

11 March 2020		ITEM: 12
Cabinet		
Housing Planned and Reactive Repair Programmes Procurement		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Barry Johnson, Portfolio Holder for Housing		
Accountable Assistant Director: Carol Hinvest, Assistant Director of Housing		
Accountable Director: Roger Harris, Corporate Director of Adults, Housing and Health		
This report is Public		

Executive Summary

This report sets out the proposals for the re-procurement of two contract packages. One for passenger lift maintenance and the other for the maintenance of door entry systems.

The planned and cyclical maintenance programme for lift operations and door entry control systems ensure that council owned properties are maintained to a satisfactory standard, continue to meet the Council's statutory obligations, and provide our residents with a consistent high level of service.

The proposed contract term for both is for 5 years plus an option to extend for a further five years.

The procurement of both contracts will be in accordance with conditions set out within the Council's Contract Procedure Rules and Public Contracts Regulations 2015 and all current European Union procurement and regulations.

1. Recommendation(s)

- 1.1 Approve the re-procurement of Passenger Lift Maintenance and Door Entry Maintenance contracts for a period of up to five years with an option to extend for a further five years.**
- 1.2 Approve delegated authority for award of the above contracts to the Corporate Director of Adults, Housing and Health in consultation with the Portfolio Holder for Housing.**

2. Introduction and Background

- 2.1 The lift maintenance contract will ensure the council's passenger lifts are maintained and tested in accordance with the Lift Operations and Lifting Equipment Regulations 1998 (LOLER)
- 2.2 The door entry control contract ensures maintenance, repair and improvement of entry systems providing security and safety for the residents of our buildings, in line with all current legislation.
- 2.3 The contracts to be procured are for the maintenance, responsive repairs and modernisation of all passenger and goods lifts owned and operated by the Council and door entry control systems to all communal sites and sheltered schemes. Investment is based on a current 30 year mechanical and electrical programme and takes into consideration repair history data.

Lifts

- 2.4 The current annual lift maintenance, repair and modernisation contract is due to expire 31 October 2020 and any new contract will commence 1 November 2020. The current annual costs for service, repair and modernisation is £255,000 for housing assets and £21,790 for corporate assets which, over the potential full ten year period of the contract is £2,767,900. This current contract was procured five years ago which the above mentioned figures are based upon. On procurement of the new contract these prices may increase due to inflation over the last five years.
- 2.5 As the proposed cost for the procurement will exceed the EU Services threshold of £189,330 the tender process to be used will be either a full advert published through the Official Journal of the European Union as an Open tender or through an approved and compliant framework agreement if a suitable option is available. Whichever procurement route is decided on, it will be fully compliant with the Public Contracts Regulations 2015. The procurement opportunity will be advertised on Contracts Finder <https://www.gov.uk/contracts-finder>
- 2.6 The works entail the routine maintenance of passenger lifts as required under the current regulations and periodic safety tests and component replacement as required by the Council's insurers, Zurich Municipal.
- 2.7 The benefits to the Council to continue funding the lift maintenance and modernisation programme are:
 - Ensuring any lift breakdowns are responded to and resolved in a timely manner to minimise the inconvenience to the users and in particular, those with disabilities.
 - Implementing the recommendations of the Council's Insurers ensuring all lifts are maintained and operated to the required safety standards as set out in the current regulations.

- Ensuring the Council is compliant with its statutory duties as required under the Health & Safety Regulations.

2.8 Under the current contract all lifts are serviced on a monthly basis and repairs completed against agreed key performance indicators. Modernisation has taken place at nine high rise tower blocks to both lift cars which has increased reliability of service for our residents and the wider public.

2.9 The performance of the current lift contractor is to a satisfactory standard. The below table shows performance figures achieved:

KPI INDICATOR	TARGET	CURRENT PERFORMANCE
Emergency callouts attended within 6 hours (regardless of 9-5 or OOH)	95%	96%
Urgent repairs attended next calendar day and completed within 7 calendar days (if quoted works from date of approval of quote)	95%	100%
% Breakdowns repaired on first attendance	80%	86%

Door Entry

2.10 There are around 650 door entry systems currently which serves 4,500 properties consisting of general needs housing properties, low and high rise flats, corporate buildings and sheltered and supported housing schemes owned by the Council.

2.11 The current door entry control systems contract is due to expire 18 October 2020 and any new contract will commence on 19 October 2020. The current annual costs for the door entry control systems contract is £635,000 for housing assets and £132,530 for corporate assets, which over the potential full ten year period of the contract is £7,675,300. There will be an additional one off cost of £300,000 for improving access to sheltered housing properties. This takes the overall cost to an estimated £10,743,500.00. This current contract was procured five years ago which the above mentioned figures are based upon. On procurement of the new contract these prices may increase due to inflation over the last five years.

2.12 As the proposed cost for the procurement will exceed the EU Services threshold of £189,330 the tender process to be used will be either a full advert published through the Official Journal of the European Union as an open tender or through an approved and compliant framework agreement. Whichever procurement route is applicable, it will be fully compliant with the Public Contracts Regulations 2015. The procurement opportunity will be advertised on Contracts Finder <https://www.gov.uk/contracts-finder>

- 2.13 The proposed door entry control system contract will provide for the provision of maintenance and repairs to existing door entry systems, security doors to multi occupancy blocks, design and installation of replacement systems and servicing and repair to automated gates across the borough.
- 2.14 The performance of the door control systems contractor is to a satisfactory standard.

