

Written statement of a key decision
Cabinet member contracts and assets

Title	Extension of existing Cleaning and Construction Contracts
Decision maker	Cabinet member contracts and assets Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	7 February 2018
Report exemption class	Open
Reason for being a key decision	<p>This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p> <p>This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	Yes
Purpose	To extend the existing cleaning and construction contracts for a period of five months to provide sufficient time to complete the procurement process.
Decision	The existing contracts for cleaning (Interserve) and construction (Integral) be extended for a period of five months to 31 August 2018 at a cost of £0.45m and £1.5m.
Reason for the decision	As set out in the report. Documents relating to this decision are available at http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50024408

Options considered	<ol style="list-style-type: none"> 1. Not to extend the contracts, this is not recommended because Herefordshire Council will require some form of building maintenance and cleaning services to continue operating and delivering services from its property portfolio and there is insufficient time to complete a re-procurement before the current contracts end on 31 March 2018. 2. The option of procuring individual contracts for each element of construction / maintenance work has been considered. Given the volume of small orders, this approach does not comply with the EU rules around aggregation of contracts and in addition would also take considerable additional time and staff resources and therefore this option is not recommended. 3. The option of bringing the services in house and to TUPE (Transfer of undertakings (Protection of Employment)) in the existing staff has been discounted as this would be a more costly option and would require additional plant, equipment and ICT programs that are not held in the council at present and would need further resources to purchase. 4. The option of utilising the existing Balfour Beatty Living Places Public Realm contract instead of retendering was also considered, however this has been discounted for the following reasons: <ul style="list-style-type: none"> • Such an approach would not visibly demonstrate that the market has been tested to ensure the services are providing best value on works of this type. • This approach could lead to the council being challenged by other providers of these services. • A short term move into the BBLP contract was also considered to allow the tendering of the new contract but this could involve double handling from a TUPE point of view when the contract was retendered and this approach does not offer benefits over extending the contract with the existing provider.
Declarations of interest (see below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	13 February 2018

Councillor:

Date 7 February 2018

Cabinet member contracts and assets (Councillor
H Bramer)

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

and

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.