



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016**

**SUBJECT: SMALL LOTS - REVIEW OF CONTRACT ARRANGEMENTS**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

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- 1.1 The report was considered by the Caerphilly Homes Task Group (CHTG) on the 10th December 2015 and proposed changes to the contract arrangements for external works in the Eastern Valleys; in addition the report sought the views of the Task Group prior to consideration by Policy and Resources Scrutiny Committee.
- 1.2 The external works within the Eastern Valleys are being undertaken through a series of small lots contracts. Experience over the last 2 years has given rise to concerns that if continued reliance is placed on this method alone, there are significant risks that this part of the WHQS programme will not be delivered by 2020. A review of the contract arrangements has concluded that the external works on 2 large estates (Cefn Fforest and Ty Sign) should be undertaken by alternative means and there is an opportunity to link this with the procurement of new contract arrangements for external works in the Lower Rhymney Valley.
- 1.3 The Task Group sought reassurance that sufficient contingency plans are implemented to ensure consistency and the continuation of the programme, in the event that contractors withdraw from the tender process.
- 1.4 Following consideration and discussion, it was moved and seconded that the Caerphilly Homes Task Group recommended that the Policy and Resources Scrutiny Committee support the Review of Contract Arrangements in relation to Small Lots and recommend its adoption at Cabinet. By a show of hands this was agreed by the majority present.

RESOLVED that for the reasons contained in the Officers report the Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet:

- (i) a reduction in the amount of work to be procured via small lots over the remaining period of the programme in view of the risks of not completing this by 2020,
- (ii) the external works on the Ty Sign and Cefn Fforest estates be incorporated within the procurement of new contract arrangements for external works in the Lower Rhymney Valley,
- (iii) the adoption of 2 value bands be supported for small lots contract packages over the remainder of the programme period, subject to review in light of tender returns,
- (iv) the Project Board continue to endorse the award of any small lot contract with a final tendered sum that exceeds the upper limit of either value band range where appropriate.

1.5 Members are invited to consider the report and the above recommendations.

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Appendices:

Appendix 1 Caerphilly Homes Task Group Report – 10th December 2015