

REPORT FROM: DIRECTOR OF RESOURCES

TO: ACCOUNTS AND AUDIT COMMITTEE

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FOR INFORMATION
EXEMPTION FROM CONTRACT PROCEDURE RULES

PURPOSE OF REPORT

To report, for information, six exemptions from Contract Procedure Rules.

ISSUE

Exemptions from Contract Procedure Rules (CPRs)

- 1 CPR 5 includes provision for exemption from the requirements to comply with CPRs in certain circumstances where the use of an alternative method of selection is considered justifiable, and propriety, value for money and compliance with domestic legislation can be demonstrated. Exemption from CPRs is, however, subject to the prior approval of the Director of Resources.

Details of such exemptions must be reported to the next possible meeting of the Accounts and Audit Committee.

2. Since the last meeting of the Accounts and Audit Committee, the following exemptions from Contract Procedure Rules have been granted -

(i) Re-roofing works at Pendle Leisure Centre

Name of Contractor

Complete Roofing Solutions Ltd

Amount of Contract

£253,295 + VAT

Nature of Contract

The existing roof covering of the original sports centre built in 1984 has reached 'end of serviceable life' leading to continual water ingress over the sports hall, exercise rooms and communal areas. Due to the condition of the roof covering (roof membrane has become brittle with age), it is no longer suitable or cost effective to carry out isolated repairs. Water ingress is causing ongoing health and safety and operational issues for the centre resulting in risk to users from slips, trips and falls, loss of revenue and reputation.

The project consists of stripping the existing roofing system and replacing with a new membrane covering / upgraded insulation system with 20-year performance guarantee and associated enabling works.

CPRs exempted

11.1 Advertising

18.2 Purchasing – Competition Requirements

20.1 Competitive Tendering – Contracts over £50,000

Reason for exemption

Specialist suppliers were nominated by the manufacturer of the roofing system to enable 20 year guarantee.

Selection of contractor

Five specialist suppliers nominated by the system manufacturer were invited to tender –

- Two suppliers returned the full tender pack on time
- One supplier omitted various elements of work (tender disregarded)
- One supplier returned tender past return date (tender disregarded)
- One no response

The contractor was selected based on the lowest tender and was awarded to Complete Roofing Systems Limited following agreement by the Executive, at its meeting on 17th July 2024.

(ii) Earby FAS3 – Flood Alleviation Study

Name of Contractor

AECOM Ltd

Amount of the Contract

£100,000

Nature of Contract

Earby FAS3 – Flood Alleviation Study to produce Detailed Designs and Full Business Case.

CPRs exempted

5.2 (a) and (b) Exemptions from Contract Procedure Rules

- (a) that only one Provider is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive or proprietary rights.
- (b) that time limits required for tendering cannot be met for reasons of extreme urgency and which were unforeseen and unattributable to the Council

Reason for exemption

The Environment Agency have provisionally allocated £2.5M for Earby FAS3. There is an initial allocation of £200k to develop the scheme to Full Business Case (FBC). The works outlined in the Scoping Study provided by AECOM is a culmination of every step that needs to happen to prepare the FBC. The FBC has to be completed by March 2025 to enable the delivery of the scheme within the funding timescales (Scheme to be completed by March 2027). AECOM managed the development of the FBCs for phases 1 & 2 of the scheme (FAS1 & FAS2) and therefore they are best placed to undertake all of the steps identified with the Scoping Study before the end of March 2025. This work is of a very specialist nature and AECOM are intimately familiar with the scheme and have the specific technical background and knowledge to proceed with these works as soon as possible. They also have access to all of the flood modelling work that was carried out in 2019, when a FAS3 was looked at previously.

Selection of contractor

AECOM are experts in this field and were employed by the Environment Agency for the development of phases 1 & 2 of Earby Flood Alleviation Schemes (FAS1 & FAS2) and the outline development of FAS3.

