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CONTRACT PROCEDURE RULES / FINANCIAL PROCEDURE RULES – EXEMPTION REQUEST

Request for exemption from Contracts Procedure Rules or Financial Procedure Rules for Special Circumstances (CPR 3.1.1 / FPR C53)

Officer:
Andy Barton

Division:
Housing

Reason for request:

- a) ~~Only one supplier is available for technical or artistic reasons; and~~
- b) Extreme urgency exists for unforeseen reasons which are not attributable to the Council and the various time limits cannot be met;

Request

Exemption is sought from the Council's Contracts Procedure Rules to award a contract for mould and damp corrective works in housing.

Reason

To facilitate mould and damp corrective works to a number of Council properties in line with the urgent requirement set out by both government and the social housing regulator.

Background

The Council has identified 400+ cases of mould and damp in the wake of the Covid 19 pandemic, and the urgent attention requested of social landlords by the Housing Regulator following the case of Awaab Ishak. The regulator and government have made it clear that urgent progress is to be made with corrective works on any such cases found, and if not undertaken the authority may be subject to further regulatory measures.

Work has been undertaken to assess the number of properties affected – and these run to c400 covering a variety of works from simple clean and paint, through some significant works to make structures sound. The Government has also just commenced a wide-ranging communications strategy to encourage more reporting in by tenants and therefore there is an expectation that this may increase over the short term.

Urgency

In normal times the Council would of either used existing resources to undertake this work or contractors. The repairs service is currently subject of significant resourcing issues (set out in full in the Corporate Scrutiny report of 8/3/23). Hence this is not a viable option.

The Council has undertaken assessment of the normal procurement options (e.g. use of existing contractors already working with the Council, and consideration of contract appointment via frameworks). In both cases all approaches have come back stating that either capacity is not available to fulfil the requirement, or that fulfilling it would mean works being undertaken post summer 23.

As part of this process, officers have also approached the incumbent contractor for the COVID catch up Housing Improvement Programme (HIP) - UKGas. This contract was

explicitly for HIP related works and not general repairs – it also expires in March 23 (although is subject to a contract extension which we are likely to grant). UKGas has, however, been approached but consider the types and variability of the work outside of the current contract and have declined the work. Using UKGas would in any case have compromised the HIP catch up programme.

None of the above approaches address the urgency issues set out above. Officers have gathered is due all social landlords attempting to address the same urgent repair issues. In effect this constitutes market failure.

The only other option possible is a full procurement which is anticipated taking c4-6 months, which in time alone does not satisfy the urgent nature of the works. It is also quite possible that this exercise could result in the same response as the approaches under frameworks above.

There is, however, an existing and trusted supplier in Merisons who is able to undertake the work. They are a local company which also has local economic benefits. They are already undertaking some of the mould and damp works and have managed to resource up to do this. However, it is anticipated that the spend in total will breach the Council's ability to continue to appoint them under the Contract Procedure Rules(CPR) (anticipated spend currently of up to £200k worse case).

A second contractor has already been appointed via a framework to undertake the mould and damp survey and scope of works element of the task, hence any allocations of works to Merrisons will already of been validated by a third party. Therefore, any issues of abuse of continuing to use Merrisons is mitigated. This is in addition to the oversight of Council housing staff.

The extreme urgency and unforeseen circumstances behind this requirement is not attributable to the Council. The works would have been undertaken but not at the required urgency which is generated by the government and social housing regulator instruction, the threat of non-compliance would bring the Council into disrepute.

Conclusion

As a trusted contractor Merrisons has proved to offer competitive pricing for i services and officers know from previous works is a competent and timely provider. Merisons isle to provide the works necessary within the timescales needed and has an added benefit of supporting a local company. Therefore, it is recommended to directly award a contract for the provision of Mould and Damp corrective works to Merrisons.



Officer's Signature:

Date: ...08/03/23.....

Date to be reported to Cabinet: 25.04.2023

Agreed



Chief Executive


Date: 14.03.23

Agreed



s151 Officer

Date: 14.03.23

Agreed 

Monitoring Officer

Date: 10.03.2023

(When complete, this form should be retained on the relevant contract administration file)