

 Brent	Key Officer Decision
	Report to the Strategic Director, Community Wellbeing
Contract for Integrated Asset Management, Planned and Cyclical Maintenance Works and Responsive Repairs Maintenance Works Contract	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Hakeem Osinaike Operational Director, Housing Email: hakeem.osinaike@brent.gov.uk Tel: 020 8937 2023</p> <p>Sean Gallagher Head of Service, Housing Property Management Email: sean.gallagher@brent.gov.uk Tel: 020 8937 2622</p>

1.0 Summary

1.1 This report seeks the authority to extend the contract with Wates Construction Limited for Integrated Asset Management, Planned and Cyclical Maintenance Works and Responsive Repairs Maintenance Works.

2.0 Recommendations

2.1 That the Strategic Director, Community Wellbeing approves the extension and variation of the current contract for Integrated Asset Management, Planned

and Cyclical Maintenance Works and Responsive Repairs Maintenance Works with Wates Construction Limited for a period of three months from 1 October 2019.

3.0 Detail

- 3.1 The current contract with Wates Construction Limited (“Wates”) for the provision of Integrated Asset Management, Planned and Cyclical Maintenance Works and Responsive Repairs Maintenance Works (“the Contract”) commenced on the 1 October 2014 for a period of five years with the option to extend the contract by a further period of five years.
- 3.2 Whilst the Contract terms and conditions provide for it to be extended for one period of five years, a review of the Contract by external consultants has not yet concluded. Preliminary findings of the review are that Wates are generally delivering a good service but that there is room for improvement in certain areas. Consultants are reviewing these areas with a view to setting more stringent key performance indicators to help address failures and deliver improvements in performance going forward.
- 3.3 Given that the review of the Contract by external consultants has not yet concluded, Officers wish to extend the Contract for a period of three months. As this extension period is not in accordance with the terms and conditions of Contract, a variation to the contract is also sought. Wates have been consulted regarding the proposed extension and variation and have confirmed that they are happy to agree it.

4.0 Background to the proposed extension

- 4.1 Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Strategic Directors are able to extend contracts and agreements without the need for Cabinet approval:
- (a) provided that the extension, variation, renegotiation, novation or assignment would not be in breach of the European Procurement Legislation.
 - (b) provided that the extension, variation, renegotiation, novation or assignment does not substantially alter the terms and conditions of the contract.
 - (c) provided that there is sufficient existing budgetary provision.
 - (d) if the extension goes beyond the period of extension provided for in the contract (if any) or is otherwise not in accordance with the extension provisions in the contract:
 - (i) in the case of any contract, agreement, deed or other transaction with a life of not more than one year (including any possible

extension provided for in the contract) the extension shall not exceed a period of six months; or

- (ii) in the case of any contract, agreement, deed or other transaction with a life of more than one year (including any possible extension provided for in the contract) the extension shall not exceed a period of one year.

4.2 It is considered that the above delegated authority will apply as, using the same paragraph numbering as detailed above:

- (a) The extension of the current contract by a period of three months is considered to fall within permitted modification contained within Regulation 72 of the Public Contracts Regulations 2015;
- (b) A three-month extension to an original contract term of 5 years with all other terms remaining the same is not considered to constitute a substantial alteration to the terms and conditions of the contract;
- (c) There is sufficient existing budgetary provision for a three-month extension; and
- (d) The intention is to extend the contract term by three months. Given the original term of the contract was 5 years with a provision to extend for a further 5 years, the extension would meet the requirement of paragraph (d) (ii).

5.0 Any alternative options considered and rejected

5.1 Options that have been considered and the reasons they have not been recommended are as follows:

5.2 The option to terminate the contract has been considered and rejected because this is likely to impact residents significantly and to be more expensive in the short to medium term. The length of time required to re-procure will also create major service upheaval whilst temporary arrangements are put in place. The new contracts would require leaseholder consultation before they could be tendered and/or mobilised.

5.3 The option to extend the contract for five years was considered and rejected because the review of the Contract by external consultants has not yet concluded. There is room for improvement in the service provided and the governance of which must be included in the contract conditions that would facilitate a longer extension.

5.4 The Council has been involved in discussions with Wates, who have agreed to the contract being extended for three months to allow the contract review process to be completed.

6.0 Reason for Urgent Key Decision

6.1 The Contract is due to expire on 30 September 2019. Unless the Contract is extended for a short period to allow for the conclusion of the contract review, it will expire and service delivery for Brent tenants and leaseholders will be significantly impacted. The responsive repairs service (including out-of-hours) is a key service for the Council and there are also multiple planned maintenance works in progress. This would impact on customer satisfaction, the health and safety of residents, service perception and resident expectation.

7.0 Financial Implications

7.1 The Wates contract is funded from the HRA through a combination of both capital and revenue budgets. The budgets set for 2019-20 has taken into consideration allowances for contractual inflationary uplifts and assumed Wates contract will be continuing for the full financial year, therefore the proposed three-month extension will be managed within existing resources.

8.0 Equality Implications

8.1 Given the recommendation to extend the Contract for a short period, Officers do not consider that the proposals in this report have any adverse equality implications.

9.0 Legal Implications

9.1 Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Strategic Directors have authority to approve the extension and variation of contracts provided certain conditions are met.

9.2 As set out in section 4.0 above, the Strategic Director, Community Wellbeing has authority pursuant to Part 3 of the Constitution to exercise his discretion to extend and vary the contract as the conditions have been met.

9.3 In accordance with paragraph 9.5 of Part 3 of the Constitution, the relevant cabinet member shall be consulted prior to the decision to extend and vary and may request the decision instead be referred to them.

9.4 As this decision is an urgent Key Decision, approval from the Chair of the Community & Wellbeing Scrutiny Committee is required prior to the recommended decision being made.

Report sign off:

Hakeem Osinaike
Operational Director Housing