(iii) Short-term gas contract for Council sites

Name of Contractor

SEFE Energy UK

Amount of Contract

Estimated £42,000 (based on 2023 consumption profile)

Nature of Contract

A 6-month gas contract with existing supplier (SEFE Energy UK) to enable transfer to CCS Framework in April 2025.

CPRs exempted

5.2 (d) Exemptions to Contract Procedure Rules – that goods are required as a partial replacement for or in addition to existing goods or installations and obtaining them from another Provider would result in incompatibility or disproportionate technical difficulties in operation or maintenance.

Reason for exemption

The existing contract expired 30th September. The short-term contract is to enable full transfer to Crown Commercial Framework in 2025.

Selection of contractor

SEFE Energy UK are the existing supplier. Unit prices benchmarked against Pendle Leisure Trust Flex rates currently achieved. The price is the current market rate.

(iv) Delivery of the application scheme for Pendle's Household Support Fund (HSF) 6**Name of Contractor**

East Lancashire Citizens Advice

Amount of Contract

£30,000

Nature of Contract

To deliver the application scheme for Pendle's HSF 6 (£30,000) (Oct 24 – Mar 25).

CPRs exempted

5.2 (a) - that only one Provider is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive or proprietary rights.

Reason for exemption

We are required to deliver an application scheme as part of Pendle Borough Council's HSF programme. We are unable to deliver this in-house as we don't provide an advice service so need to commission a third party to deliver this on our behalf.

East Lancashire Citizens Advice is the only local organisation in Pendle with the infrastructure in place to deliver a means tested application scheme. They already have the systems and processes in place, as well as the specialist debt advisers, to quickly mobilise a scheme within the timescales needed.

Selection of contractor

East Lancashire Citizens Advice is the only provider able to provide the advice necessary to support the delivery of the HSF Scheme. They have successfully delivered similar schemes for other districts. There are no set up fees given as they already have the infrastructure, systems and processes in place and thus able to deliver a value for money scheme.

Citizens Advice has a good reputation in the community and is a trusted organisation.

(v) Replacement of wave machine, Pendle Wavelengths

Name of Contractor

Murphys Waves Ltd

Amount of Contract

£87,200 + VAT

Nature of Contract

Replacement of wave machine, Pendle Wavelengths – installation complete September 2024.

CPRs exempted

5.2 (a) - that only one Provider is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive or proprietary rights.

Reason for exemption

The Leisure Trust researched other leisure centres and suppliers and all those that responded use/recommend Murphys Waves, a main specialist manufacturer/supplier of this type of machine in the UK.

Selection of contractor

Murphys Waves are used/recommended by other leisure centres. They are a specialist manufacturer/supplier. No other manufacturer/installer available.

(vi) Replacement of main pump control panel and inverters, Pendle Leisure Centre, Colne

Name of Contractor

Delta Drives and Controls Ltd

Amount of Contract

£18,961 + VAT

Nature of Contract

Replacement of the main pump control panel and inverters at Pendle Leisure Centre, Colne.

CPRs exempted

5.2 (e) - that despite seeking the relevant number of quotations, insufficient quotations have been obtained.

Reason for exemption

Delta are Pendle Leisure Trust pump / controls panel service company carrying out reactive and planned maintenance works across their estate. They fast tracked design and installed new control set in order to minimise downtime and mitigate risk of pool closure from imminent pump failure.

Selection of contractor

This is a specialist manufacturer / installation for leisure control panel and pump systems. An alternate budget cost from another contractor was received (budget cost of £ 21,458 + VAT). A third contractor also visited site but confirmed they use Delta as sub-contractor. The direct cost with Delta is less than the main contractor with their percentage on-cost.

IMPLICATIONS

Policy: None arising directly from the report.

Financial: The expenditure is within Budget and Policy Framework.

Legal: None arising directly from the report.

Risk Management: None arising directly from the report.

Health and Safety: None arising directly from the report.

Sustainability: None arising directly from the report.

Community Safety: None arising directly from the report.

Equality and Diversity: None arising directly from the report.

APPENDICES: None