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**Meeting:** Executive

**Date:** 5 November 2013

**Subject:** Award of the Day to Day Responsive and Programmed Electrical Maintenance Contract 2014- 2017

**Report of:** Cllr Carole Hegley, Executive Member for Social Care, Health and Housing

**Summary:** The report proposes to award the Day to Day Responsive and Programmed Electrical Maintenance Contract 2014 – 2017.

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**Advising Officer:** Julie Ogley, Director of Social Care, Health and Housing

**Contact Officer:** Basil Quinn & Ian Johnson – Housing Asset Managers

**Public/Exempt:** Public but with an exempt appendix under category number 3 “information relating to the financial or business affairs of any particular person (including the authority holding that information)”.

**Wards Affected:** All wards in the South of Central Bedfordshire

**Function of:** Executive

**Key Decision** Yes

**Reason for urgency/ exemption from call-in (if appropriate)** N/A

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The actions support the Council priorities:

- Enhancing the local community.
- Promoting health and wellbeing and protect the vulnerable.
- Value for money.

### **Financial:**

1. The budget for Electrical response maintenance, periodic testing and programmed works (rewires, communal lighting upgrades etc) is £655,000 per annum for the duration of the 3 year contract. These sums are included in the Landlord Service Business Plan, which reflects the average spend on this service in recent years. The contract evaluation is based upon a 70% price and 30% quality assessment to help ensure value for money from the contract.

**Legal:**

2. Standard contract documentation (Foremaster Version 6) has been used with schedule of rates codes for responsive repairs and composite rates for completion of a full rewire, upgraded consumer unit, or communal lighting replacement scheme.

**Risk Management:**

3. If the contract is not awarded we will not have a responsive maintenance contractor for this service and the rewire/communal lighting installation programme for 2014 and onwards will not be delivered. Homes will not have upgraded electrical systems that meet their current needs and will not be in accordance with the Council's Housing Asset Management Strategy.

**Staffing (including Trades Unions):**

4. There is no impact on Council staff. This service is subject to a TUPE transfer of the existing staff from the current contractor providing the service to any new contractor.

**Equalities/Human Rights:**

5. Equality and diversity are key issues for all directorates within Central Bedfordshire Council. As part of the tender evaluation, contractors demonstrated their compliance with the Corporate Equalities Policy and incorporate this commitment within their method statements. As part of ongoing contract monitoring arrangements, the Council will check that statutory service delivery and employment requirements relating to equality are being met.
6. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender, re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

**The Equality Impact Assessment (EIA) highlighted the following:**

7. The contract provides for flexibility in the layout of sockets and switches, which is particularly important to facilitate accessibility for older people and those with disabilities. In planning works, items such as the height and ease of use of the consumer unit, location of sockets and switches etc are taken into account.
8. For the tendering of this contract the timescales for completion of works have been set at 5 working days for a full rewire and 10 working days for a communal lighting scheme. Tenants agree when the work is to be carried out. The contractor, by careful planning, is encouraged to minimise the use of chasing in cables (use existing ducting) to reduce disruption. Close contract monitoring will be required to ensure that these targets are being met and that work to achieve such targets is not impacting adversely on vulnerable tenants. The contract includes a requirement that the electrical supply is to be available at the end of a working day or, in the unlikely event this is not possible, that alternative facilities are provided.

9. The EIA also highlighted that although the service continually collects tenant diversity information and customer satisfaction data, there appears to be a lack of data and analysis as to the impact of planned maintenance work on specific groups. The service does not collect diversity data for those customers receiving planned maintenance work and the criteria for programming rewire works relate to the age, condition and life expectancy of the existing system, not the vulnerability of the tenant. However, when work to a property is being planned and carried out, the needs of the tenant are taken into consideration.
10. Contractual duties place an emphasis on equality and diversity, including specific requirements to ensure contractors takes steps to achieve equality in their employment and service practice.

**Public Health:**

11. The installation of a new electrical system is designed to improve the housing stock and contribute towards improving and maintaining health and wellbeing for Council housing tenants.

**Community Safety:**

12. Not applicable

**Sustainability:**

13. Recycling targets will be agreed at contract award with the contractor. In line with the Council's Housing Asset Management Strategy, contractors will be expected to demonstrate the same level of commitment to environmental sustainability as the Council. Contractors will be expected to ensure any waste from programmes is minimised. Targets will be agreed at contract commencement.

