

Agenda item:

[No.]

Procurement Committee

On 16th September 2010

Report Title. Termination of Adaptations Framework Contractor.

Report of **Director of Adult Culture and Community Services**

Signed :

Contact Officer : Pauline Walker-Mitchell, Head of Adaptations Service

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report (that is, the decision required)

This report is an information report to advise Members, in accordance with Contract Standing Order 15.03, of the termination of Rok Building Limited's (Rok) appointment as a framework contractor providing disabled adaptations to the residents of Haringey.

2. Introduction by Cabinet Member (if necessary)

- 2.1. The Council established a framework agreement for the provision of disabled adaptations which came into effect on 23rd January 2009. Three contractors were appointed: Rok, Effectable and Mullaley.
- 2.2. Rok was selected to provide the major adaptations for the residents of Haringey.
- 2.3. Core group meetings were held on a regular basis. The meeting held in May 2010 resulted in the decision to terminate the contract.
- 2.4. The business reasons are set out in Appendix A at paragraph 1.0

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. The provision of major adaptations to the residents of Haringey links with the following Council's Plan Priorities: 'A Healthy, caring Haringey' and 'Delivering high quality, efficient services'

4. Recommendations

4.1. That Members note that:

- (a) the Council's framework agreement with Rok for the provision of disabled adaptations work has been terminated by a notice issued on 29th June 2010;
- (b) the decision to terminate the framework agreement was approved by the Director of Adults Culture and Community Services in accordance with Contract Standing Order 15.02.

5. Reason for recommendation(s)

- 5.1 Contract Standing Order 15.03 requires that decisions to terminate contracts early where the awarded contract value is over £250,000 must be reported to Cabinet Procurement Committee at the earliest opportunity. This report is made in fulfilment of that requirement.

6. Other options considered

6.1. There were no viable alternatives other than to terminate.

7. Summary

7.1. The Council established a framework agreement for the provision of disabled adaptations which came into effect on 23rd January 2009. Three contractors were appointed: Rok, Effectable and Mullaley. As Rok provided the most economically advantageous tender, they were selected for call off for project

7.2. After a meeting with Rok in May 2010, a decision was taken to terminate the

contract with Rok for the business reasons set out in Appendix A at paragraph 1.0.

7.3. On 29th June 2010, Legal Services issued Rok with a notice of termination effective one calendar month after receipt by Rok of the notice.

8. Chief Financial Officer Comments

8.1. As Rok have been unable to provide the service specified under the framework agreement Haringey Council has no commitment to pay anything to Rok as part of the contract cancellation.

8.2. The service will ensure that the increased uplift costs from using the other contractors with the framework agreement are contained within the agreed capital budgets, and no overspend is created due to these additional costs.

9. Head of Legal Services Comments

9.1. This report complies with the requirements of Contract Standing Order 15.03 which requires that decisions to terminate contracts early are reported to Cabinet Procurement Committee where the contract value is in excess of £250,000.

9.2. Termination of the Council's Framework Agreement with Rok was conducted in accordance with the relevant break clause within the Agreement, Condition 22.2, which permits termination of the Agreement, with notice, without the need for the contracting party to be in breach/default of any stated term. The Agreement was terminated giving one month's notice.

10. Head of Procurement Comments

10.1. Rok were originally selected to the Council framework agreement following a competitive tender process.

10.2. Three contractors in total were appointed to this particular framework.

10.3. Services to residents will not be disrupted by this termination of contract since we have 2 other pre-approved contractors on the framework agreement to whom work can be allocated.

11. Equalities & Community Cohesion Comments

11.1. There are no equality issues as no group has been disadvantaged. Haringey residents will continue to receive a service from the remaining two framework contractors.

12. Consultation

12.1. No consultation was required

13. Service Financial Comments

13.1. The termination of Rok Limited's appointment as a framework contractor providing disabled adaptations to the residents of Haringey will have no financial implications. Service will ensure that all jobs carried out with the other contractors are within budget.

14. Use of Appendices, tables and photographs

14.1. Appendix A of this report contains exempt information.

15. Local Government (Access to Information) Act 1985

15.1 This report contains exempt and non-exempt information. Exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972): s. 3 - information relating to the financial affairs of any body or person (including the authority holding that information).