

Committee:	Executive	Agenda Item No.:	2 – Urgent Item
Date:	30 th July 2012	Status	Open
Category	2. Decision within the functions of Executive		
Subject:	Extension to Solid Fuel Heating Replacement and Kitchen Replacement Contract		
Report by:	Building and Contracts Manager		
Other Officers Involved	Senior Principal Solicitor Principal Building Surveyor Project Coordinator		
Director	Director of Development		
Relevant Portfolio Holder	Councillor A. F. Tomlinson, Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

REGENERATION – Developing healthy, prosperous and sustainable communities by maximising council assets.

TARGETS

None

VALUE FOR MONEY

Both of these contracts were tended utilising a competitive procurement process. It is therefore considered that they continue to provide Value for Money to the Council.

THE REPORT

Housing Capital Program Contracts

The Council has in place two formal contracts in respect of Kitchen Replacement and the Solid Fuel Replacement Programme. Both these contracts were tendered for a three year time period on the basis that they would be renewed on

an annual basis within that three year period. The annual renewal clause was incorporated into the contract to enable the Council to ensure satisfactory levels of performance. If a situation arose where the Council were not satisfied with the level of performance then it would be in a position to decide not to review the contract. Given that performance continues to be satisfactory officers are of the view that it would be appropriate to renew these contracts for a further year as envisaged within the original procurement process. In the case of both these proposed contract extensions it is now necessary to seek approval of Executive to the officer recommendation that a contract extension be approved.

The first contract is with Neil Shacklocks Ltd of Sutton in Ashfield and relates to the Council's Programme for the replacement of Solid Fuel Heating. The Contract was originally reported in the October of 2010 and was formally entered into in June 2011. An extension to that contract is now sought to cover the period until 31st March 2013. In the view of Officers performance during the initial contract period has been satisfactory and given the fact that Officers are of the view that the contract continues to provide good value for money an extension for a further period of one year would appear to be the appropriate course of action at this stage. The contractual amount is one of £300,000 which can be met from within the approved Housing Capital Programme.

The second contract is with PK Electrical of Chesterfield and relates to the Council's Programme for the replacement and upgrade of kitchens. The contract was originally entered into in April 2011 for the period April 2011 to April 2014 with an overall contract value estimated at some £500,000. An extension to that contract is now sought to cover the period until 31st March 2013. In the view of Officers performance during the initial contract period has been satisfactory and given the fact that Officers are of the view that the contract continues to provide good value for money an extension for a further period of one year would appear to be the appropriate course of action at this stage. The contractual amount is one of £500,000 which can be met from within the approved Housing Capital Programme.

In accordance with the Council's Contract Standing Orders it is necessary to secure the approval of Executive to the extension of these contracts for a further one year period. With respect to the Kitchen Replacement contract which has a period of two of the original three years to run it is recommended that authority to authorise the final years extension be delegated to Officers in consultation with the appropriate portfolio Member. That delegation will only be exercised on the basis that performance of the contract continues to be satisfactory.

IMPLICATIONS

Financial: The cost of the tenders recommended for acceptance can be met from within the approved Housing Capital Programme.

Legal: Existing contractual arrangements will be amended to reflect the proposed extension of these contracts.

Human Resources: None

RECOMMENDATION

- 1. That Members give authority to extend the Heating Replacement contract with Neil Shacklocks Ltd of Sutton and Ashfield and Kitchen Replacement contract with PK Electrical Ltd of Chesterfield to cover the 2012/13 financial year.**
- 2. That the Assistant Director of Regeneration in consultation with the Chief Executive Officer and Leader or Deputy Leader be given delegated authority to implement the final years extension (2013/14) to the kitchen replacement contract based on satisfactory performance from the contractor and acceptable pricing structure going forward.**

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION

In order to extend existing contractual arrangements to enable the delivery of the Council's Approved Capital Programme. .

ATTACHMENTS:

FILE REFERENCE:

SOURCE DOCUMENT: