

EAST RENFREWSHIRE COUNCIL

CABINET

9 April 2015

Report by Director of Environment

CONTRACT FOR THE MIXED TENURE SCHEME

PURPOSE OF REPORT

1. The purpose of this report is to seek Cabinet approval for an exemption from Contract Standing Orders to allow the Council to continue to contract with VERG Ltd, to continue to deliver the successful Mixed Tenure Scheme for period of 6 months, whilst a new tender process is undertaken. The anticipated value of this additional work for the 6 month period is no more than £80,000.

RECOMMENDATIONS

2. The Cabinet is asked to agree an exemption under section 6(iv) of Contract Standing Orders, to allow VERG Ltd to continue to deliver the Mixed Tenure Scheme within East Renfrewshire, whilst a new tender process is undertaken.

BACKGROUND

3. In 2012, the Council established an “Engaging a Business Partner” framework contract for a range of employability related projects for the period up to 31 March 2016. VERG Ltd were successful in being added as a framework contractor. At the time the framework was established, the Mixed Tenure Scheme did not exist and spend against this project was not therefore anticipated when establishing framework spending thresholds

4. Once the framework was in place and when the Mixed Tenure Scheme was approved as a project by the Council, VERG Ltd were then appointed from the framework to deliver the Mixed Tenure Scheme to ensure that the scheme could commence as quickly as possible. This comprised 1 Project Officer, 1 Environmental Supervisor and 5 General Labourers/Environmental Operatives to be trained to carry out general groundworks and basic repair and improvement duties including special uplifts of fly-tipping within mixed tenure estates (in addition, the Project Officer also manages contracts with private contractors who deliver a range of services under the auspices of the Mixed Tenure Scheme).

5. As the spend thresholds within the framework have now been reached, it has been necessary to terminate the framework including the agreement with VERG Ltd on 31 March 2015. This is earlier than had been anticipated, leaving the Council with no contractor to continue to deliver the Mixed Tenure Scheme from this date.

REPORT

6. As Cabinet will be aware, the Mixed Tenure Scheme has proven to be a significant success, culminating in awards for its innovation in service user involvement and service delivery. Feedback from residents of mixed tenure estates, service recipients, tenants and residents associations and staff indicates that the Mixed Tenure Scheme is having a positive effect on the appearance and conditions of mixed tenure estates and mixed tenure properties. The scheme is currently being considered for further awards having reached the final stages of 2 prestigious Housing/ Procurement bodies. This can be attributed to the hard work, dedication and strong partnership working between all parties currently involved, including the contractor VERG Ltd.

7. As the current contract has reached its spend threshold, it is necessary to re-tender. As the anticipated contract spend reaches European threshold levels, strict procurement rules and therefore specific timescales apply to the re-tender meaning a six month time period to re-tender and award the new contract.

8. In terms of Contract Standing Orders, an exemption (6iv) can apply where the Council may exempt Standing Orders a contract "when it is satisfied that the exemption is justified by special circumstances. For the avoidance of doubt, should the Director of the procuring department, following consultation with the Chief Procurement Officer, consider it desirable and in the best interests of the Council, a tender may be invited for the execution of works or the supply of goods, materials or services from a contractor selected by that Director or negotiated with a contractor already engaged by the Council. In such circumstances, a report thereon will be submitted for approval to the Cabinet or appropriate committee prior to entering into such a contract.

9. Given the circumstances outlined in this report and to ensure continuity of service, it is proposed to enter into a contract with VERG Ltd for a period of 6 months to continue to deliver the Mixed Tenure Scheme. This will be on the basis of the existing framework terms/rates, with the value of spend over the 6 month period anticipated to be less than £80,000.

FINANCE AND EFFICIENCY

10. £500,000 has been secured within 2015/16 to support the Mixed Tenure Scheme, with £400,000 from the General Fund and £100,000 from the Housing Revenue Account.

11. The Council has also made available £200,000 from 2016/2017 onwards to mainstream the Mixed Tenure Scheme. The HRA will make further financial contributions in the financial year 2016/2017 and beyond.

CONSULTATION

12. No consultation was required for the preparation of this report.

PARTNERSHIP WORKING

13. This report has been produced in partnership with Legal Services, Procurement and Housing.

IMPLICATIONS OF THE PROPOSALS

14. Unless an exemption can be agreed, it will be necessary to cease to contract with VERG Ltd to employ the Project Officer, Environmental Supervisor and 5 General Labourers/ Environmental Operatives. This would effectively mean that the Mixed Tenure Scheme would not be able to be delivered over the next 6 months, until a new contract is put in place.

15. There are no equality, IT, property, financial or sustainability implications associated with this report.

CONCLUSIONS

16. The proposed 6 month contract with VERG Ltd will allow a continuation of the Mixed Tenure Scheme, which will allow continued estate improvements within East Renfrewshire.

RECOMMENDATIONS

17. The Cabinet is asked to agree an exemption under section 6(iv) of Contract Standing Orders, to allow VERG Ltd to continue to deliver the Mixed Tenure Scheme within East Renfrewshire, whilst a new tender process is undertaken.

Director of Environment

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April 2015

KEY WORDS

A report seeking Cabinet approval to approve to a contract standing order exemption