



Executive
29 June 2020

Agenda Item No.
3 (XI)

Title	Use of delegated powers - Variation of contract value - Pinnars & Sons Ltd.
For further information about this report please contact	Steve Partner Head of Assets
Wards of the District directly affected	N/A
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	-
Background Papers	Contracts Register and Contract Documentation

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No (Not required)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	21 May 2020	Chris Elliott
Head of Service	21 May 2020	Steve Partner
CMT		-
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)	21 May 2020	Jan Matecki
Consultation & Community Engagement		
N/A		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report informs Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders to, in accordance with the Warwick District Council code procurement practice, agree to extend the contract value of the existing contract with Pinnars and Sons Ltd.
- 1.2 The contract is to provide repairs and maintenance services to corporate and commercial premises owned by the council and also provides services in relation to works in preparation for the Commonwealth Games and in relation to other large corporate projects.
- 1.3 The contract commenced in 2013 and is due to end in 2023, at which point it will be re-tendered.
- 1.4 Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the meetings of the Executive were temporarily cancelled. As a result, decisions were taken under the Chief Executive's delegated authority CE(4).

2. **Recommendation**

That Executive notes the decision taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to:

- 2.1 Agree that in accordance with the Warwick District Council, Code of Procurement Practice and Financial Regulations, an exemption is granted to vary the existing contract and that the total contract value is increased from £5 million to £7.5 million pounds, for the remaining life of the contract.

3. **Reasons for the Recommendation**

- 3.1 This was an urgent matter which could not wait until the next Executive meeting. Because of the Coronavirus outbreak, it was not known when the Council meetings would resume.
- 3.2 This resulted in the use of delegated power CE(4), which states:
"The Chief Executive be authorised to deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executive, Head(s) of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Executive at its next meeting."
- 3.3 The contract was initially let in 2013 and was extended in 2015 in accordance with the contract. It currently has a contract Value of £5 million in total and is due to expire in 2023, at which point it will be re-tendered.
- 3.4 However, due to significant additional requirement for work in relation to the Commonwealth Games and other large corporate projects not anticipated when the contract was originally let, it is likely that this contract value will be insufficient to cover all of the work required.
- 3.5 Time constraints and issues around Covid-19 and the construction industry mean that it is unlikely that the Council could negotiate an early end to the

contract and secure a new contract through a competitive tendering process, in time for works to be carried out in the required time period.

- 3.6 The Council has been satisfied with the quality and timeliness of work carried out by Pinner and Sons Ltd and it is believed that it is appropriate for the contract value to now be extended.
- 3.7 Warwick District Council Procurement section has been consulted and has certified that this proposal is commercially reasonable and that it would support the recommendation.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council’s Key projects particularly in relation to works for the Commonwealth Games and other large corporate projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Is required for works related to Commonwealth Games	We will work with the Contractor to implement the Council's Climate Emergency Strategy	Is required to support and implement major corporate projects including infrastructure.

Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
None	None	Certified as a commercially appropriate action.

4.2 **Supporting Strategies**

The Council's approved Business Plan is the appropriate strategy linked to this report.

4.3 **Changes to Existing Policies**

- This report is in accordance with the Warwick District Council Code of Procurement Practice and Financial Regulations.

4.4 **Impact Assessments** – None required

5. **Budgetary Framework**

5.1 This contract is to deliver on existing budgets including those which are match funded with external bodies and therefore it would not have an adverse financial impact on the council.

5.2 This recommendation is to provide increased capacity within the contract and any expenditure will need to be funded through the appropriate budget process.

6. **Risks**

There are no direct risks associated with the report because the decision has already been taken.

7. **Alternative Option(s) considered**

No alternative options were considered as the decision was already made and the report was for information only.

8. **Background**

A copy of the document exemption form is attached as an appendix to this report.

Approval for Exemption to CoPP Form

Officers must complete the Exemption Form:

- To exclude VAT
- To confirm under which paragraph(s) of the CoPP the exemption is being sought
- To include the signature/agreement of the Head of Service
- Form to allow for comments of the Head of Service & the Senior Procurement Business Partner

INSTRUCTIONS

This form must be completed where the requirement to obtain competitive tenders or quotations is to be waived.

SECTION 1

In accordance with Warwick District Council Code of Procurement Practice and Financial Regulations, I request a waiver of the requirement to obtain competitive tenders or quotations in respect of the services, goods or works as listed in Sections 2 and 3.

SECTION 2: NAME AND ADDRESS OF SUPPLIER

Pinner & Sons Ltd., Lock Lane, Millers Road, Warwick, CV34 5AG

SECTION 3: COSTS

Total annual cost (ex VAT): £500,00	£500,000.00
Total contract commitment (ex VAT):	£7,500,00.00

SECTION 4: SERVICE AREAS FOR WHICH GOODS / SERVICES ARE REQUIRED

Repairs and Maintenance to Corporate and Commercial building

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)

Background to requirement

The current contract is nearing its original value and due to volumes of work we request to vary the contract value by 50% through to its termination at 10 years.

Contract commenced in 2013 for an initial period of 5 years. An option to extend for a further 5 years was then taken in 2015, taking the contract value up to £5million for its 10 year life.

The variance to the contract value is required to cover additional works not anticipated when the contract was let e.g. The Commonwealth Games, St Mary's land. It is felt that it would not be in the best interests of the Council to procure these works separately for the following reasons:

- The contract is performing well and we have a very good working relationship with the exiting supplier;
- The supplier is local to the district and therefore is invested in the success of the additional work;
- The depot location of the supplier is local to the district; therefore, their subcontractors and suppliers are also located close to the district. This enables the supplier and their supply chain to support the Council in reducing carbon emissions generated by the contract through transportation of people and goods.

Reason for Waiver

The current contract is nearing its original value, therefore due to volumes of additional work required for the Common Wealth Games and St Mary's land, a contraction variation for £2.5m is required. To procure a separate contract for this work would not be in the best interests of the Council.

Has a waiver been issued for this contract before: NO

Other:

SECTION 5 cont'd:


Evidence of supporting reason (e.g. Market Testing undertaken)

Work to be undertaken to avoid the need to request regulations are waived in the future:

The final 5 year extension option will not be taken, and the contract will be re-let

SECTION 6: COMMERCIAL REASONABLENESS

I hereby confirm that, to the best of my knowledge, this waiver request is commercially reasonable.

Procurement:	Rebecca Reading		
Signed:	Signature redacted 	Date:	24/01/2020

SECTION 7: APPROVAL OF WAIVER

This waiver can only be approved by Executive report or by the Head of Finance who has delegated authority to approve exemptions that are low risk or below £50,000. The Head of Finance will advise if Executive approval is required.

I/We hereby approve this waiver.

Approved by:	Executive February 2020		
Signed:		Date:	

SECTION 8: APPROVED WAIVER TO BE RETURNED TO

Name:	Andy Paul	Job Title:	Technical Manager
Location:	Assets		