This is an audit action.	
Please confirm you have considered a direct contract/ SLA and if not please detail your reasons for this.	

Name of person requesting exemption:	Suzanne Conlin
Authorised signatory:	
Date of request:	30 November 2020
Name of person approving this exemption:	

Signature of approver

Completed forms should be returned to ercprocurement@eastrenfrewshire.gov.uk

- Requests will be reviewed by the Chief Procurement Officer and/or the Chief Officer Legal and Procurement.

Please allow 5 working days for response.

BLANK PAGE