

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 4 MARCH 2014

Title of report	HOUSING REPAIRS SCHEDULE OF RATES AND RELATED SUPPORT CONTRACTS
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	The report requests that Cabinet delegate authority to award the Schedule of Rates Contract to the relevant bidder who submits the most economically advantageous tender for this work. This is an existing, approved HRA Capital / Revenue Budget that has been allocated to deal with these issues.
Reason for Decision	To ensure the continued service provision is delivered in an effective and efficient manner to support the work carried out by the In House Repairs Team
Council Priorities	Value for Money Business and Jobs Homes and Communities
Implications:	
Financial/Staff	Financial implications contained within existing budgets, no staffing impact
Link to relevant CAT	Not applicable
Risk Management	The report addresses the proper procurement of a contract to provide support for the In House Repairs Team, which minimises risks to the Council from failed service repairs.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory

Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Procurement Legal Services Audit
Background papers	None
Recommendations	IT IS RECOMMENDED THAT CABINET DELEGATES AUTHORITY TO AWARD THE HOUSING REPAIRS SCHEDULE OF RATES CONTRACT AND RELATED SUPPORT CONTRACTS TO THE DIRECTOR OF SERVICES IN CONSULTATION WITH THE HEAD OF FINANCE (SECTION 151 OFFICER) AND THE HOUSING PORTFOLIO HOLDER.

1.0 BACKGROUND

- 1.1 The Council's In-house Repairs Team (IRT – formerly known as the DLO) completes an average of 80% of the day to day and void property repairs required to Council tenants' homes. Since July 2010 they have been supported in the delivery of the repair service by a single contractor (Laker BMS), who were procured through an OJEU (Official Journal of the European Union) compliant procurement process, and are responsible for the delivery of approximately 20% of the repair work. Being supported in this way offers flexibility to effectively manage the peaks and troughs in demand for repairs to be completed, and allows a compliant route to engage sub contractors for specialist works which the IRT does not have the skills to complete.
- 1.2 The contract with Laker is coming to an end in July 2014 and a procurement exercise is currently being undertaken to select a new contractor / contracts to be let in advance of July 2014 for the next contract period.
- 1.3 As part of this process it is proposed that we change the scope of the works to be included in the core tender process to remove a number of specialist services, and commission them separately, rather than engage them as sub contractors to the Schedule of Rates (SOR) contractor which has been the practice in the past. It is also intended that we include the provision to complete one off rewiring in the SOR contract to ensure we have adequate capacity to complete these when required.

2.0 PROCUREMENT ROUTES

- 2.1 The contract length and procurement route for the SOR support contract were jointly considered by members of our repairs, legal, procurement and internal audit teams and a 4 year contract term (2 years with an option for two further 1 year extensions) via an OJEU process was agreed as the recommended procurement route. This proposal was endorsed by the Council's Corporate Leadership Team on 4 February 2014.
- 2.2 It was also agreed that removing some of the repetitive works from within the SOR support contract and procuring them as separate, smaller contracts, would best support the needs of the service and would also generate opportunities for local contractors to bid through our Buy Local initiative, thus increasing the opportunity for local SMEs to work with North West Leicestershire District Council. Where we are proposing to access existing framework agreements we intend to encourage sub contracting opportunities. Details of the proposed contracts and the procurement routes are attached as Appendix 1.

- 2.3 After soft market testing for contractors to undertake responsive rewires, it was agreed that it would be prudent to re-tender the SOR contract with the inclusion of these rewires.
- 2.4 The contract value for the SOR support tender will be set as being between £400,000 and £600,000 per annum based on our assessment of the projected volume of work. The contract will include clauses stating that there are no guarantees of uniformity of work by type, frequency or amount and therefore the contract sum is indicative of the anticipated requirement which is dependant on budgets, circumstances and client requirements. Details of the values of the other support contracts are as detailed in Appendix 1.

3.0 PROCUREMENT EVALUATION

- 3.1 The winning contractors for the SOR support contract and the asbestos surveying and removal contract will be selected using the evaluation criteria set out within the Invitation to Tender. The other support contracts will be awarded based upon the most appropriate mechanism depending upon the framework procurement route to be used (as detailed in Appendix 1).
- 3.2 The scoring criteria which will underpin this process was devised to award the most economically advantageous tender, and will incorporate price (40%) and quality (60%) criteria. Assessment of bids will be by an internal panel which will also include a Tenant Representative.
- 3.3 The award of these contracts will achieve financial efficiencies through using both robust tender processes and accessing market tested framework agreements, which will deliver the best value for money for the Council.
- 3.4 Cabinet is requested to delegate authority to award the SOR contract and further contracts to the Director of Services to ensure that service continuity can be maintained, and the handover period between the current and future contractors can be managed as effectively as possible.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The works being procured through this process are a continuation of existing services, and will be funded by the existing approved Housing Revenue Account budget provisions for Housing Repairs.

Housing Repairs Support Contracts – February 2014

	Service Required	Current Spend	Contract Length	Contract Value	Procurement route
1	Schedule of Rates Support Contractor for responsive and void repairs	£400k to £600k pa	4 years	£1.6m to £2.4m	OJEU compliant tender process
2	Drain inspection and jetting services	£43,000 pa	4 Years	£172,000	Efficiency East Midlands framework agreement
3	Scaffold Services	£75,000 pa	2 Years	£150,000	ESPO contract (only 2 years due to expiry of ESPO agreement)
4	Roofing repairs	£75,000 pa	4 Years	£300,000	LHC Framework
5	Asbestos surveying and removal services	£50,000 pa	4 Years	£200,000	OJEU compliant tender process
6	One-off doors and window replacement	£120,000 pa	4 Years	£480,000	LHC Framework