

CHIEF OFFICER DECISION-MAKING

RECORD OF DECISION

**RECONSIDERATION OF DECISION AS A RESULT OF
OVERVIEW AND SCRUTINY COMMITTEE CALL-IN**

PART A

1. DETAILS OF REPORT <i>(Officers to complete this section prior to issuing to decision-taker)</i>	
Title of report	Gateway 2 – Contract Award Approval: Consolidated repairs and maintenance services contract for the council's operational estate
Decision-taker	Strategic Director of Finance and Governance
Date decision to be reconsidered by	In accordance with the requirements of overview and scrutiny procedure rule 25.4 the strategic director for finance and governance is required to reconsider the decision within seven working days (by Wednesday 23 March 2016).
Key decision – Yes/No?	Yes
Date published on forward plan	General exception notice (issued 12 February 2016)
Recommendations	<p>That the strategic director of finance and governance reconsider his original decision taking into account overview and scrutiny committee's reasons for referring the decision back for reconsideration as set out below:</p> <ul style="list-style-type: none"> • The January council assembly motion on blacklisting had not been adequately taken into account as it had not yet been adopted by the council's cabinet. It was uncertain whether this would have led to a different outcome on the contract award. • The Kier Group shares its human resources policies across its subsidiary companies – reducing the separation between Kier Facilities and other parts of the group.

	<ul style="list-style-type: none"> The procurement process had not examined the relationship between parent and subsidiary companies, and the decision maker should do so as part of the reconsideration. <p>Original decision (25 February 2016)</p> <ol style="list-style-type: none"> 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. 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. 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.
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2. ORIGINATING AUTHOR'S DETAILS

(Officers to complete this section prior to issuing to decision-taker)

Lead officer (Name and job title)	Matthew Hunt – Head of Corporate Facilities Management
Report author (Name and job title)	Dean Paterson, Head of Facilities Management Technical Services
Contact Number	020 7525 0806

PART B

(Decision-taker to complete this section)

1. DECISION(S)

To confirm the decision of 25 February 2016 to award the contract for consolidated repairs and maintenance services for the council's operational estate to Kier Facilities Services Limited.

2. REASONS FOR DECISION

Further to the OSC review of this decision I have undertaken a detailed review of the report, the process and procedures followed and the applicable policies and procurement regulation. I have consulted with and sought advice from senior officers to include the Monitoring Officer and the Head of Facilities Management.

On the point of referral in relation to the January council assembly motion I confirm that this procurement and approval process followed all applicable council and statutory procurement best practice and regulation current at each stage of the process.

On the second point I have sought further information and assurances from Kier Facilities Services in relation to shared policies and the group structure of their overall business. These responses have provided the appropriate level of assurance to support the procurement process and are appended to this record of decision for information.

As part of the process of finalising contracts with Kier Facilities Services, I will be conducting a special meeting with them, together with my legal advisors, reassuring the Council that all terms and conditions of contract with reference to blacklisting remain in accordance with law, regulation and Council policy both for now and through the duration of the contract.

On the final point I can confirm further that this procurement followed current council process and procedure with informed legal and procurement advice. However I am grateful to OSC for raising the issue of the relationships between parent and subsidiary companies and propose that this is taken on board to be included within the planned report back to Cabinet in May on January's council assembly motion.

Additionally in light of the concerns raised I will be writing to Crown Commercial Services (CCS) through whose framework this contract is being procured to ascertain their position in regard to blacklisting in both their award of frameworks, ongoing monitoring and potential outcomes from related non-conformance.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

None.

DECLARATION

I approve the original decision.*

or

~~I approved an alternative course of action set out in Part B.*~~

(* - Please delete as appropriate)

Signed.....



Dated.....

23/3/16

Contact:

Please return completed copy of the form to constitutional.team@southwark.gov.uk for publishing on the council's website.

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