



Portfolio Holder for Housing

Item

October 2023

Report of	Chief Operating Officer	Author	Martin Norgett
Title	Award of Contract for Delivery of the Social Housing Decarbonisation Fund Wave 2.1 Energy Improvement Project – ref: 0349		
Wards affected	All Wards		

1. Executive Summary

- 1.1 In March 2023, Cabinet delegated authority for the award of contracts within the Housing Improvement Programme to the Portfolio Holder for Housing to deliver a range of investment works to maintain and improve the condition of the Council owned stock that is managed by Colchester Borough Homes (CBH). This report seeks approval of a contract award, under that delegation, for the within the housing stock.
- 1.2 The recommendation to award a contract for the delivery of the Social Housing Decarbonisation Fund (SHDF) works follows a competitive tender process using the Fusion 21 procurement framework. This will be a Council contract and the day-to-day contract management will be undertaken and administered by CBH in their capacity as Contract Administrator and our Arm's Length Management Organisation (ALMO).
- 1.3 The tender was based on three packages of work, each comprising of 35 homes to deliver the 105 homes required under the grant funding scheme. As only one bid was received, it is proposed to award package 1 and retender for packages 2 & 3.

2. Recommended Decision

- 2.1 To award a contract to TSG Building Services Ltd to undertake package 1 of the SHDF delivery work.
- 2.2 To go back out to tender for the remaining packages of work.

3. Reason for Recommended Decision

- 3.1 Following evaluation of submitted bids against the scoring criteria and process detailed in the Invitation to Tender, the recommended bidder submitted a bid that met the essential requirements. The bid price is within the agreed budget.

4. Alternative Options

- 4.1 Not to award a contract, however this would result in a risk in delivering the work within the require timescales of the SHDF grant funding scheme.

5. Background Information

- 5.1 The Council has an ongoing Housing Investment Programme (HIP) using ring-fenced Housing Revenue Account (HRA) income to be reinvested to maintain Council homes in good condition, for the benefit of tenants.
- 5.2 This contract will contribute towards the Council's obligation as landlord to maintain council homes in good repair, help in achieving the governments requirement that all social homes are a minimum of EPC C by 2030 and significantly reduce the homes carbon emissions.
- 5.3 This contract is to deliver the works associated with our successful SHDF Wave 2.1 grant funding bid where the who project will attract over £1 Million in grant funding.
- 5.4 The Council agreed that the 105 properties associated with the full package of work would be split into three smaller packages of 35 properties to spread the workload amongst different contractors.
- 5.5 The market was reviewed and it was agreed that the Fusion 21 Decarbonisation Works Framework was suitable to meet the Councils requirements. An expression of interest of the suppliers on the framework was undertaken of which eleven (11) companies responded.
- 5.6 The opportunity was issued via the BiP Solutions Delta E-tendering suite on 26th July 2023 and the portal closed at 12:00 (noon) on 29th August 2023. Only one (1) company submitted a bid by the deadline.
- 5.7 Tenders were opened on 29th August 2023 by the Senior Procurement Consultant. The bids were evaluated by a group of officers including CBH Asset Management Team Member and the Senior Procurement Consultant. Scoring was based on the criteria and scoring mechanism detailed in the Invitation to Tender (ITT).
- 5.8 The sole bid was compliant against the Council's stated Essential Requirements that were evaluated on a pass/fail basis. The Evaluation Method Statements and the Social Value offers were evaluated in accordance with the ITT.
- 5.9 As only one tender return was received, Legal services confirmed that only one package could be appointed to a supplier and therefore only package 1 was evaluated. Packages 2 & 3 will be retendered.
- 5.10 Appendix A contains a summary of the weighted criteria with the scores awarded to the sole bidder. This appendix is confidential as it contains commercially sensitive information from all bidders, as well as the respective scoring.
- 5.11 The breakdown of submitted prices for the bidder was checked for completeness and scored in accordance with the methodology in the ITT. The tender prices are shown in Appendix A, which is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial / business affairs of a particular person, including the authority holding information).
- 5.12 The Council is an accredited Living Wage Foundation employer. This means that as well as paying the Living Wage to all directly employed staff, a phased plan for third party contracted staff is in place as relevant contracts come up for renewal. This contract stipulates that the Contractor will pay Living Wage Foundation rates to those staff working on this contract.
- 5.13 CBH's role as the Contract Administrator (CA) will be key to the success of this contract. CBH will manage all operational elements of the contract. The CA through the nominated representative will attend the monthly Core Management Group to report on the contractor's performance and delivery.

6. Equality, Diversity and Human Rights implications

- 6.1 The works ensure that properties are maintained at a good standard between tenancies. Less affluent people often occupy this type of housing. Tackling inequality in living standards and providing home improvements for the tenants. This is also true of the wider Housing Investment Programme works planned through an Asset Management Strategy. The Equality Impact Assessment for the Council's Asset Management Strategy is [here](#).
- 6.2 Through the Housing Procurement Strategy within the Asset Management Strategy, staff ensure that all future procurement and purchasing documentation recognises, understands, and supports CCC and CBH policies regarding equal opportunities, diversity, and human rights.

7. Strategic Plan References

- 7.1 The Better Colchester Strategic Plan 2020-2023 sets out clearly the Council's priorities. The services and projects delivered by CBH contribute directly to the following priority areas and their goals:

- **Creating safe, healthy, and active communities**
 - Build on community strengths and assets
 - Tackle the causes of inequality and support our most vulnerable people
 - Provide opportunities for young people
- **Delivering homes for people who need them**
 - Increase the number, quality, and types of homes
 - Prevent households from experiencing homelessness
 - Improve existing Council homes to keep them in good repair and improve energy efficiency
- **Growing a better economy so everyone benefits**
 - Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth
 - Create an environment that attracts inward investment to Colchester and help businesses flourish

8. Consultation

- 8.1 Good communication with tenants is vital. This project has specifically assigned Retrofit Advisors who are trained to advise and support the tenants in the work being delivered to their homes, how it will affect them, and how to use the new technology.

9. Publicity Considerations

- 9.1 It is proposed to proactively manage the positive communications messages around the improvement of the quality of life for the residents that are affected and to ensure that such works and resident satisfaction are published via the range of CBH communications via residents' newsletters and social media.

10. Financial Implications

- 10.1 The budget for the Housing Improvement Programme is approved by Cabinet each year. Individual contract awards for 2022/23 have been delegated by Cabinet to the Portfolio Holder for Housing. Sufficient budgetary provision has been made to fund this work through the climate emergency budgets together with over £1 Million in government grant funding.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Improving and maintaining the Council's housing stock is thought to have broadly positive implications for communities across the Borough. This retrofit programme will provide sustainable heating and thermal efficiency to help tenants manage their heating costs as well as improved ventilation to help manage the condensation risk.

12. Health and Safety Implications

- 12.1 It is a requirement of the quality element of the scoring that bidders demonstrate an excellent approach to the management of Health & Safety.
- 12.2 Through the role of Contract Administrator CBH will ensure Health and Safety and Construction Design and Management Regulations (CDM2015) and requirements are fully complied with throughout the programme of works.

13. Risk Management Implications

- 13.1 By following a compliant tender process and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.

14. Environmental and Sustainability Implications

- 14.1 Ensuring properties remain desirable and in a good condition has clear benefits for current and future tenants wellbeing.
- 14.2 As part of the Housing Asset Management Strategy a Housing, Environmental and Sustainability Strategy has been produced. Using a specialist energy efficiency modelling database, we have looked at scenarios for delivering all our homes to EPC Band C by 2030. Work on this contract will contribute to delivering this goal.
- 14.3 All 35 properties in this package of works will be brought up to a minimum of EPC C, reducing the carbon emissions of those homes.

Appendices

Appendix A (Confidential) - shows a summary of the tender evaluation scores.

