

14 October 2020		ITEM: 11 Decision: 110533
Cabinet		
Procurement of Electrical Services		
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 the electrical services contract.

The planned and cyclical maintenance programme for electrical services ensures the council maintains its services in regards to electrical safety to meet the council's statutory obligations and continue to provide a safe portfolio for our residents.

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

The procurement of this contract 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 Electrical Services Contract 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 electrical services contract will ensure buildings and properties within the Council's Housing portfolio are maintained and tested in accordance with our**

legislative obligations as a landlord and building owner. This contract will also include General fund council owned assets and the testing, repair and maintenance of these in accordance with the legislative obligations.

- 2.2 The contract to be procured is for the maintenance, responsive repairs and testing of properties and buildings within the Council's housing and general fund owned assets.
- 2.3 The current electrical services contract is due to expire 11 March 2021 and any new contract will commence 12 March 2021. The current annual costs for service, repair and testing is an average of £700,000.00 per annum for housing assets and £500,000.00 per annum for corporate assets which, over the potential full ten year period of the contract is £12,000,000.00. 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.
- 2.4 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>
- 2.5 The works within this contract entail the routine maintenance, periodic testing and reactive repairs of individual dwellings, communal blocks and general fund owned assets as required under the current regulations.
- 2.6 The benefits to the Council to continue funding the electrical services maintenance are:
 - To ensure the Council complies with its statutory duties as a landlord and building owner in relation to Health and Safety.
 - Ensuring our residents are safe within their homes and communal areas.
 - To ensure specialist electrical works are undertaken effectively by competent engineers.
- 2.7 Under the current contract periodic testing is undertaken in line with the Council's Electrical Safety Policy. The contract will be delivered against agreed key performance indications which form part of the contract.
- 2.8 The performance of the current incumbent contractor is set out below against their current KPI's;

The below table shows performance figures achieved between April 2020 to date:

Objective	Performance Measure	System / Area	Target	Reporting Frequency	% Achieved
Fixed Wire Testing	% completed electrical test certificates for all relevant Low Rise Blocks	C9863 - Low Rise Block Testing	100%	Monthly	100%
Fixed Wire Testing	% completed electrical test certificates for all relevant Sheltered accommodations	C9861 - Sheltered Testing	100%	Monthly	100%
Fixed Wire Testing	% completed electrical test certificates for all relevant occupied properties	C9862 - Testing and Remedial repairs to individual properties	100% By year end	Monthly	39% year to date
PAT	% completed portable appliance testing records for all relevant assets/properties received by the Authorised Officer within two weeks of Period End	C9857, C9858, C9860 - Various sites PAT	100% By year end	Monthly	28% year to date
Fixed Wire Testing	% completed electrical test certificates for all relevant market feeder pillars received by the Authorised Officer within two weeks of Period End	C9875 - Feeder Pillar EICR	100% By end year	Monthly	100%

All Targets are projected to be met by end of financial this year.

2.9 This procurement intends to deliver both the best service and experience for our residents. It will be delivered under strict contract management with robust governance and financial controls throughout the duration of the contract.

2.10 The recommendations set out above is to ensure that specialist electrical works are undertaken effectively and competently.

3. Issues, Options and Analysis of Options

3.1 The current service provision was tendered and awarded to one contractor Oakray. 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 this 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. Performance criteria will be specified in the tender process and monitored via contract governance process. Based on the all the facts considered above this contract will be awarded under JCT Measured term.

3.3 Timeline for Procurement and Award – Service, responsive repair and maintenance of electrical services contract.

Action	Date
Leaseholder consultation	35 days
Issue Tender through Oracle (the Council's e-procurement tendering portal)	23/10/2020
Tender Return	27/11/2020
Evaluation Period Ends	18/12/2020
Standstill Period Ends/Award of Contract	06/01/2021
Second stage on consultation – Notice of Proposal	12/01/2021 – 16/02/2021
Contract Start Date – Electrical Services	12 March 2021

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 as the contract has a whole life cost value above £750K. The total estimated value for this contract over the maximum ten-year contract period is estimated to be £12,000,000.00

4.2 The contract will invest in improvement to 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 obligations 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 This contract aims to meet corporate priorities through the delivery of high quality services ensuring the maintenance and repairs of assets to Thurrock owned dwellings and public buildings.
- 6.2 The award of the electrical services contract will ensure best practice is followed for all works undertaken in relation to this and will be done so in line with all applicable regulations including Thurrock Council's Electrical Safety Policy.
- 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

The estimated costs of this contract is in line with the current budget provision for the housing stock as set out in the HRA Business Plan.

The estimated costs for the Non-Housing Council owned buildings are set out in the General fund budget.

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

The cost of the contract will be contained within the existing budget allocation for the housing revenue account and general fund

7.2 Legal

Implications verified by: **Kevin Molloy**

Principal Solicitor

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>

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 Adults, Housing and Health Directorate

The 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

Report Author:

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Asset Investment and Delivery Manager

Adults, Housing and Health