The below table shows performance figures achieved.

KPI'S	TARGET	CURRENT PERFORMANCE
Emergency repairs where the engineer is on site within 6 hours of request/report of breakdown	100%	100%
Emergency repairs resolved within 24 hours of request	95%	100%
Routine repairs completed within 28 days of request	100%	100%

- 2.15 Both procurements intend to deliver both the best service and experience for our residents. They will include a robust set of key performance indicators and will be subject to stringent contract management and cost control processes at regular contract management meetings.

3. Issues, Options and Analysis of Options

- 3.1 The current service provision was tendered and awarded to one contractor for each contract. As demonstrated in the above performance, this approach has ensured the service was effectively delivered and managed ensuring a positive experience for our residents. It is proposed that only one supplier will again be selected for each contract.
- 3.2 Consideration has been given to the types of contract, term of contract, contract conditions and service improvement in relation to standardisation of components in order to reduce service down times for both contracts. Performance criteria will be specified in the tender process and monitored via contract governance process.

3.3 Timeline for Procurement and Award – Service, responsive repair and modernisation of passenger lifts and Door Entry Systems

Action	Date
Leaseholder consultation	35 days
Issue Tender through Oracle (the Council's e-procurement tendering portal)	1 st June 2020
Tender Return	1 st July 2020
Evaluation Period Ends	24 th July 2020
Second stage of consultation-Notice of Proposal	35 days
Voluntary Standstill Period Concludes	7 th September 2020
Award of Contracts	11 th September 2020
Contract Start Date – Door Entry Maintenance	19 th October 2020
Contract Start Date – Lift Maintenance	1 st November 2020

This timetable supports the continuation of the current programmes, allowing time for mobilisation so works can commence as soon as the existing contract arrangements come to an end.

4. Reasons for Recommendation

- 4.1 This report is submitted to Cabinet for approval to proceed to tender for two contracts each with a whole life cost valued above £750K. The total estimated value for both these contracts over the maximum ten-year contract period is estimated to be £10,743,200.
- 4.2 These contracts will invest in improvement the long term condition of the assets and ensure that the council continues to provide a consistent and reliable service to its residents and meets its statutory responsibilities as landlord in maintaining and testing its assets.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The proposed procurement will be subject to statutory leaseholder consultation under Section 20B of the Landlord and Tenant Act 1985 (amended).

5.2 The Excellence Panel who have previously been trained in the evaluation process, will be invited to participate in the tender evaluation process.

6. Impact on corporate policies, priorities, performance and community impact

6.1 These contracts aim to meet corporate priorities through the delivery of high quality services ensuring the maintenance and modernisation of assets to Thurrock owned dwellings and public buildings.

6.2 The award of the lift maintenance contract will ensure best practice is followed for the safe vertical transportation of residents and also ensure everyone has access to their home or place of work with minimum inconvenience in the event of service failure

6.3 The award for door entry contract will also ensure best practice and follow the Workplace (Health, Safety and Welfare regulations 1992), and also meets Disability Discrimination Act 1995 providing safe access for residents, leaseholders and the wider public. And that powered gates are maintained to current BS EN standards as required.

6.4 The Council's Social Value Framework will be set out in the tender documents and bidders will be asked to demonstrate how they will generate added value for local communities. Typically with this type of service provision apprenticeships and using local suppliers would feature in the evaluation criteria, along with specific projects identified by colleagues within the resident engagement team and local area coordinators. The proposals will subsequently be incorporated into the contractual requirements.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Strategic Lead - Finance

The estimated costs of these two contracts is in line with the current budget provision as set out in the HRA Business Plan.

The works will be carried out within the overall revenue repairs and maintenance budget allocation. For 2020/21, additional funding for door entry systems was identified and included within the funding provision.

7.2 Legal

Implications verified by: **Kevin Molloy**

Solicitor – Law and Governance

This report is seeking approval from Cabinet to agree to tender the contracts noted in the report.

The tender process will be Official Journal of the European Union compliant as the whole life cost of each contract is over the EU Services threshold of £189,330. The procurement will therefore be subject to full compliance with the Public Contracts Regulations 2015. The procurement opportunity will be advertised on Contracts Finder <https://www.gov.uk/contracts-finder>.

The Council will need to ensure that the works are procured under this programme in accordance with Section 20B of the Landlord & Tenant Act 1985 (amended).

Taking the above into account, on the basis of the information in this report, the proposed procurement strategy will comply with the Council's Contract Procedure Rules.

The report's author and responsible directorate are requested to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

7.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager - Community Development and Equalities

These contract will deliver a service specifically intended to maintain the living environment of residents and general public and council owned buildings. Contractors will be required to ensure they meet the requirements set out in the within the contract and also through the evaluation process, and have the technical skills to deliver the necessary elements with a strong customer focus making adjustments where required to the needs of residents and the public.

A full community equality impact assessment has been undertaken of the implementation of the delivery of the housing investment programmes.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. Appendices to the report

- None

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