

**Report of:** Janice Frost– Business Officer (Waste Strategy)

**Report to:** Chief Officer Waste Management

**Date:** 2<sup>nd</sup> April 2014

**Subject:** Novation of contract from Art Technology Ltd to Art Dynamics Ltd.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The contract for supplying re-use furniture software and hardware lies with Art Technology Ltd who are part of the Art Tech Group.
2. As part of a consolidation process, the EPOS and software development formerly delivered by Art Technology Ltd were transferred to Art Dynamics Limited in October 2014.
3. Although this consolidation has meant on operational level that there have been no changes, the contract needs to be novated to the new company to still be valid.
4. The Terms and Conditions of the contract permit the Authority to do this.

### Recommendations

The Chief Officer Waste Management is recommended to note the contents of this report and to approve the novation of the contract to Art Dynamics Limited.

## **1 Purpose of this report**

- 1.1 The report seeks Chief Officer approval to novate an LCC contract and the current work allocated therein from the existing provider – Art Technology Limited, to Art Dynamics Limited.

## **2 Background information**

- 2.1 Art Technology Limited hold contract YORE-97BRQH (Re-use Furniture Software and Hardware).
- 2.2 The work is categorised as low to intermediate with a value of £33,690.
- 2.3 In October 2014 the Art Tech Group reviewed UK operations following a change of directorship within the group. Operations involving EPOS software developments have been consolidated into one UK business, Art Dynamics Limited. The EPOS and distribution activities of Art Technology Limited have been transferred to Art Dynamics Limited, without any change in personnel or contact details.

## **3 Main issues**

- 3.1 Under the terms of the contract Art Technology Limited have provided a stock control system to six re-use organisations in Leeds, and are developing an on-line calendar facility to allow the interception of re-usable bulky waste items.
- 3.2 The Terms and Conditions of the contract permit the novation of the contract with “consent in writing of the Council, such consent not to be unreasonably withheld or delayed”, clause 32.1.
- 3.3 The Waste Strategy team has no reason to withhold, or not recommend, the novation.
- 3.4 There are no alterations proposed through this novation to any of the Terms and Conditions or rates associated with this contract. There have been no changes to the sites, processing or end markets as a result of the acquisition.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community, and as such no consultations have taken place.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 It is not considered that the content of this report or the recommendations made will have any impact on any specific individual or group in terms of equality, diversity, cohesion and integration.

### **4.3 Council Policies and City Priorities**

4.3.1 In delivering on the Councils Environmental Policy the provision of the contract referred to within this report assist in meeting the following relevant contributor:-

- Preventing pollution and minimising our environmental impact

#### **4.4 Resources and Value for Money**

4.4.1 Resource and price will not be affected by this novation.

#### **4.5 Legal Implications, Access to Information and Call In**

4.6 Legal Services have advised that this report and associated DDN is required to complete the novation within the Terms and Conditions of the contracts.

#### **4.7 Risk Management**

4.8 Should the Authority not wish to novate the contract to Art Dynamics Limited, Waste Management Services would need to find alternate suppliers for the technology and software currently delivered under contract YORE 97BRQH. There is no surety any alternate options would represent similar value.

4.9 LCC could be challenged by Art Dynamics Limited if it felt the request to novate the contracts had been unreasonably withheld.

### **5 Conclusions**

5.1 Given the ability to novate under the terms and conditions of the contract, and the relationship between Art Technology Ltd and Art Dynamics Limited, the Waste Management Strategy Team believe novating the contract to Art Dynamics Limited to be an acceptable request.

### **6 Recommendations**

6.1 The Chief Officer Waste Management is recommended to note the contents of this report and to approve the novation of the contract to Art Dynamics Limited.

### **7 Background documents<sup>1</sup>**

7.1 No background documents.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.