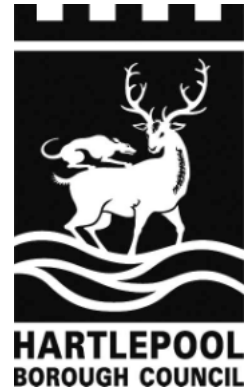


# **CONTRACT SCRUTINY COMMITTEE AGENDA**



**Monday, 17 January 2011**

**at 11.00 am**

**in Committee Room C,  
Civic Centre, Hartlepool**

**MEMBERS: CONTRACT SCRUTINY COMMITTEE:**

Councillors Aiken, Ingham, Lawton, London, Maness, Richardson, Simmons, Sutheran and Wells.

**1. APOLOGIES FOR ABSENCE**

**2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

**3. MINUTES**

3.1 To confirm the minutes of the meeting held on 13<sup>th</sup> December 2010 (*to follow*)

**4. ITEMS FOR INFORMATION**

4.1 Bid for External Funding to Increase the Number of Young People (Aged 14-19) accessing Education, Employment and Training – *Assistant Director (Resources)*

**5. ANY OTHER ITEMS WHICH THE CHAIR CONSIDERS ARE URGENT**

**6. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

**EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

**7. TENDERS TO BE OPENED**

7.1 King Osw y D Islands (ref 546)

**8. EXEMPT ITEMS FOR CONSIDERATION**

8.1 Jesmond Road School Tenders (para 3) – *Assistant Director (Resources)*

**9. ANY OTHER CONFIDENTIAL ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

# **CONTRACT SCRUTINY COMMITTEE**

## **MINUTES AND DECISION RECORD**

13 December 2010

The meeting commenced at 11.00 a.m. in the Civic Centre, Hartlepool

**PRESENT:** Councillor Frances London (In the Chair);  
Councillors Peter Ingham, Trish Lawton, Chris Simmons, Lilian Sutheran and Ray Wells

**OFFICERS:** Kate Watchorn, Commercial Solicitor  
Terry Maley, Commissioning and Contracts Manager  
Brian Ayre, Commissioned Services Manager  
Philip Timmins, Principal Estates Surveyor  
Rob Smith, Senior Regeneration Officer  
Sarah Bird, Democratic Services Officer

### **60. Apologies for Absence**

Apologies were submitted for Councillor Sarah Maness.

### **61. Declarations of Interest**

None.

### **62. Minutes**

The minutes of the meeting held on 1 November 2010 were confirmed.

### **63. Local Government Access to Information**

Under Section 100 (A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) order 2006.

Minute 64 - Supported Accommodation for people with mental health problems (ref 225) para 3 information relating to the financial or business affairs of any particular person (Including the Authority holding that information)

Minute 65 – Former Odeon Cinema Development Partner (ref 530) para 3 information relating to the financial or business affairs of any particular

person (including the Authority holding that information)

Minute 66 – Any other confidential items which the Chairman considers are urgent – para 3 information relating to the financial or business affairs of any particular person (including the Authority holding that information)

#### **64. Supported Accommodation for People with Mental Health Problems** – *Commissioning and Contracts Manager*

Members were informed that the contract was for the provision of supported accommodation for people living in the community with Mental Health problems. This had previously been supplied by Three Rivers but there was no longer a night time concierge provided so tenders had been invited for provision of the service. Seven tenders had been received and these were opened in the presence of Members.

##### **Decision**

That the opening of the tenders be noted.

#### **65. Former Odeon Cinema Development Partner** – *Senior Regeneration Officer*

Members were informed that the Authority was looking for a development partner to bring the building back into use. However despite marketing this in the Estates Gazette, Newcastle Journal, Hartlepool Mail and Property Week, no tenders had been received. The Senior Regeneration Officer advised that because the building was listed, this may have affected its marketability.

A Member expressed concern at the cost of advertising and the subsequent negative outcome of this and it was suggested that the Authority's Public Relations Department should publicise the fact that there had been no interest in the development of the building by a Partner. He asked that he be advised of the cost of advertising the premises. Another Member highlighted the derelict state of the building and suggested that enforcement action be taken on the owners.

##### **Decision**

That further action be taken to improve the derelict state of the building.

#### **66. Any Other Items which the Chairman Considers are Urgent**

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with

the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

**Sale of Jesmond Road**

Two tenders had been received in respect of this item and these were opened in the presence of Members. Discussion ensued in relation to one of the tenderers not enclosing a ten per cent deposit which had been part of the tender brief and the viability of each of the tenders.

**Decision**

Members noted the opening of the tenders and asked that further report be brought to the Committee to advise Members of the proposed response to the bids.

