

Report to Council

Subject: Waiver of Contract Standing Orders

Date: 24th October 2012

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1. Purpose of the Report

To request a waiver of Contract Standing Orders to enable the use of a Framework Agreement to procure construction services for the conversion of Jubilee Stores building.

2. Background

The intention is to convert the existing two storey stores building near Jubilee House into accommodation for shared services between the Council and Nottinghamshire Police. The officer working group formed in order to take this project forward, has given consideration to the use of a Framework Agreement in the selection of a contractor to carry out the conversion works.

A suitable Framework has been developed by The East Midlands Property Alliance (EMPA). EMPA is formed from regional local authorities and other public bodies and this Alliance has collaborated to use their collective buying power to form frameworks through which Local Authorities in the East Midlands can procure approved contractors to undertake construction projects from £10,000 to £30M. These frameworks are managed by SCAPE, a local authority controlled company and the agent for EMPA.

The Council's Contract Standing Orders require tenders to be invited where the estimated value, or amount, of a proposed Contract exceeds £50,000. Exemption from this provision may be made by direction of the Council where they are satisfied that the exemption is justified in special circumstances. Such a waiver cannot be given where the contract value exceeds the E.U. threshold unless an exemption is available under the E.U. Procurement Regulations.

The value of the contract in this case exceeds £50,000, but falls under the E.U. threshold (currently in excess of £4 million) therefore tenders should be invited in accordance with Contract Standing Orders 4, 5, 6, 7, 8 or 9.

Contract Standing Order 8.1 enables the Council to take advantage of a Framework Agreement, but only where it is intended to purchase goods or services. Unfortunately this is a works contract and therefore the Council is unable to procure the contract under a Framework Agreement without a waiver of Standing Orders.

The purpose of the Council's Contract Standing Orders is to:

- achieve value for money
- be consistent with the highest standards of integrity
- ensure fairness in the allocation of contracts
- ensure compliance with legal requirements
- prevent fraud and corruption
- protect the interests of the Council and its employees.

The EMPA Framework Agreement has been subject to a thorough EU tendering exercise and therefore meets the above criteria.

3. Proposal

Council is asked to waive Contract Standing Orders to enable the use of the EMPA Framework for this potential conversion project.

The Minor Works Framework is for construction from £10K to £500K, for new build, alterations and refurbishment and would be suitable for a project of this nature. Potential benefits of the use of the Framework in this instance are:-

- the time and cost required for procurement is minimised, reducing the overall project timescale
- early engagement of a Contractor maximises the opportunities to collaborate on options and solutions
- feasibility studies can be provided free of charge
- clients benefit from the collective buying power of the Framework on their particular project.

Legal Services is satisfied that the Council can lawfully use this Framework Agreement and the Corporate Director is satisfied that it is in the Council's interests to do so.

4. Financial Implications

The Council is not required to pay any charges or fees to make use of the Framework Agreement.

The total cost for this work is estimated to be less than £450,000. The Council has previously agreed a specific budget for office accommodation to support partnership joint working of £200,000 in 2013 and it is proposed that the previously agreed asset management funding of up to £250,000 would also be utilised within this project.

5. Recommendation

It is recommended that Council agrees to waive Standing Orders and approve the use of the EMPA Framework Agreement to procure construction services for the conversion of the Jubilee Stores building.