

Item No: 4	Classification: OPEN	Date: 9 March 2016	Meeting Name: Overview & Scrutiny Committee
Report Title:		Call-in: Gateway 2 – Contract Award Approval – Consolidated Repairs and Maintenance Services Contract for the Council’s Operational Estate	
Ward(s) or Group affected:		All wards	
From:		Head of Overview & Scrutiny	

BACKGROUND INFORMATION

1. On 25 February 2016 the Strategic Director of Finance and Governance took a key decision regarding a report on the Gateway 2 – Contract Award Approval – Consolidated Repairs and Maintenance Services Contract for the Council’s Operational Estate (attached as an Appendix).
2. The Chief Officer agreed:
 - 2.1. That the award of the consolidated repairs and maintenance services contract for the council’s operational estate to Kier Facilities Services Limited for a period of 4 years commencing 27 May 2016 with the provision to extend at the council’s discretion up to a maximum of a further 2 years be approved.
 - 2.2. That in line with contract standing order 4.8 approval be given for an exemption from the requirements to obtain five tenders from the works approved list in respect of project related works procured through this contract in accordance with the methodology specified in paragraph 63 of the report.
 - 2.3. That it be noted that based on the current arrangements for the buildings the annual estimated cost is £8m, making a total estimated contract value of £32m for the initial term. With the option to extend for a maximum of a further two years the total contract value would be £48m.

REASONS FOR CALL-IN

3. On 4 March 2016 Councillor Gavin Edwards requested a Call-in and this was supported by the following 6 members of the committee Councillors Johnson Situ, Jasmine Ali, Rebecca Lury, Maisie Anderson and Catherine Dale requested a call-in of the decision. The chair’s reasoning was as follows:

I would like to call-in this decision because I believe there is evidence that the decision maker may not have taken the decision in accordance with the principles of decision making as set out in the constitution, with particular reference to the need for "clarity of aims and desired outcomes".

On 26th January 2016, Council Assembly passed a motion which, among other things, called on the Cabinet to "Make provision in Southwark Council's public tendering procedures to exclude black-listers from public contracts if they are either still blacklisting or have not put into place genuine actions agreed by the blacklisted workers or their representatives concerning past blacklisting activities."

While I realise the council motion has not yet been to cabinet, it was supported by almost all councillors and therefore I anticipate that the cabinet is likely to accept it into policy.

The decision has been to award this contract to Kier Facilities Services Ltd, a subsidiary of Kier Group Plc. Kier is a company which has engaged in blacklisting in the past and it is very unclear if they have "put into place genuine actions agreed by the blacklisted workers or their representatives concerning past blacklisting activities". Therefore, I believe there is a risk that this decision conflicts with the Council Assembly motion and should be called in for further scrutiny.

CALL-IN MEETING

4. The committee will consider the call-in request and whether or not the decision might be contrary to the policy framework or not wholly in accordance with the budget.
5. If, having considered the decision and all relevant advice, the committee is still concerned about it then it may either:
 - a) refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns, or
 - b) refer the matter to council assembly if the decision is deemed to be outside the policy and budget framework.
6. If the committee does not refer the matter back to the decision making person or body, the decision shall take effect on the date of the scrutiny meeting.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
Chief Officer Report 25 February 2016	160 Tooley Street London SE1 2TZ	Fitzroy Williams 020 7525 7102

APPENDICES
Chief Officer Report and Appendix

Audit Trail

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Fitzroy Williams, Scrutiny Project Officer	
Version	Final	
Dated	4 March 2016	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included