

Overview and Scrutiny Committee

19 January 2016



Title	Performance review of contracts		
Purpose of the report	To note		
Report Author	Victoria Statham		
Cabinet Member	Councillor Joanne Sexton	Confidential	No
Corporate Priority	Value for money Council		
Cabinet Values	Accountability		
Recommendations	Overview and Scrutiny Committee is asked to note the contents of the report.		

1. Key issues

- 1.1 Attached to this report are details of the performance monitoring of the top spend contracts for the Council. The contracts have either been procured through a tender exercise run by the Council or via a framework agreement.
- 1.2 For information a framework agreement is a contract which has been procured by a public body or a purchasing body which allows other public authorities (the Council) to “call off” the goods, works and services which have been procured under that framework. The terms and conditions of the call off are set by the framework agreement and cannot be amended.
- 1.3 If goods/ works/ services are procured by the Council through a tender process the terms of the contract are either drafted by the Council’s in-house legal team or, in the case of some of the contracts detailed in the appendices, the terms were drafted by external legal advisors.
- 1.4 The performance monitoring provisions of these contracts are carefully considered to ensure they are appropriate to the goods/ works/ services being provided and to ensure effective monitoring by the contract managers. The performance monitoring provisions of council contracts are exercised and in one incident were robust to ensure that a contract was terminated with immediate effect when there were serious concerns over the contractor’s performance.
- 1.5 The Council has adopted the industry standard Joint Contracts Tribunal (JCT) suite of contracts for all of the works’ contracts. These have a number of performance monitoring provisions and have robust liquidated damages provisions.
- 1.6 In terms of the types of service contracts which the Council enters into, the performance monitoring provisions are centred on reporting mechanisms together with default notice provisions. Council officers serve default notices

where appropriate and a number of the contracts are based on a “three strikes and you are out” principle. Where they can be appropriately measured, key performance indicators and systems of service credits are used e.g. with the answering of telecare equipment.

1.7 To achieve added value from the contractor, the long term contracts centre on a “partnership” approach rather than arbitrary enforcement. This is demonstrated and recognised to achieve better results.

1.8 It is noted that a number of the contracts in the list have already been reviewed by Internal Audit and Audit Committee. During such review the performance arrangements for contracts have been discussed. Contract management is one of the areas kept under review on the corporate risk register.

2. Options analysis and proposal

2.1 Overview and Scrutiny Committee is asked to note the contents of the report.

2.2 Officers will continue to enter into contracts on the most appropriate terms for the individual procurements, taking into consideration the method of procurement and the type of goods, works or services being procured.

3. Financial implications

3.1 The financial considerations of each contract were considered at the time of the contract being awarded.

4. Other considerations

4.1 None

Background papers: None

Appendices:

Appendix 1 – Grounds maintenance

Appendix 2 – Vehicle supply – including contract for the hire of street cleansing and refuse collection vehicles

Appendix 3 – Leisure centres management

Appendix 4 - CCTV - Agreement for the provision of monitoring and maintenance services

Appendix 5 - Contract for the provision of general office cleaning at Knowle Green, Car Park Office, Fordbridge and Greeno Day Centres

Appendix 6 - Contract for the management of Staines Market

Appendix 7 - Provision of services for bulking, processing and disposal of co-mingled dry recyclables

Appendix 8 - Contract for the hire of vehicles for the Council's Meals on Wheels service