

**REGENERATION AND SUSTAINABLE DEVELOPMENT
CABINET BOARD**

22 SEPTEMBER 2017

**REPORT OF THE HEAD OF:
COMMISSIONING AND SUPPORT SERVICES – A. THOMAS**

SECTION A – FOR DECISION

Matter for Decision

WARD(S) AFFECTED: All

**HOUSING RENEWAL & ADAPTATION SERVICE
EXTENSION OF FRAMEWORK FOR HOUSING RENEWAL
WORKS**

PURPOSE OF REPORT

- 1 To seek authority to extend the current framework agreement for Housing Renewal Works (the 'Framework') and the framework agreements with each contractor appointed thereunder (the 'Framework Agreements') to ensure continuity of Renewal works and to allow for the procurement and implementation of a new framework.

EXECUTIVE SUMMARY

- 2 The report seeks authorisation to exclude the requirements of competition, to suspend Rule 2.1 of Neath Port Talbot County Borough Council's (the 'Council') Contracts Procedure Rules ("CPRS") and to extend the Framework and each of the six current Framework Agreements.

BACKGROUND

- 3 The Framework and the six Framework Agreements commenced on the 1 October 2014 for a period of three years.
- 4 The due date for the end of the Framework is 30 September 2017.

- 5 The six Framework contractors appointed under the Framework are:

CJ Construction (Wales) Limited
Jistcourt (South Wales) Limited
Matthew Morgan T/A Briton Ferry Construction
Mi-space UK
R&M Williams Limited
R.T. (Contractors) Limited
- 6 It was anticipated that the Council would have undertaken a competitive tender exercise with an award date of September 2017.
- 7 However, due to unexpected internal delays, at the present time tender documentation is being drafted for an anticipated award date of March 2018 with a commencement date for the new framework and new framework agreements of 1st April 2018.
- 8 Due to timings of regeneration work bids being approved it is highly likely the framework would expire part way through a contract.
- 9 Continuation of the framework is essential to ensure full completion of a contract.
- 10 In order to ensure continuity of the Housing Renewal Works, it is necessary to extend the Framework and each of the six Framework Agreements for a period of six months from the Framework's expiry date.

FINANCIAL IMPACT

- 11 Subject to service requirements, the potential value for an extended period of the Framework and of the six Framework Agreements of six months is expected to be in the sum of £1.3m (subject to funding approval).
- 12 Subject to the requirement to allocate schemes to the framework contractors, the Council will make payment to the framework contractors in line with the agreed framework rates, thereby providing a greater certainty of price.

- 13 By not extending the framework no contracts for Housing Renewal Works would be able to be awarded for this financial year.
- 14 Funding that may be awarded this financial year would be lost.

EQUALITY IMPACT ASSESSMENT

- 15 There is no equality impacts associated with this report

WORKFORCE IMPACTS

- 16 There are no workforce impacts associated with this report

LEGAL IMPACTS

- 17 As indicated above, subject to service requirements, the potential value for an extended period is estimated to be £1.3m (subject to approval) for six months and as a result of this, the Council must comply with its own internal CPRs which provide that the Council will, whenever possible put agreements of this value out to open tender.
- 18 Rule 2.1 of the CPRs provides that where the value of the contract is above £50,000 tenders should be sought from at least three providers.
- 19 Therefore, the Council could potentially be exposed to challenge from aggrieved providers who have not had an opportunity to bid for the extended period. They may wish to challenge this by Judicial Review of the Council's decision.
- 20 The risk of challenge is acknowledged, however, it would be contended that the Council must ensure that suitable contractual arrangements continue to be in place for the Housing Renewal Works in a safe manner with approved contractors, must ensure the provision of Housing Renewal Works for the Council's service users and must ensure best value to the Council, which it is considered the proposed arrangements would satisfy.

RISK MANAGEMENT

- 21 This report seeks to minimise the risk to the council by ensuring continuity of Housing Renewal Works pending the council undertaking a new procurement exercise to secure a new framework for the service.

CONSULTATION

- 22 There is no requirement under the Constitution for external consultation on this item.

RECOMMENDATION

- 23 It is recommended:
- 23.1 That the requirements of competition are excluded and Rule 2.1 of the Council's Contracts Procedure Rules is suspended.
- 23.2 That the framework and the six framework agreements are extended for a period of six months from 1st October 2017 to allow the Council to run its own competitive tender exercise which will be undertaken at the same time as the extension is to be put in place and to maintain continuity during this financial years awarded contracts.

REASONS FOR PROPOSED DECISION

- 24 To ensure continuity of Housing Renewal Works pending the Council's intended competitive procurement exercise and the implementation of a new framework and new framework agreements resulting therefrom.

IMPLEMENTATION OF DECISION

- 25 The decision is proposed for implementation after the three day call in period.

APPENDICES

- 26 None

LIST OF BACKGROUND PAPERS

- 27 None

OFFICER CONTACT

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