The meeting concluded at 11.40 am.

CHAIR

## **CONTRACT SCRUTINY COMMITTEE**

17<sup>th</sup> January 2011



**Report of:** Assistant Director (Resources)

**Subject:** BID FOR EXTERNAL FUNDING TO INCREASE THE NUMBER OF YOUNG PEOPLE (AGED 14-19) ACCESSING EDUCATION, EMPLOYMENT AND TRAINING

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform the Contract Scrutiny Committee of an exception to the Council's Contract Procedure Rules in respect of the sub contracting arrangements pertaining to a Council bid for external funding.

### **2. BACKGROUND**

- 2.1 Hartlepool Borough Council has tendered for external funding to increase the number of young people (aged 14 -19) accessing education, employment and training. The Council was required to bid in partnership with a number of local providers to maximise the strength of the bid.
- 2.2 If successful, the tender could result in approximately £600,000 of external funding being allocated to the Council.
- 2.3 This report informs the Contract Scrutiny Committee of the Finance and Procurement Portfolio Holder's decision to grant an exception to the Council's Contract Procedure Rules in relation to the selection of the partners named in the tender submission.
- 2.4 This report also details the measures that have been taken by the Corporate Procurement Team to ensure a level of competition and transparency consistent with the nature and value of the project.

### **3. RELEVANCE TO CONTRACT SCRUTINY COMMITTEE**

- 3.1 The Council's Constitution requires any exceptions to the Contract Procedure Rules to be reported to Contract Scrutiny Committee at their next meeting. This report is being presented to fulfil this requirement.
- 3.2 The Portfolio Holder at his meeting on 2<sup>nd</sup> December 2010 confirmed approval to the exception and the report is included as **Appendix 1** for the Committee's information.
- 3.3 Contract Scrutiny Committee is respectfully asked to note that:
- a) The timescales associated with the external funding bid did not permit a full procurement process in line with the Contract Procedure Rules. An exception was therefore sought and granted so as to not preclude the Council for external funding;
  - b) The Corporate Procurement Team advertised for expressions of interest from interested parties and the bid authors evaluated these against pre-determined criteria. This ensured a level of competition and contestability commensurate with the scope of the project.
  - c) The Council will learn if the external bid for funding is successful in January 2011.

### **4. RECOMMENDATIONS**

- 4.1 Contract Scrutiny Committee is recommended to note the granting of an exception to the Contract Procedure Rules in line with this project.

### **5. REASON FOR RECOMMENDATION**

- 5.1 To fulfil the Constitutional requirement to ensure Contract Scrutiny Committee are informed of any exceptions to the Contract Procedure Rules.

### **6. CONTACT OFFICER**

Terry Maley  
Procurement and Category Manager  
Corporate Procurement Team  
First Floor,  
Bryan Hanson House  
[Terry.Maley@hartlepool.gov.uk](mailto:Terry.Maley@hartlepool.gov.uk)  
01429 523 709

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder

2<sup>nd</sup> December 2010



**Report of:** Assistant Director (Resources)

**Subject:** BID FOR EXTERNAL FUNDING TO INCREASE THE NUMBER OF YOUNG PEOPLE (AGED 14-19) ACCESSING EDUCATION, EMPLOYMENT AND TRAINING

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### **SUMMARY**

#### **1. PURPOSE OF REPORT**

The purpose of this report is to seek confirmation of the Portfolio Holder's prior approval of an exception to the Council's Contract Procedure Rules in respect of the sub contracting arrangements pertaining to a Council bid for external funding.

#### **2. SUMMARY OF CONTENTS**

Hartlepool Borough Council has been invited to tender for external funding to increase the number of young people (aged 14 -19) accessing education, employment and training. The Council is required to bid in partnership with a number of local providers to maximise the strength of the bid.

If successful, the tender could result in approximately £600,000 of external funding being allocated to the Council.

This report seeks confirmation of the Portfolio Holder's approval to grant an exception to the Council's Contract Procedure Rules in relation to the selection of the partners to be named in the tender submission and any future allocation of funding in respect of this project.



This report also details the measures that have been taken by the Corporate Procurement Team to ensure a level of competition and transparency consistent with the nature and value of the project.

### **3. RELEVANCE TO PORTFOLIO MEMBER**

This project relates to the selection of sub-contractors to be named in a Council submission for external funding. The very tight timescales required to submit this bid did not permit a full procurement exercise to be undertaken. The Portfolio Holder is being asked to authorise an exemption to the Contract Procedure Rules to allow the Council to maximise the possibility of securing external funding.

