

Report of: Mechanical & Electrical Manager – Belle Isle TMO

Report to: Director of Environment and Housing

Date: 30th January 2015

Subject: Award of Gas Servicing, Maintenance & Installation within the Belle Isle Tenant Management area – Ref. No. YORE-9CYMFJ

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Middleton Park	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:1 Appendix 1 to this report has been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

The current provisions for Gas Servicing, Maintenance & Installation was set in place as a temporary 6 month contractual arrangement which commenced 1st October 2014 and is due to expire on the 31st March 2015.

A full procurement exercise has been completed by Belle Isle TMO under the guidance Leeds City Council's PPPU, and in complete compliance with current CPR to identify a suitable contractor who is able to deliver the Gas Servicing & Maintenance provision specifically for BITMO. This contract will need to commence 01/04/15 as the current contractual arrangements conclude 31/03/2015 and this enables Belle Isle TMO, on behalf of Leeds City Council, to fulfil its legal obligation in relation to ¹ GSIUR 1998.

The ¹ GSIUR 1998 make it mandatory that gas appliances are maintained in a safe condition at all times. Landlords are required by the regulations to ensure that all gas appliances are adequately maintained and that an annual safety check is carried out by a registered tradesperson. The requirement is to provide annual servicing, as well as

¹ GSIUR 1998 - The Gas Safety (Installation and Use) Regulations 1998

responsive repairs and maintenance and new installations to dwellings within the BITMO area of responsibility; this equates to approximately 1900 properties.

This proposal is recommended by Belle Isle TMO and Leeds City Council Public Private Partnerships & Procurement Unit following the aforementioned procurement exercise and the subsequent approval by the Belle Isle Tenant Management Board on 29th January 2015².

Recommendations

It is recommended that the Director of Environments & Housing approves the award of this contract to Sayes Service Limited without due delay. This will allow the maximum time available for the contractor to mobilise its operations and resources in preparation for the proposed contracted service delivery.

1 Purpose of this report

1.1 The purpose of this report is to document in detail the robust processes undertaken which will allow approval to award the Gas Servicing, Maintenance and Installation contract to Sayes Services Limited to tenanted residents of LCC owned properties within the area currently managed by Belle Isle TMO.

2 Background information

2.1 The procurement process commenced in January 2014 with the establishment of a project team consisting of representatives from Belle Isle Tenant Management Organisation with full support and co-ordination from Leeds City Council PPU.

2.2 A complete procurement strategy and timetable were initially determined which enabled 'market sounding' to be carried out to maximise interest prior to the PQQ phase of the process.

2.3 Interested contractors were notified accordingly and directed to use the YOR Tender website to undertake and complete all further actions including the receipt and submission of documentation associated with the procurement process.

2.4 Pre-Qualification Questionnaires were initially submitted May 2014, however due to concerns being raised that the documentation had not been made available in an open and transparent manner, and subsequent investigations identifying a technical issue this process was abandoned and retendered.

2.5 The retendered Pre-Qualification Questionnaires were submitted July 2014 and an Evaluation panel, consisting of Belle Isle TMO Officers and elected Board representatives were selected to undertake a monitored appraisal of the respective contractors' submissions to determine a consensus score. This was under the strict guidance of a designated PPPU Officer. This in turn allowed Belle Isle TMO to rank all the organisations and invite the eight highest scoring submissions to submit a full tender for the proposed works as outlined within the issued documentation.

² Belle Isle Tenant Management Board – comprising of elected tenants and co-opted Councillors

3 Main issues

- 3.1 Complete tender documentation for the contract had been prepared and was duly issued to the invited contractors who subsequently submitted completed tenders for final evaluation by the aforementioned panel. These were scored using a 40% price, 60% quality split overseen and managed by the designated PPPU Officer. All information relating to this process and the weightings applied to the scoring were detailed in full within the published tender documentation.
- 3.2 Three tenderers attained all appropriate minimum thresholds and were subsequently invited for a formal interview relating directly to a number of questions within the Tender Instructions. This allowed the evaluation panel the opportunity to moderate the scores allocated to the specific criteria by 20%. Again this information was detailed in full, within the published tender documentation, and therefore available to all participating tenderers.
- 3.3 After completion of this final stage Sayes Service Limited was identified to be the most economically advantageous tender after all scores were calculated and in line with the advertised 60/40 split.
- 3.4 The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contract to the successful bidder. They have both the capacity, resource and experience within this operational field of work deemed necessary to deliver the service requirement.
- 3.5 A contract management plan is being developed and a timetable outlining significant milestones during the mobilisation period can immediately be implemented upon approval and award of the contract.

4 Consultation and Engagement

- 4.1 Prior to the commencement of scheduled works all tenants and Leaseholders will be notified with regards to the contract award with a detailed introduction of the contractor by way of letter, Belle Isle TMO's website and social media. The contractor will also be invited to BITMO's offices to meet all staff and board members and be available to personally introduce their company (at pre-arranged times) to tenants directly by way of the community facility, BITMO'S Gate.
- 4.2 It must be stated that a formal Leaseholder consultation is not necessary as the values involved fall below the threshold necessary for process. This is because the only contract element applicable is a 'safety check' which is offered as an 'opt in' service and costs less than £250 (the threshold value).

