

Central Bedfordshire Council

Executive

4 December 2018

Award of Contract – The repairs, maintenance and capital works programme

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This report relates to a Key Decision

Purpose of this report

1. This report seeks approval to award the contract for the repairs, maintenance and capital works programme to the Council's housing stock.

RECOMMENDATION

The Executive is asked to:

1. **approve the award of the most economically advantageous tender to Contractor A for delivery of the repairs, maintenance and capital works programme to the Council's housing stock.**

Overview and Scrutiny Comments / Recommendations

2. This report does not need to be presented at Social Care, Health and Housing Overview and Scrutiny Committee as the award of contracts is a matter for the Executive.

Background

3. This report outlines the outcome of tendering of the Council's programme for repairs, maintenance and planned capital works to the whole of housing stock to be procured under an open book cost management system.
4. The Tenderer recommended for acceptance will enter into a bespoke form of the Term Alliance Contract (TAC-1) published by the Association of Consultant Architects for an initial term of ten years extendable at the Council's sole discretion for a period of five years, giving a total term of fifteen years.
5. The value of the works and services to be delivered is expected to be up to £12.5m per annum with a maximum value over the whole fifteen-year term of up to £190m. All costs quoted exclude Value Added Tax.
6. It is intended to award a Term Alliance Contract with a single contractor ('Provider'). The Contract will govern the issue of orders for all works and services in accordance with the Council's agreed budgets, planned programmes and stock condition.
7. The report recommends Tenderer A are appointed to the Term Alliance Contract with effect from 1st March 2019.
8. The works and services required are in relation to the delivery of repairs, maintenance and planned investment works (together the 'Programme') to the Council's residential housing stock.
9. Specifically, the Programme includes the following twelve Core activities:
 - i) A 24/7/365 day to day responsive repairs and maintenance service including electrical repairs and void (empty) property repairs and refurbishment;
 - ii) Replacement of flat entrance and internal doors to individual dwellings;
 - iii) Replacement of communal doors and entry systems to blocks of flats;
 - iv) Installation and maintenance of Aids and Adaptations equipment for residents with reduced mobility;
 - v) A programme of electrical rewiring following periodic testing;
 - vi) Passenger and goods lift maintenance and repairs;
 - vii) Maintenance and repairs to domestic stair lifts and Aids & Adaptation equipment;
 - viii) Statutory compliance testing, inspections, maintenance and surveys to include for:
 - Asbestos removal;
 - Firefighting equipment (including replacements where necessary);
 - Water hygiene treatment;
 - Electrical installation and PAT testing;
 - Communal and Emergency Lighting testing; and,
 - Lightning protection.

- ix) Routine servicing, maintenance and repair of communal alarm systems in supported and sheltered housing units;
 - x) Planned preventative maintenance to sump and booster pumps;
 - xi) A programme of pre-paint repairs and cyclical decorations; and,
 - xii) Surveys and maintenance of existing trees for insurance and arboriculture purposes.
10. The Council may, at their discretion and on the agreement of the Provider, include the following Additional works and services to the Programme at any time post award. It is expected they will be brought in at the expiry of their current contractual terms:
- (i) Planned internal capital investment works to the housing stock including but not limited to replacement kitchens, bathrooms, commercial and domestic boilers, and heating systems;
 - (ii) Planned external capital investment works including but not limited to roof refurbishment and renewals, and window replacements;
 - (iii) A Three-Star gas servicing, maintenance and repair service;
 - (iv) Estate services including cleaning and window cleaning; and,
 - (v) Various property refurbishment works.
11. The Provider will be encouraged and supported to seek out and engage SMEs and social enterprises in Central Bedfordshire through the procurement of goods and services in respect of the Programme.
12. The Provider will be required to offer realistic, sustainable employment and skills development opportunities to disadvantaged people in Central Bedfordshire. Working in partnership with the Client, the Provider shall identify a range of initiatives for employment, apprenticeships and skills opportunities which people in the Central Bedfordshire can access and benefit from.

The Public Contracts Regulations, 2015

13. The value of the Programme obliged the Council to comply with the Public Contracts Regulations, 2015 (SI 2015 No 102) that governed the tendering and selection exercise. A two stage process was followed where initial expressions of interest were sought to select the tender list, followed by inviting detailed tenders from those firms satisfying the pre-determined selection criteria.
14. A Contract Notice was published in the Official Journal of the European Union (OJEU) on 23rd February 2018. 20 firms expressed an interest in the Programme and were sent a Selection Questionnaire. 16 firms subsequently returned their completed applications by the closing date of 12:00 Noon, 27th March 2018.
15. Following a comprehensive evaluation exercise, seven firms were invited to submit tenders.

