

EXTENSION OF CONTRACTS FOR RESPONSIVE MAINTENANCE

Report of the Director of Derby Homes

SUMMARY OF REPORT

1. This report seeks approval to extend the Housing Repairs and Maintenance contracts to occupied and vacant dwellings.

RECOMMENDATION

2. Waive Contract Procedure Rule (CPR) C15 and approve an extension of up to 12 months under CPR C31 or follow-on contracts under CPR C32 in respect of the Housing Repairs and Maintenance Contracts in paragraph 4.1.

REASON FOR RECOMMENDATION

3. The extensions will allow Derby Homes to concentrate on planning and preparing tender documents on a partnering basis in line with the Best Value principles for construction in the Eagan report "Rehinking Construction".

MATTER FOR CONSIDERATION

- 4.1 There are four current contracts for responsive maintenance due to end on the 31 July 2003, these include:

- Derby (North East)
- Derby (North West)
- Derby (South East)
- Derby (South West)

It is proposed that Derby Homes extend these contracts for up to 12 months, from 31 July 2003.

- 4.2 Extension of the existing contracts will enable progress on responsive maintenance to be maintained, and budgeted spending targets to be achieved.
- 4.3 Derby Homes will act as client representative to Derby City Council and let future contracts. It is anticipated these would be spent on a partnering basis in line with the Best Value principles for construction in the Egan Report 'Rethinking Construction'. Key features of this approach being:

- tenant involvement in specifying the work and the contractor selection process
- tenders sought on both a price and quality basis
- during the contract term, all processes being reviewed including with suppliers with the aim of providing a more efficient and cost effective service
- an 'open book' approach being taken
- arrangements for sharing any savings which result from efficiencies identified by the contractor
- contracts for three years with than option to extend for a further two.

4.4 The value of work secured using the Egan principles (as a percentage of the total value of work procured) is a factor considered by Government when assessing the Council's performance.

CONSULTATION IMPLICATIONS

5. Derby City Council's Legal Services have been consulted and support this request.

FINANCIAL AND BUSINESS PLAN IMPLICATIONS

6. The total approximate values of the contracts are £5.8 million per annum. The extension of the contracts will be based on 2002/03 rates. Increases in costs for inflation, if any , will be index based.

LEGAL AND CONFIDENTIALITY IMPLICATIONS

7. The new tenders are likely to be subject to EC procurement directives.

PERSONNEL IMPLICATIONS

8. Negotiating these contracts will allow Derby Homes to concentrate on the planning and preparation of tender documents on a partnering basis.

ENVIRONMENTAL IMPLICATIONS

9. None.

EQUALITIES IMPLICATIONS

10. None.

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