5 Equality and Diversity / Cohesion and Integration

- 5.3 An Equality, & Diversity / Cohesion & Integration screening exercise has been carried out for this contract. The service and inspection element is governed by the fact that there is an obligation as a Landlord to comply with statutory regulations in relation to GSIUR 1998³ and installation requirements are based upon pre-determined criteria i.e. the need to replace systems/appliances beyond economical repair rather than any direct assessment of the tenants themselves.
- 5.4 Tenant information is available to the contractors that will ensure services are delivered without prejudice and without delay where extenuating circumstances occur. Furthermore the contract details that contractors must have provision, or if not, be able to utilise Client/third party provision to deliver their services successfully and therefore not discriminate directly or indirectly in the course of their works.
- 5.5 Positive impacts have been considered and discussed with the view to the contract directing a focus on certain specific outcomes in terms of the possibility of engaging localised labour and work experience for young adults connected with the South Leeds Academy.

6 Council policies and City Priorities

- 6.2 The Gas Safety (Installation and Use) Regulations 1998 make it mandatory that gas appliances are maintained in a safe condition at all times. Landlords are required by the regulations to ensure that all gas appliances are adequately maintained and that an annual safety check is carried out by a contractor registered to carry out the necessary works.
- 6.3 The contract award will deliver a programme of works which supports the current decent homes standard through the continued provision of modern, programmable and efficient thermal comfort for tenants within the Belle Isle area.
- 6.4 It was felt that a formal competitive tender procurement within the open market would provide both the best value and best service delivery for the work required under this contract. This contract will be established for an initial period of five years with an option to negotiate and extend for a further two years under a JCT Measured Term Contract with 'built-in' annual percentage adjustments for efficiency savings.
- 6.5 The Employment and Skills submissions were evaluated by Employment Leeds as part of the evaluation process. Therefore the successful contractor's submission can be monitored by this third party to ensure progress and commitment is measured correctly and of real benefit by helping to create training and employment opportunities within the wider community.
- 6.6 The contract objectives meet with the Housing and Regeneration City Priority Plan priorities. They will improve the housing conditions and energy efficiency within the area which will work towards increasing the number of properties improved with energy efficiency measures as well as increasing and maintaining decency standards.

³GSIUR 1998 - The Gas Safety (Installation and Use) Regulations 1998

7 Resources and value for money

- 7.1 This procurement process utilised has confirmed that the successful tenderer is the most economically advantageous tender in terms of both quality and price in accordance with the tender evaluation criteria and its prescribed methodology which were issued as part of the tender documentation.
- 7.2 The contract award allows us to deliver a quality service at a cost that is subject to annual efficiencies but remains sustainable throughout the contract period and is not dependent on delivery of high volumes of planned capital expenditure.

8 Legal Implications, Access to Information and Call In

- 8.1 The procurement process for this contract was on the forward plan for key decisions February 2014 and subject to 'call in' with the date of decision in March 2014.
- 8.2 This decision is a Significant Operational Decision and is therefore not subject to 'call in.'

9 Risk Management

- 9.1 The contract is a JCT Measured Term Contract (2011 Edition) as published by the Joint Contracts Tribunal Limited and will be managed by Belle isle Tenant Management Organisation. The Housing Contracts Board currently provides the overview of risk management associated with contract management within the confines of the Environments and Neighbourhoods remit and therefore will oversee this project with the guidance of Leeds City Council Public Private Partnerships & Procurement Unit
- 9.2 A contract management plan will be developed specifically for this contract, in line with current contract procedure rules, also LCC'S bespoke project management software will be utilised. This will not only maximise benefits, determine the roles and responsibilities related to the management process but also allow both the associated aims and objectives to be fully recognised. Through this structured approach a clear and comprehensive audit trail of all actions will be available.

10 Conclusions

- 10.1 The procurement exercise conducted by Belle Isle TMO has been detailed and thorough with full guidance and support provided by Leeds City Council Public Private Partnerships & Procurement Unit.
- 10.2 Completed tenders were received from eight contractors and after an exhaustive evaluation process three were selected for a final interview. From this process the evaluation scores were finally determined with the results providing a clear leader and therefore preferred tenderer.
- 10.3 The completed process has concluded with the confirmation of a proposed contractor. Through the evaluation exercise Sayes Service Limited have demonstrated the most economically advantageous tender in terms of both quality

and price in accordance with the tender evaluation criteria and its prescribed methodology which were issued as part of the tender documentation.

11 Recommendations

- 11.1 It is recommended that the Director of Environments & Housing approves the award of this contract to Sayes Service Limited without due delay. This will allow the maximum time available for the contractor to mobilise its operations and resources in preparation for the proposed contracted service delivery.
- 11.2 The contract start date will be April 1st 2015 and is intended to run for a period of five years until March 31st 2020 with an option for a further two one year extensions.

12 Background documents⁴

- 12.1 Belle Isle TMO Full Board Meeting Minutes dated 29th January 2015 (Confidential Item).

⁴ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

