

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

[To be completed having read 'Guidance to Members and Officers – Taking a Delegated Decision'].

***PART 1 – PUBLIC DOCUMENT**

SERVICE DIRECTORATE: RESOURCES

1. DECISION TAKEN

To enter in to a contract for a 2 year contract (with the option for a 2 year extension) with HTS Property and Environmental Ltd (HTS), for a property compliance, repair and maintenance contract.

2. DECISION TAKER

Ian Couper, Service Director: Resources

3. DATE DECISION TAKEN:

8th February 2023

4. REASON FOR DECISION

The Council was given notice by its current supplier to terminate their contract, with an effective date of the end of February 2023. After extensive market testing and engagement, it was determined a collaborative approach would best meet the needs of the Council. Following a market engagement exercise, discussion with HTS took place. After detailed discussions and negotiations with HTS, a proposal was put forward by HTS. Cabinet approved the use of a Single Tender to award a contract to HTS, as they agreed that it was in the Council's best interests to engage this supplier.

5. ALTERNATIVE OPTIONS CONSIDERED

These are set out in the Cabinet Single Tender report (see background papers), In summary, previous contracts have repeatedly had failures, so a new approach was determined to be necessary.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

Market engagement sessions were carried out to try and identify companies that would be interested in this contract. The result of this was that there would be no/ very limited interest given the size of contract and geographical spread.

7. FORWARD PLAN

7.1 This decision is a key Executive decision that was first notified to the public in the Forward Plan on the 4th November 2022.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

- 8.1 The Council has a statutory duty to provide building/premises compliance and maintenance to ensure the safe use of office and public accessible buildings. This primarily involves the maintenance of and repairs to properties, and plant and equipment within those buildings.
- 8.2 For the last 12 years the Council (in collaboration with other local authorities) has awarded building compliance, maintenance, and repairs to a single supplier via a competitive tender route, and on each occasion a large national contractor has been appointed. Each of these contracts has had their difficulties in terms of quality, delivery, and cost. The most recent contract was awarded in February 2019. The contract was a five year contract with an option to extend for a further two years. From early stages the contractor struggled to provide a quality service and raised concerns over the financial viability of the contract. After a year, the two other local authorities withdrew from the framework adding additional financial pressure, ultimately resulting in the contractor serving the Council with notice to terminate the contract early, citing the contract was losing money and was not financially viable.
- 8.3 In this and previous compliance and repairs contracts the contractor heavily relied on subcontractors. This resulted in poor service and a high administrative burden being placed on the Council.
- 8.4 With the buoyancy within the building/construction industry the Council has struggled to appoint contractors to undertake planned and ad-hoc works. The Council's current main contractor too has struggled to provide these additional services.

9. LEGAL IMPLICATIONS

- 9.1 Under the terms of reference 14.6.4(a)(ii) of the Constitution, the Service Directors are delegated the following functions, powers and duties for their respective service areas to, amongst other things: entering into contract to carry out works and / or for the supply of goods and services within approved budget.
- 9.2 Under terms of reference 14.6.11 (a)(i) of the Constitution, the Service Director Resources has delegated authority to manage, direct and control all resources allocated to the Directorate in line with the Councils policies and procedures.
- 9.3 Contracts must be let in accordance with the Contract Procurement Rules and paragraph 7.13 of the rules requires the publication of a Decision Notice for any contract with a value of above £50,000. Cabinet have approved the use of a Single Tender for the award of this contract (see background papers).

10. FINANCIAL IMPLICATIONS

- 10.1. The estimated value of this contract over the maximum 4 year period (if extended from the initial 2 years) is £1,228k (+ inflationary uplifts). This is based on an annual contract sum in 2023/24 of £307k. This will be within the available budget, subject to Council agreeing the proposed increase (proposed in the 2023/24 budget papers) of £30k. This increase reflects that there has been no inflation applied to this budget over the period of the existing contract. This increase is less than the prevailing inflation over that period.

11. RISK IMPLICATIONS

- 11.1 See the Cabinet Single Tender report for full details of the risks involved. In summary this contract award is seeking to reduce the risk to the Council, by avoiding a contracting method that has provided contracts that have had ongoing issues. There are some risks involved in this approach, but these will be mitigated through collaborative working and regular contract monitoring meetings.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no specific equalities implications arising from this decision.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations in the report relate to a contract with a value above £100,000 but below WTO GPA threshold, the go local policy does not apply. It has nevertheless been considered, however during the pre-procurement exercise there was little interest from local contractors who we consider have the expertise to deliver the contract.
- 13.2 HTS have a strong track record in the delivery social value, and will seek to replicate that in this contract. Further details can be found in the Cabinet Single Tender report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1 An Environmental Impact Assessment has been undertaken. The actions have been considered and there are mitigation measures that can be applied to the contract as detailed below.
- HTS are certified to ISO 14001, the international standard for environmental management. In 2018 they won a Green Apple award for their environmental management regarding fuel efficiency and safe driving. Green Apple is an independent organisation that recognises and rewards environmental best practice globally.
 - HTS is a licensed waste carrier and have a waste processing facility at their Harlow office. Across all workstreams, they currently recycle 70% of waste. This is within their annual target under ISO 14001. The waste that does go to landfill is generally household waste and unrecyclable goods from house clearances. This would not apply to the contracted works that they would do for North Herts.
 - HTS are currently procuring three electric vans this year and look to increase this year on year in line with the availability and costs of new technology and the development of the EV charging points.
 - Working collaboratively with HTS, the Council will seek to reduce the number of maintenance visits and thereby reduce CO2 emissions from vehicles.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resources implications arising from this decision.

16. BACKGROUND PAPERS

- 16.1 *Cabinet report 13.12.22:*
<https://democracy.north-herts.gov.uk/documents/s21003/Property%20compliance-%20single%20tender.pdf>

17. APPENDICES

None

NOTIFICATION DATE

10 February 2023

Signature of Executive Member ConsultedCllr Albert confirmed via e-mail.....

Date7th February 2023.....

Signature of Decision Taker 

Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

Call-in does not apply to NON-EXECUTIVE DECISIONS