

## ASHFIELD DISTRICT COUNCIL: EXECUTIVE FUNCTIONS DECISION RECORD

Please use this form to record any Executive Decision taken by an Executive Lead Member or Chief Officer.

TO BE COMPLETED BY THE DECISION TAKER:	
<p><b>1. Title / Subject Matter:</b></p>	<p>Contract Price Review</p> <p>The decision is in relation to the request for an increase in contract rates from our General Building &amp; Out of Management Void Maintenance Contractor due to the current economic climate and ever-increasing operational costs.</p>
<p><b>2. Is this a Key Decision:</b></p> <p>A Key Decision is one that is likely to:</p> <p>(a) Result in the Council spending or making savings of over <b>£50,000 revenue</b> or <b>£1m capital</b>, or;</p> <p>(b) Have a significant impact on <b>two</b> or more Wards, or electoral divisions in the Council's area.</p>	<p>The works associated with this contract will be of significant value over the duration of the contact period but will vary dependent upon service demand. Furthermore, the works associated with these contracts will be undertaken throughout the District.</p>
<p><b>3.</b></p>	<p>[REDACTED] request from the Contractor in question, the decision has been taken to vary the existing contract to account for an increase in the Schedule of Rates costs. This is as a consequence of the current economic difficulties and the ever-increasing costs for materials, fuel etc.</p> <p>However, it should be noted that despite an increase in rates for the sub-contractor, the allocated sub-contractor budget remains unchanged and this may therefore lead to an overspend which will try to be managed within the overall planned maintenance budgets for 2022/23.</p> <p>The decision is also taken noting that the Public procurement rules allow for low value changes to contracts without the need to undertake a new procurement procedure.</p> <p>See exempt section below of a summary of costs.</p>



**4. Reasons for the Decision:**

To provide a continuity of service and reduce the potential of the contractor serving notice.

General Building Contract

The contract is a 3 + 2 with the 3<sup>rd</sup> year ending in March 2024 and providing the option to extend for a further 2 years until March 2026. This also provides an option to increase tender rates in years 4 & 5 at a maximum rate of 2.5%.

Out of Management Voids Contract

The contract is a 2 year fixed term ending in March 2023 with no option to extend.

General Considerations

It is evident that the current economic climate has significantly impacted upon the operational costs of organisations such as this hence the request for an increase in rates outside of this period.

It should also be noted that should the contract be re-tendered in full at this time it is inevitable that submitted rates will increase significantly and it is anticipated that these increased rates will exceed the proposed price increase detailed below.

**5. Copy of the Report or Briefing Note setting out the information which led to the Decision:**



**6. Was the Decision classed as exempt? If so, what were the reasons for this:**

Please refer to the Constitution which explains the legal grounds for exempting from publication information used to make a decision.

Not applicable

**7. Alternative Options Considered / Rejected:**

Should the costs in question not be increased there is the potential for the contractor to give notice and cease works. This would result in repair and maintenance works being placed on hold whilst the contract is retendered. Following the re-procurement of this project, rates will inevitably be inflated



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to ensure that a contractor covers any future price increases in the current climate.

The option to self-deliver these works is not viable at present due to the scope of the works being large in nature and / or including specialisms surrounding certain elements of work that the Authority does not have the required skills to deliver.

The Authority has also experienced difficulties and challenges in the past recruiting into Trade Operative positions as the buoyancy of the construction industry has affected recruitment activities. This also takes into account the differential between the salaries available in the Private Sector when compared to the Public Sector for Trade based positions.

**8. Declarations of Interest and Dispensations – if applicable:**

Any Declarations of Interest relating to this decision and subsequent dispensations should be listed.

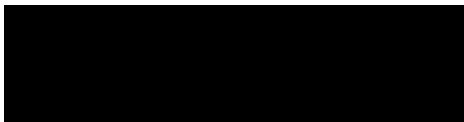
Not Applicable

**9. Name / Title of the relevant Executive Lead Member(s) consulted (if appropriate):**

Not Applicable

**10. Name / Title of the decision taker:**

*Samantha Dealin*  
Cllr. T Hollis = Deputy Leader (Portfolio Holder – Council & Social Housing)



**TO BE COMPLETED BY DEMOCRATIC SERVICES**

**1. Date that the decision was notified to Members:**

**2. Date and time when the Call-In period for this decision ends:**

**3. Date when the decision can be implemented (five clear working days following publication):**

**4. Decision Reference Number (if applicable):**