

PROCUREMENT WAIVERS

Report of the Director & Company Secretary

1. SUMMARY

To present the Committee with information relating to the requests to waive Derby Homes' Procurement Standing Orders.

2. RECOMMENDATION

To note the report.

3. MATTER FOR CONSIDERATION

- 3.1 A previous report was presented to the Resources, Remuneration and Regeneration Committee updating the Committee on the requests and outcomes of procurement waivers prior to 7 July 2011.
- 3.2 This report is presented to the Committee to give an update on procurement waiver requests and outcomes post 7 July 2011. It gives the current position with regards to Procurement Standing Order waivers.
- 3.3 The current waiver register has a total of 24 requests to waive the Derby Homes' Procurement Standing Orders. Of those granted, 23 are still live.
- 3.4 **Waivers expiring in 2012**
 - D W Haines – granted until December 2012 to ensure difficult access to properties needing gas servicing is completed, as required by law.
 - Just Housing Consultancy – granted until December 2012 to help with the integration of the repairs team into Derby Homes. This work is now complete.
 - SWALEC / ESPO – electricity supplies – granted until October 2012 to ensure economies of scale are achieved through a bulk purchase agreement with Derby City Council.
 - Derby Loans (IPS) Ltd – granted until August 2012 to make affordable finance available to Derby Homes' communities.
 - Wescot Credit Services – granted until November 2011 to ensure collection of rent arrears is not disrupted until the Income Management Team have undergone a re-structure and a re-procurement timetable is agreed.
 - Renew Maintenance – Social Enterprise involving young unemployed trainees, granted until November 2012.
 - Kleensafe - Social Enterprise involving young unemployed trainees, granted

until November 2012.

- Callcredit Information Group – granted for three months until June 2012 to validate the occupancy of existing tenancies – this work is now complete and the waiver will not need to be renewed.
- Dial-a-Rod – granted until September 2012 to allow time to undertake a procurement exercise. This is underway and should be completed by the time this waiver expires.

3.5 Waivers expiring in 2013

- Vinshire Plumbing & Heating – granted until March 2013 to cover the Out-Of-Hours gas repairs.
- Contractors, Sub-Contractors and Suppliers – granted until May 2013 in order to regularise the arrangements inherited by Derby Homes from the merger in June 2010 with the Repairs Team and in order to cover all of the re-procurement exercises necessary. Temporary contracts have been issued and re-procurement timescales set.
- Hobsons Health – granted until July 2013 to allow the provision for an Occupational Health Service with Rykneld Homes to continue.
- SDLC Solutions – granted until March 2013 to allow the delivery and support of the “Open Contractor” project.
- Allan Webb – granted until March 2013 to allow support for the scanning of documents for the Personnel, Maintenance and Finance departments.
- Kainos Software – granted until May 2013 to ensure the Meridio system is fully supported, it being a critical business system.

3.6 Waivers expiring in 2014

- Neopost – granted until March 2014 to support the hybrid mail system, preventing any possible disruption to the mail system.
- Marlin’s Design – granted until April 2014 for Architect services on the new build scheme.
- Netmotion Wireless Ltd – granted until April 2014 to secure the data route of laptops accessing Derby Homes information.

3.7 Waivers expiring in 2015

- Equality Works – granted until March 2015 to continue with the rolling programme of Equality and Diversity training.
- Bytes Software Services – granted until May 2015 to allow the purchase of licenses to use Microsoft software.
- Meridio – granted until May 2015 to allow the implementation of Derby City Council’s preferred document management system.

3.8 Waivers expiring in 2016

- Housemark – granted until May 2016 to allow Derby Homes to benchmark Key Performance Indicators against other housing sector organisations.

3.9 Waivers expiring in 2017

- First Care – granted until May 2017 to provide Derby Homes with an electronic self-certification provision and management information relating to absence / attendance within the organisation.
- Octavia Software Solutions – granted until May 2017 to provide software for Supported Living Services to replace the previous paper-based system which was regarded as high-risk.

