

Report to: Cabinet
Date of meeting: 23 July 2014
Report of: Jane Custance, Head of Regeneration & Development
Title: Grand Union Canal tow path refurbishment – exemption to contract procedures in relation to phase 3 of the Works

1.0 SUMMARY

- 1.1 In 2013 the Council entered in to a partnership project with Hertfordshire County Council (HCC), Three Rivers District Council (TRDC) and the Canal and River Trust (CRT) for the refurbishment of the Grand Union Canal Tow Path, Phases 1 and 2. Watford Borough Council was lead Authority for the project and undertook the procurement and supervisory roles.
- 1.2 A full procurement exercise was undertaken. The contract was won by Balfour Beatty following a competitive tendering exercise and was awarded in April 2013. Works were carried out over the Summer and were completed in September 2013. Total cost for Phases 1 & 2 was £358k.
- 1.3 A further phase, split in to 3 sections has been identified by the Partners however delays in securing the necessary funding from the Partners has left insufficient time for a full competitive tendering exercise to be completed to enable the work to be carried out during the Summer months. The CRT require works of this nature to be completed between April and September when ground conditions allow and the risk to the stability of the canal bank arising from wet conditions is at its lowest.
- 1.4 The Council's Contract Procedure Rules allow for exemptions to the Procurement Procedures in defined circumstances. In view of the above an application for exemption was made to the Managing Director and approved on 15 May 2014 seeking approval to award the Phase 3 works to Balfour Beatty based on their tendered rates from Phases 1 and 2 with suitable adjustments for RPI and efficiency savings. In line with the Procedures, the approval is being reported to Cabinet.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet notes the Approved Exemption to the Council's Procurement Procedures in relation to Phase 3 of the Grand Union Canal Tow Path refurbishment works.

Contact Officer:

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Report approved by: Jane Custance, Head of Regeneration & Development

3.0 DETAILED PROPOSAL

3.1 Details of the Exemption, including the estimated cost of the works can be found at Appendix A to this report along with an extract of the Council's Contract Procedure Rules as they relate to Exemptions.

4.0 IMPLICATIONS

4.1 Financial

4.1.1 The cost of implementing the Phase 3 works is estimated at £345k of which the Borough Council's contribution amounts to £5k from the sustainable projects fund (BA 001 D0902). The Borough Council is also contributing contract supervisory staff. The remaining budget is being provided by the other Partners.

4.1.2 The Shared Director of Finance comments that the Council's revenue contribution of £5,000 can be contained within existing budgetary provision.

4.2 Legal Issues (Monitoring Officer)

The Head of Democracy & Governance comments that It is a requirement of the Contract Procedure Rules that any exemptions have to be reported to Cabinet.

4.3 Equalities

4.3.1 Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices and decisions impact on people with different protected characteristics. It is also important to demonstrate that the Council is not discriminating unlawfully when carrying out any of its functions

4.3.2 Not applicable in relation to this item.

4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Potential tenderers challenge the Council's decision not to procure the works using competitive tendering procedure.	1	4	4
Partners withdraw funding because the works have not been let competitively.	1	4	4
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

4.5 Staffing

4.5.1 There are no staffing implications from this report.

4.6 **Accommodation**

4.6.1 There are no accommodation implications from this report.

4.7 **Community Safety**

4.7.1 There are no community safety implications from this report.

4.8 **Sustainability**

4.8.1 There are no sustainability implications from this report.

Appendices

Appendix A Exemption Record Application incorporating an extract from Watford Borough Council's Contract Procedure in relation to Exemptions and signed approval form dated 15 May 2014.

Background Papers

No background papers were used in the preparation of this report.

File Reference

None