**Procurement:**

14. The contract has been tendered in accordance with the Council's Corporate Procurement Rules.

**Overview and Scrutiny:**

15. This matter has not been considered by Overview and Scrutiny.

**RECOMMENDATION:**

**The Executive is asked to:**

1. **award of the Day to Day Responsive and Programmed Electrical Maintenance Contract 2014- 2017 to Contractor A Option A Schedule Of Rate Contract.**

<i>Reason for Recommendation:</i>	<i>So that the Council's Housing Services Electrical Responsive Service, Rewire and Communal Lighting programme is maintained and delivered in 2014 -2017.</i>
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## **Executive Summary**

16. This report outlines the outcome of the tendering of the Housing Day to Day Responsive and Programmed Electrical Maintenance Contract. This contract was procured using standard contract documentation (Foremaster Version 6).
17. The contract will provide improved value for money (approximately 3% saving on the programmed works element of the current budget, equivalent to an additional 6 full rewires that can be completed this year) and also deliver good quality customer care for our residents.
18. The new contract allows for direct call handling from our customers for responsive electrical repairs, routine periodic testing of existing electrical systems (500 to 1000 per year), upgrades of existing electrical system by replacement of the consumer unit or full rewire and the upgrade of communal lighting.

## **Background**

19. The existing contract arrangements for Responsive and Programmed Electrical Maintenance ends in January 2014 and the Council is required to enter into new contract arrangements that will commence from January 2014.
20. This contract supports the priorities of the Housing Asset Management Strategy (HAMS) to ensure the housing stock is kept in good repair and meets tenants' current and future expectations.

### **21. The Contract**

- i) This is a three year contract, with an option to extend on a year by year basis for a further 3 years and subject to performance and annual review.
- ii) An established Tender Documentation, called M3NHMF Schedule of rates 6.0 (Measured Term Contract), with pre priced schedule of rates, including bespoke composite codes, forms the basis of the Contract (Option A).
- iii) The contract also has an option for an all inclusive annual lump sum price per property (Option B) for the responsive part of the service.
- iv) Using this type of contract, the contractor is paid for a responsive maintenance repair either by using the pre priced schedule of rates, or if the lump sum option is taken up, the all inclusive annual rate per year per property.
- v) For any programmed works e.g. full rewires, this will be based on size of property, i.e. 1 bed, 2 bed etc. For communal lighting schemes this will be based on m2 area/number of lights to be replaced.

- vi) The contractor is responsible for all response maintenance calls from customers, making appointments during normal working hours and all programmed works design. The contract also includes an out of hours service.
  - vii) Agreed variation orders are then raised for any adjustment to the original works using pre-priced rates, before the contractor is paid any additional or reduced sums.
22. Although the National Housing Federation (NHF) Schedule of Rates doesn't specifically cater for continuous improvement and efficiency gains, provision has been made in the document, making it a contractual requirement for the parties to review these aspects on an ongoing basis.

### **Tender Evaluation**

23. A contract notice was issued on 19 February 2013 in the Official Journal of the European Union and on the CBC website.
24. 21 pre qualification questionnaires were received on 2 April 2013 and 9 contractors were shortlisted.
25. 2 contractors declined to tender, 7 tenders were received by the closing date and therefore evaluated.
26. The Standard Award Criteria Evaluation Model is a points system based upon 70% of the points being awarded for financial submissions and 30% of the points being awarded for quality method statement submissions/presentation. The criteria for assessment of quality covered the following specific areas: Environment; Equalities, Health & Safety, Insurances & Data Handling, Method of Delivery of the service, Resources to be allocated, Business Continuity, Quality control and Performance Management (KPI's), Customer Care and Social Values.
27. A joint evaluation panel made up of officers and tenants was established to evaluate all tender bids. The information provided in the quality method statements was reviewed and scored and 3 contractors were invited to the final presentation stage. This was to ensure that information provided in Method Statements was substantiated. The outcome of this was a contractor who meets all the quality and financial criteria and demonstrates the most economically advantageous tender.

### **Appendices:**

Appendix A – Exempt - Award of the Day to Day Responsive and Programmed Electrical Maintenance Contract 2014- 2017.

**Background Papers:** (open to public inspection) none