

## Report for Resolution

**Report to** Cabinet  
15 February 2012  
**Report of** Director of Regeneration & Development  
**Subject** Award of contract for Housing Electrical & Mechanical  
Maintenance & Repair

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Item  
**18**

### Purpose

To advise cabinet of the tender process for the housing electrical and mechanical maintenance and repair contract and seek delegated authority to award the contract.

### Recommendations

To:

1. approve the commitment to spend £5.7 million from the Housing Revenue Account over the 6 year term of the contract for the Housing Electrical & Mechanical Maintenance & Repair contract; and
2. delegate to the Director of regeneration and development, in consultation with portfolio holders, authority to award the contracts subject to a satisfactory evaluation process and the successful tender prices being within the investment plan forecasts.

### Financial Consequences

The financial consequences of this report are awarding a contract for the sum of £5.7m (£0.95m per year over the 6 year term) to be financed from existing budgets in the Housing Revenue Account.

### Risk Assessment

- 1) Risk of challenge from unsuccessful or other suppliers.

The tender has followed an open process with award criteria being based on the lowest price compliant tender, but there is always a risk of challenge from unsuccessful suppliers.

- 2) Risk of supplier failure

There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that a part of the contract value is planned in nature.

## **Strategic Priority and Outcome/Service Priorities**

The report helps to meet the strategic priority “Safe and healthy neighbourhoods – working in partnership with residents to create neighbourhoods where people feel secure, where the streets are clean and well maintained, where there is good quality housing and local amenities and where there are active local communities”.

**Executive Member:** Councillor MacDonald - Housing

**Ward:** All

### **Contact Officers**

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### **Background Documents**

Report to Cabinet 23 September 2010 “Award of interim contracts for housing work”

Report to Cabinet 13 July 2011 “Contracts for works and services for housing properties”

## **Report**

### **Background**

1. The Council's current contract for housing electrical and mechanical maintenance and repairs is due to finish on 1 April 2012.
2. On 13 July 2011 Cabinet resolved to commence a tender process with a view to awarding a new term contract for Housing Electrical & Mechanical Maintenance & Repairs. Initially the proposal was to include this contract in the Eastern Procurement Consortium (EPC) tender process. However, it became apparent that the EPC process would not have reached a conclusion by our April deadline. Therefore the Council commenced a tender process for the new term contract in October 2011, with tenders returned in January 2012. However it is unlikely that the evaluation process will have concluded before this Cabinet meeting.
3. This contract includes the maintenance and repair of communal electrical and mechanical systems such as landlords lighting, community alarm systems, emergency lighting, fire alarm servicing, industrial ventilation units, automatic ventilation units, lightning conductor maintenance, CCTV and security servicing, dry riser installations and fire points, car park sprinkler systems, water pump installations, access control servicing, landlords lighting upgrades and access control installations.
4. To enable the works to proceed without undue delay and allow an adequate mobilisation period before the proposed contract start date of 2 April 2012 (the current contract is due to finish on 1 April 2012), it is proposed that the Director of Regeneration & Development be given delegated authority to award the contract in consultation with the portfolio holder.

### **Tender process**

5. An open tendering process has been used. This is the most expedient competitive process and has been used in order to reach a conclusion within the limited timescale available.
6. On 8 December 2011 a contract notice was placed on the Open Journal of the European Union (OJEU - reference 2011/S 236-382614) inviting tenders.
7. Suppliers were asked to submit details of their company in terms of finance, contractual matters, technical and professional ability, insurances, quality assurance, environmental standards, equality and diversity policies, references and previous experience and these are to be evaluated to establish if the suppliers met council requirements to deliver the service.
8. Tender pricing schedules and the overall tender price will then be evaluated for accuracy.

### **Tender evaluation**

9. The supplier selection process required suppliers to complete a business

quality questionnaire. The responses given will then be evaluated against pre-determined criteria. This is a suitable/not suitable evaluation and determines whether the tender submitted is compliant with the specification requirements.

10. The evaluation criteria are stated in the tender documents as lowest priced compliant tender, i.e. the lowest price that fully meets all the requirements of the specification.

## **Finance**

11. The HRA budget makes provision for electrical and mechanical work included within this contract and it is expected that the cost of this contract will be within existing forecasts.