Reasons for decision

16. Full details of the scores awarded to each Tenderer are set out in the Appendix. Tenderer A were awarded the highest overall score and are therefore recommended for acceptance.
17. It is evident the competence and approach demonstrated by Tenderer A are the closest match to the Council's requirements. They have demonstrated the technical ability and alliancing approach necessary to deliver the Programme and submitted a competitive tender that falls 10% lower than the Council's pre-tender estimate. Their submission therefore represents the most advantageous tender for the Council in all respects.

Council Priorities

18. The actions support the Council priorities by:
 - Enhancing Central Bedfordshire – Improving the quality of council owned accommodation within the Central Bedfordshire area
 - Great resident services - Deliver a quality service to our customers where expectations are managed correctly and the service is delivered.
 - Improving education and skills - Create careers, employment and training opportunities through contract procurement and apprenticeship programmes.
 - Protecting the vulnerable; improving wellbeing - Ensure the housing portfolio provides for the needs of older people, vulnerable, special needs and minority households. Improve the energy efficiency of the housing stock. Helping to reduce carbon emissions and reduce levels of fuel poverty.
 - Creating stronger communities - Through procurement support local business, labour and training.
 - A more efficient and responsive Council. - Raise performance and customer satisfaction whilst keeping costs down.

Legal Implications

19. The procurement and high total value of this contract for services is subject to compliance with the full remit of the Public Contracts Regulations 2015 (as amended) ("PCRs") and has been conducted by the Council in liaison with its own Procurement team, independent consultants, Savills (UK) Limited, and legal advice and support from the Procurement and Contracts team at LGSS Law limited.
20. As indicated in the report above, the European and National requirements for advertising and competition have been undertaken by way of publishing a Contract Notice in the OJEU to open up the contract opportunity to the market. The proposal and recommendation to award the contract is in accordance with the mandatory award criteria of Most Economically Advantageous Tender under Regulation 67 of the PCRs following a fair and transparent two stage selection and evaluation of bids process. The use of the industry standard Term Alliance Contract (TAC-1) is an acceptable form of legal contract for use of open book accounting in a long term partnering arrangement over the initial and any extended term. Sufficient contractual safeguards are built in to minimise the risks to the Council.

21. If the recommendation to award is approved by the Executive, the Council will be required to allow a standstill period (alongside any call in period) of a minimum of 10 calendar days before formal award of the contract can be authorised. All unsuccessful bidders will be notified of the winning bidder and provided with feedback information in connection with their respective bids including the relative characteristics of the bids against the winning bid and their overall ranking in the tender process during the standstill period to mitigate any potential challenges to the procurement process (as set out in more detail under Feedback to Tenderers and Leasehold Consultation).

Financial and Risk Implications

22. The anticipated value in the first year of the contract is £7.05M, expected to increase to £12.5m per annum over future years as additional workstreams are added.
23. The budget for repairs, maintenance and capital works likely to be provided by the contractor to housing properties is Housing Revenue Account (HRA) funded: £4.9M revenue and £2.15M stock protection. The funding has been included in the HRA Business Plan and is reviewed annually.
24. If the contract is awarded to Contractor A as proposed, expenditure will be contained within the allocated budgets, which have already had financial efficiencies applied in anticipation of the new Repairs Delivery Model.
25. The awarding of the contract will mitigate the risks of failing to discharge responsibilities to maintain housing properties to an appropriate standard, failing statutory compliance, failing to support the Council's priorities and failing to deliver value for money.

Equalities Implications

26. Central Bedfordshire Council has 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 reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
27. Equality and diversity are key issues for all directorates within Central Bedfordshire Council. As part of ongoing contract monitoring arrangements, the Council will check that statutory service delivery and employment requirements relating to equality are met.

Conclusion and Next Steps

28. Following a comprehensive and robust assessment of all the tendered submissions, it is recommended Tenderer A are appointed to the Term Alliance Contract as the Council's Repairs, Maintenance and Capital Works Provider.
29. Officers consider the offer to be realistic and that the Provider will be able to provide the required level of service at their tendered price. The evaluation panel recommends the tender from Tenderer A is accepted.
30. Formal award of contract is expected to conclude in February 2019 at which point the mobilisation phase begins in February that will allow the programme to begin from 1st July as planned. The Contract start will be dated 1st March 2019 accordingly.

Appendices

Appendix A: Tender Evaluation

Appendix B: Tender Summary - Exempt

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