

Committee: Governance, Audit & Performance

Date:

Title: Procurement Arrangements

17 May 2018

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Procurement Manager

Item for decision:
No

Summary

1. This is a regular six month update for Members on procurement activity

The aim of this report is to assist Members understanding of the Council's procurement arrangements

This report provides an update on procurement activity for the last six months of the previous financial year (i.e. October 2017 – March 2018)

The report provides information on the two specific areas requested

- A) Contracts awarded over the value at which they are required to be tendered (currently £50,000) and
- B) Instances where requests for exceptions to Contracts Procedure Rules have been requested

Recommendations

2. The Committee notes the content of the report

Financial Implications

3. There are no direct financial implications associated with this report

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - Procurement Service Plan 2017/18

Impact

5. There are no adverse impacts identified as a result of this report

Communication/Consultation	None
Community Safety	None
Equalities	None

Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. A) Contracts awarded over the value at which they are required to be tendered (currently £50,000)

Seven major contracts were awarded in the last half of 2017/18 which are detailed below

Software for the Revenues & Benefits system and Housing Management

The contract with the current service provider expired in December. Working in conjunction with the Client department, a new contract worth just under £680,000 over five years was negotiated with Northgate for continued use of the software on a cloud hosted basis.

This contract was awarded under a “Negotiated Procedure without prior call for competition” on the basis of Intellectual Property Rights and a Contract Award Notice released into the Official Journal of the European Union as required under the Public Contracts Regulations 2015 (as amended)

Software for the Planning, Environmental Health & Housing Departments

The contract with Idox which was tendered just over five years ago had reached its expiry. Working in conjunction with the Client department, a new contract worth just over £570,000 was negotiated with Idox for continued use of the software on a cloud hosted basis.

This contract was awarded under a “Negotiated Procedure without prior call for competition” on the basis of Intellectual Property Rights and a Contract Award Notice released into the Official Journal of the European Union as required under the Public Contracts Regulations 2015 (as amended)

Appointment of Main Contractor for delivery of Affordable Housing

A contract worth £590,000 has been awarded to Godfrey & Hicks Builders to develop three dwellings at Sheds Lane, Saffron Walden, one of which is a bungalow providing bespoke accommodation for a family with a disabled child. The contract was advertised and there were six tenders received – two of

which were non-compliant. This was particularly disappointing when one of those was the only one within budget.

Following evaluation, Godfrey Hicks were identified as the preferred bidder, scoring 97.42%. The sum proposed was however over budget. Meetings were held with the bidder to value engineer the Employers Requirements to reduce the contract sum and work has started on site.

Replacement Equipment for the Post Room

Equipment in the post room had become dated and new technology suggested savings could be made by introducing new equipment and working practices. The opportunity was tendered; inviting innovative solutions rather than a prescriptive specification of requirements, the contract value was £86,000 and awarded to Neopost. The new equipment will offer savings both in streamlined working practices and on postal charges.

Appointment of Lead Negotiator

This appointment was the subject of an exception request given the urgent need to appoint a lead negotiator for work linked to the proposed Garden City development. Cushman & Wakefield Debenham Tie Leung have been appointed and £100,000 set aside to cover fees.

Replacement of Firewall for ICT

The IT team have identified a need to improve and update the current firewall and a contract has been awarded to Softcat Limited using a government framework agreement to carry out detailed design work and supply and install new equipment. The contract is worth just over £100,000.

Contract for Servicing and Repairs of Heating and Hot Water Systems

This appointment was the subject of an exception request given the urgent need to appoint a contractor. The need arose following the termination of a contract with the previous provider. Whilst the value of the contract requires us to act in accordance with The Public Contracts Regulations 2015 i.e. in accordance with European Legislation, we have acted within the justification of the urgency. The contract was awarded to Oakray Limited, who were the previous provider and could mobilise at very short notice and is worth £540,000 over two years during which time the contract will be re-tendered.

B) Instances where requests for exceptions to Contracts Procedure Rules have been requested

Eight exception requests have been made during the period of this report and are detailed in Appendix A

Risk Analysis

7.

Risk	Likelihood	Impact	Mitigating actions
That the Council does not ensure value for money through its procurement activities	1 – The Council has robust Contract Procedure Rules in place and a Procurement Strategy that is reviewed and approved by Members annually	2 – There may be some risk that if procurement rules are not followed the Council may not realise best value through it’s contracts	Current structures and procedures in place give sound reassurance the Council is receiving value for money through it’s contracts.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix A

Details	Value of Contract		Client Department	Contract Awarded to	Reason for Exception Request	Expiry Date
	£10,000 to £50,000	£50,000 and above				
Consultant for the completion of a Water Cycle Study as part of the Local Plan (additional work following public consultation)	£30,000.00		Planning	Arcadis	Consultant carried out initial water cycle study	by 31/03/2018
Varonis (GDPR) Software & Maintenance		£79,458.00	ICT	Bytes Security Partnership	Able to obtain the software product quickly as work to implement GDPR is considerable and Uttlesford DC only have to May 2018 to become compliant	01 October 2018
Pay in Point	£12,931.00		CSC	Banking Automation Limited	Facility to accept payment by cash or cheque at Dunmow Library following withdrawal of Allpay cards.	Open
Consultant Garden City Development strategy	£14,400		Planning	Garden City Developments CIC	There are few other providers of this service and the council needs to seek an independent view urgently	12 months
Consultant to act as lead negotiator for Easton Park, West of Braintree Garden Communities		£71,800	Planning	Arcadis Cost Consultancy Services	Need a negotiator with a strong understanding of residential and commercial land transactions urgently	28th February 2019

Appendix A continued..

Details	Value of Contract		Client Department	Contract Awarded to	Reason for Exception Request	Expiry Date
	£10,000 to £50,000	£50,000 and above				
Consultant for specialist viability advice for Easton Park, North Uttlesford, West of Braintree.	£13,475		Planning	Hyas Associates Ltd	Few other providers of this service at this level and the council needs an experienced viability consultant urgently	30 September 2018
Heating and Hot Water Services and Maintenance		£700,000	Housing Repairs	Oakray Limited	Contract with current provider has been terminated. The Council is unable to be without a provider given the statutory landlord duties and need to ensure heating and hot water services for our tenants are maintained at all times	01 January 2020
Consultant to act as lead negotiator for Easton Park, West of Braintree Garden Communities		£100,000	Planning	Cushman and Wakefield	The previous appointment of Arcadis was withdrawn following identification of a conflict of interest.	28th February 2019