

Portfolio Holder decision record sheet PH-015-24

Name of decision maker:

Councillor Robin Bromham

Portfolio:

Portfolio Holder for Neighbourhood Operations

Date of Portfolio Holder decision:**Title of decision:**

Coopers Group Ltd Contract Award

Part II:**Part II reason:****Decision made and reasons:**

To agree a contract to Coopers Group Ltd (hereinafter "Coopers") to complete the urgent and critical work to repair 12 x Twin Back Geesink vehicles for the refuse and recycling service to operate.

The award for the retrofit works with Coopers will cost approx. £171,842 (excl vat), with the payment of the 3 vehicles already completed work totalling £29,829.40 (excl vat). To award a contract directly will breach the WTO financial thresholds, which is currently set at £214,904 (incl vat).

Coopers are currently subcontracted the retrofit works from Geesink but there have been payment and delayed delivery issues by going through Geesink. The Council also understands that Geesink may shortly be entering into administration. Accordingly, in order to protect the continuity of the retrofit works required the Council is intending to contract directly with the Cooper Group.

The work to the vehicles is urgent to ensure that the Council can continue to deliver its waste service. It is also anticipated that Coopers will have a significant level of new work instructions if Geesink do go into administration and therefore it is important to contract with them urgently to ensure that the Council can secure priority for the works.

The Council's Procurement Standing Orders (section 12) allows for contracts to be awarded under a tendering exception; however, this exemption cannot be used if the contract value will be above the WTO financial threshold, which it will in this case.

An option that would enable the Council to directly award a contract to Coopers, will be for the Council to publish a Voluntary Ex Ante Transparency Notice (VEAT Notice).

This notifies the market that the Council intends to award a contract to Coopers and gives the market 10-day period to challenge this decision. The Council are unable to award this contract until a 10-day standstill period has concluded following the publication of the VEAT Notice.

Background to report:

SLT Report of 24 April 2024

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Councillor Robin Bromham

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SLT

Monitoring Officer comments:

Under the Access to Information Regulations and the Council's Constitution the Council is normally required to give 28 days' notice where the Council intends to make a key decision. The Regulations and the Constitution contain urgency provisions which can be used where a key decision is urgent.

This can be done in two different ways.

- The Council can take an urgent key decision without giving 28 days' notice where it is impracticable to give the full notice, provided that the Council gives at least five days' clear notice to all members of the relevant Overview and Scrutiny Committee of the authority (the "general exception" rule); or
- where a key decision is so urgent there is not even time to give five clear days' notice, the Council can take the decision if the Chairman of the relevant Overview and Scrutiny Committee has agreed that the key decision is urgent and cannot reasonably be deferred (the "special urgency" rule).

This notice requirement applies whether the key decision is to be taken by the Cabinet at a meeting, by the Executive Leader, another Cabinet Member or by an officer without a meeting taking place.

The reasons for the urgency of this decision are set out in the report, however, it is still possible to give 5 days' notice to all members of the relevant overview and scrutiny committee (Strategic Planning and Environment Overview and Scrutiny Committee is the relevant committee for this purpose) and therefore the "general exception" rule applies.

Accordingly, 5 days' notice of the above decision has been given to members of the Strategic Planning and Environment Overview and Scrutiny Committee.

Chief Financial Officer comments:

The refuse vehicles are essential in the delivery of the council's core statutory waste service, therefore ensuring these vehicles are maintained and fit for purpose is essential.

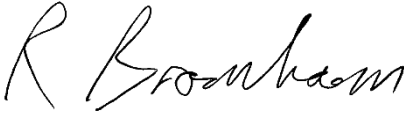
The council had previously arranged for these works to be undertaken by the manufacturer and agreed a cost sharing agreement. The manufacturer is no longer able to fulfil this agreement and hence the council is required to undertake these works to ensure essential services are not impacted. The additional cost to the council of these retro fit repairs is circa £100k and will be met from within existing capital and maintenance budgets. This is expected to put these budgets under significant pressure in 2024/25 and they will be carefully monitored and reported as part of the corporate financial governance framework.

The council will seek to recoup any additional costs incurred through this process, but the financial sustainability of the manufacturer is uncertain at this point in time.

Implications:

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Risk:	There is a risk that the Council may be challenged, which would stop the award of contract to Coopers, but it is felt that this is a relatively low risk, due to the specialist nature of this work.
Value for money:	This piece of specialist work is required to be undertaken with only a small number of companies able to undertake the work.
Options considered and reasons for rejection: To do nothing would put the council waste collection service at risk due to the current and future availability of collection vehicles, with waste collection forming part of a statutory duty this option was rejected.	

Portfolio Holder's signature:	
Date:	26/04/24
Details of any interests declared and any dispensations given by the Standards Committee:	

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Date decision record sheet received from portfolio holder: 26/04/24	
Date decision published: 03/05/2024	Decision no: PH-015-24
Date of expiry of call-in period: N/A	
Date any call-in received or decision implemented: N/A	

Background

In April 2023 a report on the condition of the vehicles identified wear issues with smaller rear compartment seals, plate floor and hydraulics on these waste collection vehicles.

The manufacture of the vehicles Geesink is currently going to administration and will not be able to part of the solution to resolve these issues with our waste fleet vehicles.

In light of Geesink's pending administration a new approach was discussed with Coopers, this was for Dacorum to work directly with Coopers. The approach would include Dacorum paying for the 3 current vehicles where work has been completed by Coopers totalling £30K (excl VAT) along with a new retrofit program for the outstanding 11 vehicles that would resolve all the new and known faults currently identified at a total cost of £172K (excl VAT) which includes the £80K capital already allocated to these works. Coopers have already designed, fabricated, and manufactured the main parts for the part for the first 3 vehicles they have completed and indicated they would be able to have a one-month turnaround time for each vehicle with the program completed approx. 11 months, this option has been recommended by the service as they only viable option to continue the service with the current waste fleet.