

Report to Cabinet
09 September 2020
Report of Head of neighbourhood housing services
Subject To award a contract for gas servicing and repairs to housing heating systems.

Item

12

KEY DECISION

Purpose

The seek approval to award a contract for the housing heating systems servicing and repairs for 2021 to 2025.

Recommendation

To award the contract for the housing heating systems servicing and repairs to Gasway Services Ltd.

Corporate and service priorities

The report helps to meet the corporate priority Great neighbourhoods, housing and environment.

Financial implications

The financial consequence of this report is the award of a contract at a cost of £6,288,817.60 over a four-year period, which will be included within the Housing Revenue Account financial forecasts and budgets for financial years commencing 2021/22.

Ward/s: All Wards

Cabinet member: Councillor Harris - Deputy leader and social housing

Contact officers

Lee Robson, head of neighbourhood housing 01603 989545

Neil Watts, major works and services manager NPS 01603 227172
Norwich Ltd

Background documents

None

Report

Background

1. The council has a statutory duty to service and maintain all housing heating systems. A robust procedure is operated to ensure that all domestic boilers are serviced every year in accordance with relevant legislation and regulations. NPS Norwich (NPSN) and Norwich City Council officers work closely with the council's contractor to ensure that the council's landlord responsibilities are met with respect to this important programme of work.
2. In addition to the above, the council maintains a number of district heating systems and communal boilers which heat flats and sheltered housing blocks which are also maintained within the same contract.
3. The council's current heating servicing and repairs contract is due to finish on 31st March 2021. It is currently being delivered by Gasway Services Ltd under a contract that was tendered in 2016/17 for a period of four years.
4. Eastern Procurement Ltd (EPL) is a local consortium of 21 service supplier members and 12 associate members. Eastern Procurement's customers have collective ownership of more than 216,000 properties across the East of England and have joined together to procure housing maintenance and improvement works. EPL has a number of responsive, cyclical and planned contracts in place which are all OJEU compliant from a procurement perspective. In effect EPL procure contracts on behalf of its' members. The members can then 'call down' works from these contracts. This has the significant collective advantage of increasing buying power and taking the burden of procurement away from individual members. The group has been in existence now for around 14 years and the council joined the consortium in October 2011.
5. As members of EPL the Council can take advantage of what contracts it wishes to utilise or it can decide not to procure any work at all through the consortium. In this way the Council retains complete control without any commitment.
6. Earlier this year EPL carried out a procurement process to put a new heating servicing and repairs framework agreement in place for members to access. The framework lasts for four years. . The proposal is that the council will take advantage of this framework to replace the current contract from 1 April 2021.

Tender Process

7. Seven suppliers were appointed to the framework agreement thereby allowing EPL members to choose to award contracts by direct call-off or by mini-tender.
8. A mini-tender was conducted with the seven suppliers, based upon the service required for the council. Minor amendments were made to the specification to ensure that the current high standard of performance continues to be met.
9. Leaseholders have been consulted on the use of the framework.

Mini-tender evaluation and results

10. The evaluation was based on price and quality with a 60/40% weighting respectfully. The quality scores were utilised from the framework tender process. This is because the earlier framework procurement had included a detailed quality evaluation which the seven successful suppliers had passed. This allows the mini-tender to be a quicker process without asking the suppliers to duplicate information that has already been provided.

Evaluation results

11. Six of the seven framework contractors returned tender submissions for the service.
12. The contractor scoring the highest when considering both price and quality was contractor 3, Gasway services, as can be seen from the scoring matrix below.

	Contractor 1	Contractor 2	Contractor 3	Contractor 4	Contractor 5	Contractor 6
PRICE (60)	50.70	53.37	60.00	53.62	41.23	51.13
QUALITY (40)	27.22	30.62	27.90	20.27	21.67	18.62
TOTAL (100)	77.92	83.99	87.90	73.89	62.90	69.75

13. Also it can be seen from the above matrix Gasway Services scored the full 60 marks against the price evaluation as they submitted the overall lowest price.
14. The price score combined with their framework quality submission meant that Gasway Services attained the highest evaluation score.
15. The price tendered by Gasway Services Ltd is in the sum of £1,572,204.42 per year. This equates to a sum of £6,288,817.60 over a four-year period. This represents a saving of approximately £67,000 per year on existing rates.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	9 September 2020
Director / Head of service	Head of neighbourhood housing services
Report subject:	To award a contract for gas servicing and repairs to housing heating systems.
Date assessed:	19/08/2020

	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"/>	The tender process ensures that the Council achieves the best value for money at that particular time.
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"/>	Regular servicing and repairs of gas boilers minimises any risk to safety from carbon monoxide poisoning and gas explosion. Well maintained and efficient heating systems that can be easily controlled by users improve personal comfort and well being

	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"/>	Regular servicing and repairs keeps the assets in good condition.
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"/>	Regular servicing ensures that the boilers are working efficiently to minimise energy consumption.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular servicing and repairs of gas boilers minimises any risk to safety from carbon monoxide poisoning and gas explosion.

Recommendations from impact assessment	
Positive	
Finance, health and well being, built environment, energy consumption and risk management.	
Negative	
Neutral	
Issues	