4. LEGAL AND CONFIDENTIALITY IMPLICATIONS

- 4.1 Legal advice was obtained in relation to the service delivery required following the Connaught Partnership collapse and in relation to continued delivery of the Repairs Team's service. The waivers granted for specialist work were of a significantly low value not to present a legal issue.
- 4.2 The legal advice relating to the Connaught Partnership issue was that if Derby Homes did not grant waivers it would leave the organisation at significantly greater risk. The significant risk would be caused because Derby Homes would have no resources available to comply with its obligation under the Health and Safety at Work Act. The specific risk would be non-compliance with the Gas Safety (Installation and Use) Regulations which is part of the Health and Safety at Work Act.
- 4.3 In relation to the service delivered by the Repairs Team, the advice received was to regularise the arrangements with the sub contractors until a move to compliant procurement arrangements can be achieved.

5. HEALTH & SAFETY IMPLICATIONS

- 5.1 Not to grant waivers for gas safety inspection and servicing work could have resulted in significant health and safety risks. It would also have resulted in Derby Homes breaching the Health and Safety at Work Act.
- 5.2 All other live waivers do not have a health and safety implication but a number do have business continuity implication.

6. RISK IMPLICATIONS

- 6.1 Waivers granted for gas safety and other repairs sub contracted work have a risk to the business as the value exceeds the European procurement thresholds. Legal advice suggests that any challenge is unlikely to succeed due to the nature of the health and safety implications and the structured way in which Derby Homes is moving to place such contracts on a fully competitive basis.
- 6.2 All other procurement waivers are of a significantly low value not to present a risk.

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None.

Supporting Information: None.

