

FOR PUBLICATION

MAINTENANCE, MANAGEMENT AND MONITORING ARRANGEMENTS – SOLAR PANELS (H000)

MEETING: 1. CABINET
 2. CABINET MEMBER FOR HOUSING

DATE: 1. 5 APRIL 2016
 2. 21 MARCH 2016

REPORT BY: HOUSING MANAGER

WARD: ALL
COMMUNITY ALL
ASSEMBLIES:

KEY DECISION
REFERENCE 608
(IF APPLICABLE):

FOR PUBLICATION

1.0 **PURPOSE OF REPORT**

1.1 To seek an exemption to the Council's Contract Procedure Rules in order to procure a new contractor to maintain, manage and monitor the performance of the Solar PV installations on the Council's Housing Stock.

2.0 **RECOMMENDATIONS**

2.1 That Cabinet agrees to waive the Contract Procedure Rules (Section 4.2.5) in respect of the procurement of a new contractor to maintain, manage and monitor the performance of the Solar PV installations on the Council's Housing Stock.

3.0 **BACKGROUND**

- 3.1 On 8 May 2012, Cabinet authorised the Head of Housing to procure installations of Solar PV to Council house roofs through the East Midlands Efficiency Procurement Framework (EEM) with Nationwide Solar.
- 3.2 A Management and Maintenance Arrangement was also entered into with Nationwide Solar on a rolling annual basis for the sum of £31,310.25 (£81.75 per system) and to be increased by indexation on an annual basis.
- 3.3 In early 2015 the Council were made that Nationwide Solar had gone into receivership and were no longer trading. Officers have made attempts to contact the official receivers to discuss arrangements in respect of this maintenance agreement without success.
- 3.4 During the period since this time, Officers have made attempts to monitor the performance and income received from the panels using the Feed in Tariff notifications from EON on a monthly basis, however this is proving time-consuming, has no degree of accuracy and therefore it maybe that the Council's assets are not performing sufficiently for them.
- 3.5 Where systems appeared to be faulty, A Shade Greener Maintenance Ltd (ASG Ltd), a Solar PV company based in Sheffield, were approached and asked to carry out some repairs. ASG Ltd are based on the same industrial estate as were Nationwide Solar, and as a result they have been approached by other homeowners and local authorities who found themselves in the same position as Chesterfield Borough Council.
- 3.6 Discussions have subsequently taken place with ASG Ltd about entering into a Maintenance, Management and Monitoring Arrangement with Chesterfield Borough Council and a copy of the proposed Service Level Agreement is attached at **Appendix 1** of this report.
- 3.7 The arrangements are more than favourable with the terms and price (£87+ vat per system) on which Nationwide Solar were engaged in providing this service to the Council. Within the annual cost, ASG Ltd will provide the following services;
- A daily read of the electricity generation meter
 - Where a fault is suspected, a service / test of the system
 - A remote fix where possible
 - A site fix where possible (up to 30 minutes labour)
 - Management of billing into EON, responding to AMR requests and suspensions from EON

- If a repair over 30 minutes labour is required, there will be an additional fee of £90 plus VAT

3.8 Approval is sought to waive the Council's Contract Procedure Rules in order to directly award the maintenance, management and monitoring arrangements for the Council Housing Solar PV installations to ASG Ltd, for a period of three years, in accordance with the Service Level Agreement attached at **Appendix 1** of this report. If this waiver was not granted the work would need to be openly tendered and could result in a delay of up to a further six months before the systems are adequately managed and maintained. During this time there will no guarantee that the systems are performing adequately, resulting in a potential loss of income to the Council.

3.9 The Contract Procedure Rules state that *'Except where the Public Contracts Regulations 2006 apply and having regard to European law and subject always to legal comment from the Regulatory and Local Government Law Manager a waiver may be granted to allow a contract to be placed by direct negotiation with one or more suppliers rather than in accordance with Rule 9. A waiver can be granted in the following circumstances; (Section 4.2.5) for the execution of works or services or the purchase of supplies involving specialist or unique knowledge or skills'*.

4.0 **FINANCIAL CONSIDERATIONS**

4.1 The costs associated with the maintenance, management and monitoring of the solar panels (£87 + vat per system) will be met from the Housing Revenue Account. An annual budget provision of £33,660 is already available for this work.

5.0 **RISK MANAGEMENT**

Description of the Risk	Risk Rating	Likelihood	Impact	Mitigating Action	Likelihood	Impact
ASG cease trading	Medium	Low	Low	ASG are the UK market leader in the free solar industry and manage over 67,000 installs. They are RECC and MCS accredited. It is recommended that an agreement of three years is entered into, after which if either party is not happy with the arrangement, this could be terminated	Low	Low

6.0 **EQUALITIES ISSUES**

6.1 There are no identified equality impacts associated with this work. The work to maintain, manage and monitor the solar panels will take place irrespective of the protected characteristics of the residents.

7.0 **RECOMMENDATIONS**

7.1 That Cabinet agrees to waive the Contract Procedure Rules (Section 4.2.5) in respect of the procurement of a new contractor to maintain, manage and monitor the performance of the Solar PV installations on the Council's Housing Stock.

8.0 **REASONS FOR RECOMMENDATION**

8.1 To contribute to the Council's Priorities;

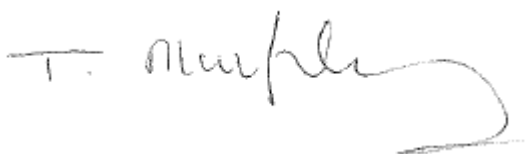
- To improve the quality of life for local people
- To provide value for money services

ALISON CRAIG

HOUSING MANAGER

You can get more information about this report from Alison Craig on Tel: 01246 345156.

Officer recommendation supported



Signed:

Cabinet Member

Date: 21 March 2016