### **4. TYPE OF DECISION**

Non-key

### **5. DECISION MAKING ROUTE**

Finance and Procurement Portfolio Meeting 2 December 2010

### **6. DECISION(S) REQUIRED**

Portfolio Holder is requested to:

- (i) confirm authorisation of an exception to the Contract Procedure Rules in relation to the selection of sub-contractors to support a Council bid for external funding.
- (ii) note the measures taken, within a tight timescale, to ensure a competitive, transparent and auditable procurement process.

**Report of:** Assistant Director (Resources)

**Subject:** BID FOR EXTERNAL FUNDING TO INCREASE  
THE NUMBER OF YOUNG PEOPLE (AGED  
14-19) ACCESSING EDUCATION,  
EMPLOYMENT AND TRAINING

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek confirmation of the Portfolio Holder's prior approval of an exception to the Council's Contract Procedure Rules in respect of the sub contracting arrangements pertaining to a Council bid for external funding.

### 2. BACKGROUND

- 2.1 The Council, via Economic Development, has been invited to tender for £613,000 of external funding to enable young people aged 14 – 19 to engage in education, employment and training.
- 2.2 Cross-departmental work has been undertaken with officers from Child and Adult Services to prepare this tender submission. This was required to be received by the funding body by 25 November 2010.
- 2.3 The tender submission required named sub-contractors who will work alongside the Council if the tender submission is successful.
- 2.4 The bid authors requested input from the Corporate Procurement Team to ensure compliance with the Council's Constitution. Given that the very tight timescales did not permit a competitive procurement to take place, an exception to the Contract Procedure Rules was sought from the Portfolio Holder.
- 2.5 It is envisaged that the Council will be informed of the outcome of this bid in early January 2011.

### 3. CONSIDERATIONS

- 3.1 The Council's Contract Procedure Rules state that projects with an aggregate total in excess of £25,000 should be subject to a competitive tender. However, Part A1 (ii) covering the Application of the Contract Procedure Rules permit the Portfolio Holder to grant an exception "*where the contract is for the provision of services to children or vulnerable persons*".

- 3.2 Given the tight timescales required in submitting this tender, and the Council's strategic necessity to identify new funding streams, the required selection of sub-contractors could not be conducted in full compliance with the Contract Procedure Rules without the prescribed exception. This would have delayed the submission of the bid beyond the deadline and excluded the Council from competing for much needed income.
- 3.3 The Contract Procedure Rules also state (Part A vii) that there is a procedure to be followed, even where an exception has been granted. The Portfolio Holder is asked to note the steps instigated by Corporate Procurement Team to ensure compliance with this Constitutional requirement.
- 3.4 An advert was published on the Council's website inviting expressions of interest from interested parties. Existing partners were also contacted to inform them of the opportunity. Interested parties were asked to provide a letter of support and a response to a qualification questionnaire. These responses were then evaluated by the bid authors using pre-determined criteria with the best performing bidders were named as sub-contractors in the Council's submission.
- 3.5 The process outlined in section 3.4 highlights that the Council took measures, within a very challenging timescale, to ensure a competitive and transparent process took place in the selection of potential sub-contractors. Detailed records of the selection process are available to satisfy any future audit requirements.
- 3.6 The content of this report has been shared with the Council's Chief Solicitor who supports the request for an exception to the Contract Procedure Rules.

## 4. FINANCIAL CONSIDERATIONS

- 4.1 The Council is bidding for £613,000 to deliver services to some of the town's most vulnerable young people in the period between January 2011 and December 2013.
- 4.2 It is proposed that some of this funding will be made available to those organisations who were selected to be a sub-contractor. This partnership approach ensured that the Council made a robust bid. Moreover, this collaborative approach will involve local partners who may have been affected by recent reductions in income resulting from budgetary cut-backs.

### 5. RECOMMENDATIONS

#### 5.1 Portfolio Holder is requested to:

- (i) confirm an authorisation of an exception to the Contract Procedure Rules in relation to the selection of sub-contractors to support a Council bid for external funding.
- (ii) note the measures taken, within a tight timescale, to ensure a competitive, transparent and auditable procurement process.

### 6. REASONS FOR RECOMMENDATIONS

- 6.1 Given the Council's need to secure external funding, the Corporate Procurement Team took the necessary steps to support this project. Whilst taking measures to ensure an open and competitive process, it was not feasible to undertake a complete procurement project in compliance with the Contract Procedure Rules. It is for this reason that the Portfolio Holder is to confirm authorisation for an exception to the Contract Procedure Rules.

### 7. CONTACT OFFICER

Terry Maley  
Procurement and Category Manager  
Corporate Procurement Team  
First Floor,  
Bryan Hanson House  
[Terry.Maley@hartlepool.gov.uk](mailto:Terry.Maley@hartlepool.gov.uk)  
01429 523 709