File Ref	Waiver Title	Category Manager	Authorised Employee	Waiver Approval date	Waiver Expiry Date	Supplier(s) or consultants name	Live marker	Comments	Estimated Total Value
Last update 12/06/12	Max 2,000 characters	Max 20 Characters	Max 20 Characters	format is dd/mm/yyyy	format is dd/mm/yyyy	Max 30 Characters	Is the contract live? Enter 'Y' or 'N'	Max 2,000 Characters	£
Sec 2/22	Gas Servicing Work	Mick Archer	Steve Giblenn	26/03/2012	31/12/2012	D W Haines Limited	Y	Service continuity pending training of in house Gas Engineering Team	Rates on Waiver
Sec 2/23	Gas - Out of Hours Calls	Mick Archer	Steve Giblenn	26/03/2012	29/03/2013	Vinshire Plumbing and Heating Limited	Y	Service continuity pending training of in house Gas Engineering Team	Rates on Waiver
Sec 3/7	Benchmarking Service for the Housing Sector of Derby Homes	Maureen Davis	Julie Eyre	05/05/2011	04/05/2016	Housemark	Y	Housemark is the only organisation that provides a benchmarking service for the Housing sector. Without this DH would be unable to benchmark performance indicators, unit costs or access best practise information from others in the sector.	£ 9,000.00
Sec 3/10	Continued use of Contractors, Sub-Contractors and Suppliers	Tony Billingham	Jeff Wells	05/05/2011	04/05/2013	Current Contractors/Sub-Contractors & Suppliers inherited from Environmental Services Dept. Upon merger (June 2010)	Y	Required in order to give DH the time to regularise the contractual arrangements and to procure, as and when necessary.	No further costs
Sec 3/15	Repairs Team support from consultancy	Shaun Bennett	Shaun Bennett	22/06/2011	21/12/2012	Just Housing	Y	Supporting integration of Repairs team into Derby Homes	£ 90,000.00
Sec 3/19	Electricity & Gas Supplies	Tony Muldoon	Simon Evans	23/09/2011	01/10/2012	SWALEC/ESPO - Electricity Suppliers Corona/OGC Buying Solutions - Gas Suppliers	Y	Electricity & gas supplies via consortia participation. Economies of scale acheived via framework agreements entered into by DCC	£ 199,000.00
Sec 3/20	Loan Agreement	Tony Muldoon	Tony Muldoon	23/09/2011	31/08/2012	Derby Loans (IPS) Ltd	Y	Revenue grant paid in order to make affordable finance available to Derby Communities	£ 17,000.00
Sec 3/39	Equality & Diversity Training	Christine Hill	Annabelle Barwick	09/05/2012	31/03/2015	Equality Works	Y	Continuing equality and diversity training to enable planning and management of rolling programme.	£11,000 per year
Sec 3/30	Collection of Former Tenant Arrears	Maria Murphy	Jaz Sanghera	03/11/2011	02/11/2012	Wescot Credit Services	Y	Required to continue using current service provider. Income Management team undergoing restructure, once done there will be a clearer picture of what is required with regard to inviting tenders.	Ranging between 17% & 32% commission (if trace required)
Sec 3/31	Maintenance Work by Social Enterprise	Phil Davies		01/12/2011	30/11/2012	Renew Maintenance Ltd (YMCA)	Y	Provision of paid work to sustain social enterprise involving young unemployed trainees.	£ 135,000.00
Sec 3/32	Maintenance Work by Social Enterprise	Phil Davies		01/12/2011	30/11/2012	Kleensafe Ltd	Y	Provision of paid work to sustain social enterprise involving young unemployed trainees.	£ 63,000.00
Sec 3/34	Tenancy Audits	Maria Murphy	Maureen Davis	31/03/2012	30/06/2012	Callcredit Information Group	N	Required to validate the occupancy of existing tenancies. Frees staff to carry out other duties.	£ 10,000.00
Sec 3/35	Franking Machine	Christine Hill	Pippa Wood	26/03/2012	25/03/2014	Neopost	Y	Back up service to support hybrid mail service, therefore preventing any possible disruption to postal service.	£3,000 plus postage
Sec 3/36	TB0702 - Repairs & Maintenance to Drains	Matt Hands	Tony Billingham	22/03/2012	30/09/2012	Dial-a-Rod	Y	Continued service provision by current provider - undertaking repairs and unblocking of drains whilst new procurement process carried out. Delayed due to changes in legislation.	rates filed with waiver
Sec 3/37	Nurse Led Sickness Absence Reporting System	Christine Hill	Pippa Wood	26/04/2012	31/05/2017	First Care (Ex Active Health Partners)	Y	Continued service provision by current provider - includes provision of electronic self certification and management information relating to absence/attendance within the organisation	£19,000 p.a.
Sec 3/38	Appointment of Architect for Bungalow New Build Schemes	Shaun Bennett	Andrew McNeil	24/04/2012	23/04/2014	Martin's Design	Y	Appointment of Architect via Ridge Consultancy - initially for up to 21 bungalows with a cost of £29,064 (21 x £80K x 1.73%). See waiver for follow on information should these numbers increase.	£ 30,000.00
Sec 3/40	Microsoft Software Services	Mark Fairweather	Lee Haynes	16/05/2012	15/05/2015	Bytes Software Services	Y	Licences for the use of Microsoft software. Bytes is a Microsoft premier partner used by Serco.	£35,000 every 3 years
Sec 3/41	Provision of a Virtual Private Network solution for laptop devices	Mark Fairweather	Alistair Taylor	16/05/2012	15/04/2014	Netmotion Wireless Ltd	Y	Needed in order to secure the data route of laptops accessing Derby Homes information	None until licence renewal in 2014
Sec 3/42	Occupational Health Services	Christine Hill	Pippa Wood	23/05/2012	31/07/2013	Hobsons's Health	Y	To allow temporary successful arrangement in conjunction with Rykneld Homes to continue.	£ 5,500.00
Sec 3/43	Provision of specialist technical advice, project management & consultancy services	Mark Fairweather	Lee Haynes	11/06/2012	31/03/2013	SDLC Solutions	Y	Ongoing consultancy support ensuring that 'Open Contractor Project' is delivered and supported.	£ 20,000.00
Sec 3/44	Document Scanning Service	Mark Fairweather	Alistair Taylor	11/06/2012	31/03/2013	Allan Webb	Y	Required for the completion of scanning work for three departments - Personnel, Maintenance & Finance.	£ 30,000.00
Sec 3/45	Provision of Specialised Consultancy on Meridio document managed software	Mark Fairweather	Mohammed Jawed	11/06/2012	31/05/2013	Kainos Software	Y	Required to ensure that the Meridio document system is fully supported and available as a critical business system.	£ 45,000.00
Sec 3/46	Document Management System	Mark Fairweather	Mohammed Jawed	11/06/2012	31/05/2015	Meridio	Y	Utilised following Board report in order to implement DCC's preferred document management system	£ 30,000.00
Sec 3/47	Software for Supported Living Service	Mark Fairweather	Simon Raine	11/06/2012	31/05/2017	Octavia Softare Solutions	Y	Secure replacement for paperbased system, now considered high risk. Allows data sharing across teams and generates government specified reports.	£ 70,000.00