

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2597

Author:

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Department:

Development

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Subject:

Financial Dispensation Request for Urgent Building Works

Total Value:

£98,000 (Type: Capital)

Decision Being Taken:

To dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulations 3.29 in respect of the purchase of replacement Uninterruptable Power Supply (UPS) batteries, to ensure Health and Safety compliance and uninterrupted business operations of services run from Loxley House.

Reasons for the Decision(s)

Situated on the roof of Loxley House are two UPS units. The electrical supply to the building runs through these units, before distributing to serve the entire power needs of the building, with the only exception of the kitchen. Following a servicing of the Uninterruptable Power Supply (UPS) system at Loxley House, it was identified that imminent replacement of the failing batteries is required to ensure continued Health and Safety compliance and undisrupted operations of the building. Partial failure has already occurred during operated hours.

The UPS units' main function is to ensure that on loss of the main electrical supply to the building, there is no appreciable effect to the electrical supplies to essential services. In order to ensure this, the UPS units incorporate battery cells to provide a reserve of several minutes, during which time the back-up generators can activate to provide the required electrical supplies. As the Local Authority's central office, it is essential to ensure uninterrupted power supply, to continue business as usual and ensure no detrimental impact to citizen services. One critical function reliant upon the UPS system, is the IT Server Room, responsible for council wide IT services. A loss of supply here is of great risk to business continuity.

Presently one battery bank has failed and the second one, which is of the same age, is also highly likely to fail at any time. While these back up batteries are out of service, the building is at high risk of being severely affected by a power cut, be it only momentary.

Due to the cost of the replacement UPS batteries, a full tender process should be managed through the Procurement Team. However, due to the time it would take to award the works, it poses too great a risk and is therefore not a feasible option for the Local Authority.

Authority to spend the Property Maintenance Budget on a replacement UPS system has already been agreed through an Executive Report 'Repairs and Maintenance of Council Assets' on 17.11.2015 (report attached for reference). Building Services are therefore seeking dispensation from carrying out a full tender process and instead wish to proceed to order, after obtaining three quotes.

Building Services internal electrical expert has undertaken a market exercise to provide transparency of options for replacement method, available products and cost. Please refer to the attached overview. Building Services seek authority to place an order with the highest scoring contractor in respect of quality and value for money.

Other Options Considered:

Option One: Do Nothing
This was discounted due to the Health and Safety and operational risks posed.

Option Two: Full Tender Process
To delay replacement by undertaking a full tender process would leave the Local Authority at significant financial and operational risk of service disruption to the citizens of Nottingham. There is further risk with regard to the building's Health and Safety compliance.

Background Papers:

None.

Published Works:	Executive Board Report - Repairs and Maintenance of Council Assets, 17 November 2015
Affected Wards:	Citywide
Colleague / Councillor Interests:	None.
Any Information Exempt from publication:	Yes
Dispensation from Financial Regulations:	Yes
Exempt Information:	
Description of what is exempt:	The exempt appendix to the Executive Board Report dated November 2015 should not be published.
	An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972
3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	This appendix is exempt from publication under paragraphs 2 and 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to information which is likely to reveal the identity of an individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could impact on ongoing staff consultation and compromise the Council's trading position.
Documents exempt from publication:	UPS Evaluation.docx, For Information - not for publication Exempt Appendix.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	N/A

Equality:	EIA not required. Reasons: This decision does not relate to new or changing policies, services or functions.
Social Value Considerations:	N/A
Decision Type:	Portfolio Holder
Subject to Call In:	<p>No</p> <p>The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.</p>
	<p>Person Consulted: Cllr Brian Parbutt</p> <p>Consultation Date: 23/08/2016</p> <p>Following a servicing of the UPS system of Loxley House, it was identified that imminent replacement of the failing batteries is required to ensure continued Health and Safety compliance and uninterrupted operations of the building. Partial failure has already occurred during operated hours. Installation of replacement batteries is required imminently to ensure H&S compliance and uninterrupted business operations of services run from Loxley.</p>
Advice Sought:	Legal, Finance, Procurement, Property
Legal Advice:	This procurement does not give rise to significant legal concerns. Advice provided by Brian Lewis Stewart (Solicitor) on 25/08/2016.
Finance Advice:	<p>The estimated cost of the work is £98,000. This is to be met from the Planned Maintenance budget which sits within Commercial and Operations - Facilities and Building Services. There is sufficient resource within the 16/17 Planned Maintenance base budget of £1.967m to fund this work.</p> <p>Approval to spend the Property Maintenance Budget on a replacement UPS system has already been agreed through an Executive Report 'Repairs and Maintenance of Council Assets' on 17.11.2015. Due to the urgency and timescale of the work involved Building Services are seeking dispensation from carrying out a full tender process and are instead seeking to proceed to order after obtaining three quotes. This will ensure value for money is achieved and the work carried out within the short timescale. Advice provided by Philip Gretton (Finance Analyst) on 24/08/2016.</p>
Procurement Advice:	The value of this approval is below the OJEU threshold; therefore deviation from the provisions of Contract Procedure Rules on grounds of operational urgency is an allowable dispensation under Finance Procedure Rules. As Building Services have demonstrated value by obtaining three quotes, Procurement has no significant concerns with this course of action. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 26/08/2016.

Property Advice:

Works should be carried out with out delay in accordance with appropriate RAMS and it should be checked that there will be no interference with other installations on the roof including the tram radio mast operation. Advice provided by Peter Taylor (Senior Surveyor) on 25/08/2016.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 15/09/2016
Andrew Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 02/09/2016
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 02/09/2016
Chief Finance Officer's Comments: