



Cabinet

30 November 2016

Item
10(i)

Report of	Assistant Chief Executive	Author	Lynn Thomas ☎ 505863
Title	Gas Servicing and Associated Repairs Contract		
Wards affected	All wards		

This report sets out the procurement process for tendering the Gas Servicing and Associated Repairs Contract for the Council's housing stock and recommends an appointment to provide the service.

1. Decision(s) Required

- 1.1 To agree to appoint Mears Ltd to deliver the Gas Servicing and Associated Repairs contract.
- 1.2 To agree to enter with the successful contractor into a 4 + 2 year JCT Standard Form of Measured Term Contract 2011.
- 1.3 To agree that should the preferred supplier withdraw (whether by choice or due to unforeseen circumstances) Cabinet endorse the appointment of the contractor in second place.

2. Reasons for Decision(s)

- 2.1 The original procurement approach agreed by Cabinet on 28 January 2009 was one of a full European (EU) compliant process (OJEU) with the Council acting as the awarding body for any contracts placed and Colchester Borough Homes (CBH) acting as the employer's agent (Contract Administrator). This contract was awarded in 2010 on a 4 + 2year JCT Standard Form of Measured Term Contract 2006 Edition Revision 2 (2009). The full extension term has been used and this contract will expire in March 2017.
- 2.2 A further procurement process was started by the Project Team placing an OJEU notice and expressions of interest were sought through a Pre-Qualification Questionnaire (PQQ) process from which prospective contractors were selected.
- 2.3 Out of this exercise six contractors were selected to be invited to tender for the works. Tenders were returned and opened by officers on 3 October 2016. An evaluation exercise took place based on the criteria set out in the tender documents which included assessment of price and quality (method statement and references); out of this a final recommendation was concluded.
- 2.4 The procurement approach agreed by Cabinet on 1st December 2010 as part of the Asset Management Strategy is to let a JCT Form of Contract for this and similar types of work.

3. Alternative Options

- 3.1 There are few alternative options as this programme forms part of the Council Statutory obligations as a Landlord and protects both our customers and the housing asset. The procurement process followed complies with the Public Procurement Regulations 2015.

4. Supporting Information

- 4.1 The Project Team consisted of The Council's Housing Asset Manager and Senior Procurement Consultant, along with Colchester Borough Homes (CBH) Head of Operations and Gas Surveyor.
- 4.2 The Project Team engaged the support of Ridge & Partners (property consultants) to assist with updating the original tender documents Ridge produced in the 2010 EU procurement process (OJEU).
- 4.3 EU regulations require contracts of this nature and scale to be advertised across the EU. A two-stage contractor selection process consisting of a Pre-Qualification Stage which is open to all interested parties, followed by a Tender Stage which is restricted to contractor's selected by analysis of the first stage responses was followed. The Pre-Qualification Stage invites interested contractors to submit information concerning their Financial Capacity, Technical Capability, Relevant Experience and References. Information is requested in a Pre-Qualification Questionnaire from all interested contractors.
- 4.4 In December 2015 a joint planning meeting took place with representatives from the Council and CBH to formulate a project plan and timeline to complete the procurement process.
- 4.5 In July 2016, the OJEU notices within the European Journal inviting contractors to submit an interest in tendering for the Gas Servicing Contract.
- 28 contractors responded to the advertisement with 12 submitting completed Pre-Qualifying Questionnaires (PQQ).
 - The project team carried out a robust analysis of the completed PQQ's and short listed six contractors to continue and complete the full tender documentation
 - Contractors were made aware that the tender was subject to a TUPE transfer of 11 staff and drew attention to their duties under this legislation
 - On the 3 October, 6 tenders were received electronically and opened by the project team and Legal Services Manager.
 - The project team carried out a full evaluation of the returned tenders and contractors delivery Method Statements. The scores from the evaluation exercise were based on 60% Price 40% Quality derived from the delivery Method Statements and references (including site visits).
- 4.5 As part of the procurement process a robust tender specification was developed by CBC, CBH and Ridge & Partners to ensure the Council and its tenants receive best value on the evaluation criteria of price and quality. The documentation included a comprehensive performance framework which included Performance Indicator's and strong emphasis on quality, resident satisfaction, complaints procedures and environmental issues.

- 4.6 The Form of Contract agreed by Cabinet on 1st December 2010 as part of the Asset Management Strategy to deliver this type of work is the Joint Contracts Tribunal (JCT) Standard Form of Measured Term Contract 2011 further amended as set out in the Tender Document. The successful contractors will be awarded a 4 year contract with an option to extend by agreement with the Council for a further period of 2 years, depending on their performance over the contract period.
- 4.7 The current robust controls and monitoring arrangements will continue as a minimum standard in the new contract. The formal monthly Capital Monitoring Group (CMG) attended by both CBC and CBH include progress against the agreed programme, monitoring of expenditure against agreed budgets, analysis of performance against KPI's, the quality and standard of the services provided to tenants by reviewing customer satisfaction reports and direct liaison with tenants.
- 4.8 CBH's role as the Contract Administrator (CA) has been key to the success of the current contract. CBH will continue to manage the contract on behalf of the Council which will include managing day to day issues/arrangements of the contract and act as the main point of contact for all parties through the nominated representative. The CA through the nominated representative will attend the monthly CMG to report on the contractor's performance. The role of CA is also clearly defined within the JCT form of contract.
- 4.9 Monthly operational meeting with the contractor and CBH will take place; in addition quarterly core group meetings between the Council (the Employer), CBH and the contractor. During the core group meeting performance and progress will be monitored and minuted.
- 4.10 Financial credit checks on each of the recommended contractors have been conducted and their individual rating does not give cause for concern

5. Proposals

- 5.1 To accept the recommendations of the Project team members by:
- 5.2 Awarding the contract to deliver the Gas Servicing and Associated Repairs contract to Mears Ltd
- 5.3 To enter with the successful contractors into a 4 + 2 year JCT Standard Form of Measured Term Contract 2011, further amended as set out in the Tender Document.

6. Strategic Plan References

- 6.1 This decision is part of delivering against the Vibrant theme in the Council's Strategic Plan 2015-18 to 'Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life' and the Welcoming theme to 'Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing'

7. Consultation

- 7.1 CBH consulted at the Property Service Consumer Panel and Gas & Repairs Meeting, with tenants. From these meetings the priority times were changed in line with improving the services offer to our tenants.

8. Publicity Considerations

- 8.1 Good communication with tenants is vital and the Council working closely with CBH will need to issue information to our tenants to advise them of new contract arrangements, how it will affect them with ongoing updates as the programme progresses. Again this information will follow once the contract is let and more detail discussions have taken place with the three successful contractor. Mears Ltd are our incumbent contractors so there will be little change for our tenants.

9. Financial implications

- 9.1 The financial implications are contained within the Background Paper on part 2 of the agenda because this contains commercially sensitive information it has been presented so as to not identify the individual contractors involved.

10. Equality, Diversity and Human Rights implications

- 10.1 The relevant Equality Impact Assessment for the CBC Procurement Strategy can be found [here](#) or by following the path: www.colchester.gov.uk > Your Council > How the Council Works > Equality and Diversity > Equality Impact Assessments > Commercial Services >
- 10.2 Through the Housing Procurement Strategy within the Asset Management Strategy staff ensure that all future procurement and purchasing documentation recognise, understand and support CBC and CBH policies with regard to equal opportunities, diversity and human rights.

11. Community Safety Implications

- 11.1 There are none directly arising from this report although through the procurement process all contractors will be aware of the specific needs of our customers and direct on site delivery will be managed by CBH to safeguard both customers and contractors.

12. Health and Safety Implications

- 12.1 Through the role of Contract Administrator CBH will ensure Health and Safety and Construction Design and Management Regulations 2015 (CDM 2015) requirements are fully complied with.

13. Risk Management Implications

- 13.1 By following an EU 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.
- 13.2 To reduce risk and ensuring the Council are able to complying with their landlord obligation, it is proposed that should the preferred supplier withdraw (whether by choice or due to unforeseen circumstances) Cabinet endorse the appointment of the contractor in second place.