

Report to Cabinet
10 June 2020
Report of Head of neighbourhood housing services
Subject Award of contract for Canterbury Place internal heating upgrades

Item

18

KEY DECISION

Purpose

To seek approval to award a contract for Canterbury Place internal heating upgrades

Recommendation

To award the contract to deliver new internal heating systems to 96 dwellings (contract Ref: NRW/HSG/9994) to Gasway Services Limited for the sum of £348,344.64

Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment

Financial implications

The financial consequence of this report is the award of a contract for new internal heating systems to 96 dwellings at Canterbury Place at a cost of £348,344.64. This funding has been included in the HRA Capital programme 2020/2021.

Ward/s: Mancroft

Cabinet member: Councillor Harris - Deputy leader and social housing

Contact officers

Lee Robson, Head of neighbourhood housing service 01603 212939

Neil Watts, Major Works and Services Manager NPS 01603 227172
Norwich Ltd

Background documents

None

Report

Background

1. The council owns and manages a district heating scheme serving dwellings at Canterbury Place, Ely Street, Lothian Street and Orchard Street, Norwich. This heating scheme serves 134 dwellings in total, 38 of these are leased dwellings. The proposal is to refresh the internal heating systems serving the council operated dwellings, which total 96 in number due to age, obsolescence and condition.
2. The existing heating systems, (pipework, radiators, heat exchangers and cylinders) are original from the time of construction in 1974-6
3. The scope of the works includes the installation of a twin-plate heat interface unit and replacement of all internal system pipework, space heating radiators, isolation valves, hot water storage cylinder, and user controls.
4. These works will address the potential issues of system failure and water leak damage due to component deterioration.
5. The works will also contribute towards a more efficient overall system by the replacement of the existing basic mechanical controls with poor insulation and the fitting of A-rated appliances with improved thermal insulation and modern user controls.
6. Any legionella risk associated with stored cold water will be removed as the dwellings storage tank will no longer be required.
7. These works will extend the life expectancy of the internal dwelling heating system ensuring a reliable and serviceable system for the next 20 years.

Procurement Process

8. The works will be implemented via a framework contract set up by Eastern Procurement Ltd (EPL). As a member of EPL, Norwich City Council benefits from the lower rates achieved from grouping the work required by all of its members.
9. A mini competition tender exercise has been conducted by EPL using the existing heating installation framework.
10. Suppliers were asked to submit details of their organisation in terms of finance, contractual matters, insurances, quality assurance, environmental standards, health and safety, equality and diversity credentials, references and previous experience, with all aspects being evaluated to ensure that suppliers met the Council's basic requirements.
11. At the same time, suppliers were asked to submit details in the form of method statements proposing how they would meet the requirement for the work package and the price that they would charge to carry out this work. These method statements and price were evaluated to enable a quality and price tender score.

12. Tenders were received from three suppliers:

Company	Location
One	Norwich
Two	Telford
Three	Potters Bar

13. The supplier selection process required suppliers to complete a questionnaire. The responses given were evaluated against pre-determined criteria. This quality assessment carried a maximum of 40% of the marks. The lowest price was allocated 60% of the marks and marks were deducted, pro-rata, with each increasing tender price.

The supplier with the highest cumulative score was deemed the best value submission. The evaluation results are shown below:

	Company One	Company Two	Company Three
Price	60	53.53	44.69
Quality	24	28.50	18.50
Total Score	84	82.03	63.19

Average Price per dwelling £

System	Company One	Company Two	Company Three
Type A	£3,461.70	£3,849.47	£4,498.26
Type B	£3,628.59	£4,252.77	£5,767.86

Please note prices were obtained for two different system options, type A and B, to allow for on-site District Heating system water pressure variations. The final installed system is likely to be a mix of the two system options. However, it is possible that the more expensive Type B option may be required throughout.

14. The tender submitted by Gasway Services Ltd received the highest score and therefore represents the best value for money. It should be noted that Gasway are a local company employing local people.

15. These works are not subject to leaseholder consultation.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	10 June 2020
Director / Head of service	Lee Robson
Report subject:	Procurement of a heating system replacement contract at Canterbury Place, Norwich
Date assessed:	18 May 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As a member of EPL, Norwich City Council benefits from the lower rates achieved from grouping the work required by all of its members.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reduced risk of legionella due to upgraded heating system

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The works will extend the life expectancy of the built environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new heating system will be more efficient; with the fitting of A-rated appliances with improved thermal insulation and modern user controls. This will bring energy and a positive impact on climate change

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is a low risk that the appointed supplier could fail during the life of the contract. There is little risk to the council, as it is not investing in the supplier. The risk is one of service continuity rather than financial which is further mitigated by the fact that the contract is planned in nature.

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

