

## London Borough of Hammersmith and Fulham Record of Officer Decision

**The Decision below is subject to call-in which expires on: 25 June at 3pm**

- ❖ Draft Decision List published on: 22 June 2020
- ❖ Confirmed Decision List published on:

1. **TITLE: Amendment to Electrical Testing and Works Contract**

2. **DECISION MADE BY:** Strategic Director of the Economy Department

3. **DECISION:**

1. To note that Appendix C is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To ratify the increased value of the contract with McIntyre Electrical Services Limited, which exceeded the original approval by £842,455 by the end of March 2020.
3. Approve a modification to the Contract with McIntyre Electrical Services Limited for electrical testing and associated remedial works in relation to current orders (as set out in Appendix A and Appendix B) to be completed by no later than 31<sup>st</sup> December 2020. This represents a future spend of £692,545 and a resulting total contract value of £2,160,000.
4. To extend the Contract with McIntyre Electrical Limited as follows:
  - from 18<sup>th</sup> April to 31<sup>st</sup> July for all Council out of hours emergency works as and when they arise; and
  - from 18<sup>th</sup> April until such time as the Orders listed in Appendix A and Appendix B are completed or on 31<sup>st</sup> December whichever is the sooner in respect of the Orders already placed with the Contractor.

4. **REASON FOR DECISION:**

A Cabinet Member Decision (CMD) report of 14/03/2019 recommended that the Cabinet Member for Housing approve the Award of a term contract for Electrical Testing and Certification to McIntyre Electrical Limited for a period of 12 months from 17th April 2019, with provision for an extension of up to three months.

This CMD stated that the total cost of the contract would not exceed the estimated value of £625,000 for the full 15-month period.

At the end of March 2020 McIntyre had completed work worth a total of £1,467,455. The 15-month contract value of £625,000 had been exceeded in 7.5 months (the contract started in mid-April).

There are a number of reasons for the expenditure on the McIntyre contract being much higher than anticipated when the CMD was written in March 2019. In summary, there has been a much greater volume of additional tasks outside the scope of the original specification, than had been anticipated in the original CMD.

The original CMD paper did signal that there would be work that falls outside of the scope of the specification “as needed to comply with [the Council’s] landlord obligations and corporate commitments”. The value of this work was estimated at £139,050, but more than £1.1m has been spent on out of scope works to date.

The 18th edition electrical regulations came into force in January 2019. As new checks are done substantive works are often required, given the age of our stock. For example, in the last 12 months we have replaced over 595 consumer units (fuse box) with updated circuit breakers that activate in thousandths of a second to prevent electrocution or overheating.

The additional volume of out of scope work, and expenditure, has been for reasons of Fire Safety and fulfilling the Council’s landlord obligations. Further detail is provided in the report.

**5. ALTERNATIVE OPTIONS CONSIDERED:**

Please see the open report.

**6. CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**

None

<b>Date of Decision</b>
22 June 2020