

Request for Delegated Authority Approval (Emergency Powers – 2020 COVID-19 Pandemic)

Completed form should be emailed to the Chief Executive

Directorate:	Place
Service:	Professional Design Services
Subject:	Domestic Central Heating Installations Contract (CE-25-16)
Author:	Pauline Bradley
Date of Request:	7 May 2020
Background:	<p>Standing Orders relating to Contracts (Section 22.1) regulates that contracts falling under the auspices of either the Procurement Reform (Scotland) Act 2014, or The Public Contracts (Scotland) Regulations 2015, that require negotiation without prior advertisement and competition, must be approved by Leadership Panel before negotiation and award.</p> <p>In the absence of Leadership Panel throughout the COVID-19 related lockdown, this request for Delegated Authority Approval relates to a proposed, short term renewal of the Council's existing contract for reactive Domestic Central Heating Installations.</p> <p>Installations through the existing contract are provided by Ayrshire Heating Contractor James Frew Ltd. The existing contract commenced on 18 July 2016 and is due to expire on 17 July 2020. James Frew Ltd has undertaken these Works for the Council, over three generations of the same contract since 2009.</p> <p>Although these Works are reactive, the average annual value of the contract is £600,000.00. This is above the £50,000.00 procurement threshold set in the Council's own Standing Orders relating to Contracts (Section 22.1), however, it is below the Scottish Government's procurement threshold for Works, which sits at £2,000,000.00.</p> <p>The Council's Property Maintenance Service has recently been in discussion with colleagues in Housing Services, regarding a proposal to bring these Works under in-house control. However, although proposals were progressing well, Due to the COVID-19 related restrictions, it will not be possible to organise in-house control of these Works by July 2020, as planned.</p>

<p>Approval Sought For:</p>	<p>Approval is sought to put in place a short term renewal of James Frew Ltd.'s existing contract, for a period of 12 months, from 18 July 2020 to 17 July 2021 at an estimated value of £950,000.00.</p> <p>Justifications for the proposal to put in place a short term renewal of this contract are that;</p> <ul style="list-style-type: none"> • due to the COVID-19 related restrictions Property Maintenance Service will be unable to bring control of these Works in-house by July 2020, as planned; • the risks associated with the TUPE of staff are increased, due to the timing of the current contract's expiry; • withdrawing a public contract, held by an Ayrshire Contractor, during a period of financial instability, may have an impact on the local economy and local jobs, &; • due to the current closedown of the construction industry and uncertainty over how much of the sector may be able to respond to a tender, subjecting the requirement to competition at this time will not test the market sufficiently and the Council may not achieve Best value. <p>Approval is therefore sought, in accordance with Section 22.1 of Standing Orders relating to Contracts, to administer a short term renewal of this contract, over the coming year (2020/21), without prior advertisement and competition taking place.</p>
<p>Additional Information:</p>	
<p>Legal Implications:</p>	<p>There are no legal implications arising from this report.</p>
<p>Procurement Implications:</p>	<p>In accordance with section 22.1 of Standing Orders relating to Contracts, this renewal can be progressed, with the appropriate approvals and without the need for prior advertisement and competition.</p> <p>No exemption is required from the Procurement Reform (Scotland) Act 2014, or The Public Contracts (Scotland) Regulations 2015 as the value of the contract will fall below the Scottish Government's procurement threshold for Works, which sits at £2,000,000.00.</p>

Financial Implications:	Reactive, domestic central heating installations and repairs will continue to be funded from the Council's Housing Capital Budget (Major Component Repairs) on an ongoing annual basis. The total cost of the short term, 12 month renewal of the contract is anticipated to be £950,000.00.
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Chief Executive's Office use only:

Name(s) of Elected Member(s) consulted:	Douglas Campbell, Philip Saxton, Peter Henderson and Brian McGinley
Elected Member Feedback:	
Decision:	Approved