

## Urgent Decision under Delegated Powers

### Officer Taking the Decision

Head of Landlord Services

### Recommendations

1. That a new contract for materials for the Housing Repairs team to run for three years with an option to extend for a further year be procured through the Procurement for Housing (PfH) framework.
2. That, as the matter is urgent, the call-in procedure be suspended in accordance with Scrutiny Procedure 11.9 of the Council's Constitution.

### Reason

To enable a new contract for the supply of materials to be procured to provide materials for the Housing Repairs team to use when repairing Council dwellings before the expiry of the existing contract and in a manner that complies with the Council's procurement rules.

### Authority for Decision

Part 3 of the Council's Constitution delegates Heads of Service, Strategic Directors and the Chief Executive to take such action as is required in the case of an emergency or urgency subject to:

- (i) consultation with the Leader (or, in the Leader's absence, the Deputy Leaders) in the case of Executive functions or the Mayor, the Chair of the relevant committee, or, in the Chair's absence, the Vice-Chair in the Case of Council functions;
- (ii) consultation with the Chief Executive and relevant Strategic Directors in each case; and
- (iii) a report on the action taken being made to the next meeting of the Cabinet in the case of Executive functions or the Council or relevant committee, as appropriate, in the case of Council functions.

### Decision and Date

Agreed

Chamberlain

28 May 2015

## **Background**

Charnwood Neighbourhood Housing procured a contract from the framework PfH to supply materials for the repairs team. The contract was awarded to Jewsons under this framework. That contract expires on 18th June 2015. There was provision in the contract for an extension for a year up to June 2016. However, following extension discussions with PfH, it was clear that a new contract, rather than an extension of the existing, would deliver benefits and deliver cost effective contract management. The new contract would be under a new framework set up by PfH in April 2015.

A new contract will deliver improvements including:

- Improved management information through the IT enhancements which will deliver electronic reporting and performance monitoring, thus delivering channel shift from existing manual reconciliation;
- 100% checking for audit purposes on materials ordered against invoices paid - currently checked on a sample basis manually;
- a consistent approach to materials management for up to four years. IT improvements will involve staff time resource by the Council's housing IT team and this cannot reasonably be delivered if the contract were to be extended by only one year.

The original plan was to extend the existing contract for one year, and officers were not aware of the new framework contract until extension discussions commenced with PfH. This procurement was not, therefore envisaged until 2016 and approval to re-procure rather than extend was not requested from Cabinet. Re-procurement will bring forward the improvements by one year. This decision will enable the contract to be procured and awarded under the new framework in a way that is consistent with the Council's procurement rules.

## **Reason for Urgency**

The existing contract expires on 18th June 2015. In order to allow sufficient time for the new contract to be procured through the PFH framework it is not possible for the decision to be taken at the Cabinet meeting programmed for 11th June 2015.

In accordance with the requirements of the Constitution the Leader, Chief Executive and relevant Strategic Directors will be consulted on this decision. A report setting out the decision will be submitted to the next meeting of the Cabinet.

The decision is exempt from call-in in accordance with Scrutiny Procedure 11.9. The Mayor has given his consent to this and agreed that the decision is both urgent and reasonable and that the delay caused by the call-in process would not be in the interests of the Council or the public.

## Financial Implications

The new contract will run for three years with an option to extend for a further year and has an estimated value of £720k per year. The spending associated within this contract is included within the 2015/16 budget and similar levels of expenditure in future years have been assumed in the HRA Business Plan.

## Risk Management

The following risks have been identified with this decision.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
IT Improvements required will not be delivered	Unlikely	Moderate	Project management will be put in place to include detailed project plan delivering the improvements
Contractor appointed will not be able to provide the materials required	Unlikely	Major	Contract management procedures plus support from Framework owner

Key Decision: Yes

Background Papers: None

