

10. PROCUREMENT ARRANGEMENTS - DIRECT AWARD TO BARRATT HOMES FOR CONSTRUCTION OF 33 HOUSES

The Council Executive considered a report (copies of which had been circulated) by the Head of Corporate Services seeking approval to make a direct award to Barratt Homes for the construction of 33 homes at a site in Brucefield, Livingston as part of the new build council houses programme.

The report recalled that the council had embarked on three new build council house programmes over the past ten years and that the proposed direct award to Barratt Homes of £4.4 million was being progressed as part of the approved housing capital programme for 250 houses across West Lothian. The agreed budget for completion of the 33 homes at Brucefield, Livingston was £4.4 million.

In accordance with the council's Affordable Housing Supplementary Guidance, housing developers were required, subject to certain conditions, to make land available for the development of affordable housing. Barratt Homes were transferring land at Brucefield to the council and had investigated the opportunity of the developer building and handing over completed affordable units at an agreed price. The reasons for recommending this approach were summarised in the report and included access to Scottish Government grants; access to the Barratt Homes site; and the type and layout of the proposed houses.

Independent advice had been sought from construction cost consultation to check the price offered and the scheme offered value for money against current market rates. Barratt Homes had also indicated that the affordable homes site could commence development in Spring 2019, with a projected completion in 2020.

It was to be noted that the construction price offered by Barratt Homes was below OJEU level spend (£4,551,413) but above the regulated spend (£2,000,000). Standing Orders for this level of spend required five tenders to be sought or Council Executive approval obtained for other procurement processes including making a direct award to Barratt Homes.

It was recommended that Council Executive approves the direct award to Barratt Homes for the construction of 33 homes at a site in Brucefield, Livingston with a total cost not exceeding £4.4 million.

Decision

To approve the terms of the report