

Report to Cabinet
07 February 2018
Report of Director of neighbourhoods
Subject Procurement of various housing upgrades and
maintenance contracts

Item

13

KEY DECISION

Purpose

To consider the procurement of various housing upgrades and to seek approval to place the orders.

Recommendation

To:

- (1) approve the award of the contracts as described in the report.
- (2) delegate authority to the director of neighbourhoods in consultation with the deputy leader and social housing portfolio holder, to award a contract to the best value supplier for the replacement heating installations contract.
- (3) approve a one year extension of the housing electrical and mechanical maintenance contract with Alphatrack Systems Ltd.

Corporate and service priorities

The report helps to meet the corporate priority a healthy city with good housing

Financial implications

It is anticipated that the costs arising from this decision will be met from budgetary provision within the HRA capital and revenue programme for 2018-19 which will be approved by council on 20 February 2017.

Ward/s: Multiple Wards

Cabinet member: Councillor Harris - deputy leader and social housing

Contact officers

Lee Robson, head of neighbourhood housing	01603 212939
Carol Marney, associate director NPS Norwich	01603 227904

Background documents

None

Report

Introduction

1. The Council has a programme of housing repairs, servicing and upgrades implemented via a number of term contracts, framework contracts and ad-hoc tenders. The upgrades include replacement heating systems, windows and doors, roofs, re-wires, and various forms of insulation. These works ensure that the Norwich standard for housing is upheld so that tenants can live in well-maintained homes that are fit for purpose and cost-effective to heat.
2. The repairs and servicing relates to all responsive repairs, external redecoration and all the statutory inspections of gas, electricity and water containing systems. This ensures that the homes are safe to live in and that the council's statutory responsibilities as a Landlord are fulfilled.

Eastern Procurement Framework

3. A number of contracts are procured through the frameworks set up by Eastern Procurement Ltd (EPL). As a member of EPL, the council benefits from the lower rates achieved from grouping the work required by all of its members. A framework lasts for up to four years. It is proposed that the contracts outlined in Appendix 1 are awarded to deliver the 2018-19 HRA capital programme.

Replacement Heating Installations

4. EPL are currently tendering a new framework for the installation of new heating systems. It is proposed to direct select from this framework as soon as it is in place which should be early April. Delegated authority to award this contract is sought so that orders can be placed in April to allow completion of the programme by 31 March 2019.

Landlord's Mechanical and Electrical Maintenance

5. This contract relates to the servicing and maintenance of the common areas of flats, and sheltered housing. It is not an EPL framework contract. The contract was procured six years ago and awarded to Alphatrack Systems Ltd on a six year period with the option to extend for up to a further six years. Alphatrack are performing well with respect to the servicing and maintenance, however, at times they have not been able to deliver upgrade work in a timely manner. Whilst the quality of the work is good at times it takes a long time to achieve a start on site. For this reason it is recommended that the contract is extended but limited to one year with the option to review in six months' time. If the upgrade performance has improved, then it may be prudent to extend the contract further. However, if this is not the case then the council will have the option to re-procure the contract.
6. The pricing of the Alphatrack contract has been compared to the pricing within the EPL compliance framework. The current contract with Alphatrack compares favourably showing that it remains good value. The pricing of the Alphatrack contract was compared to the pricing within the EPL compliance framework. The current contract with Alphatrack amounts to £428,776 for repairs and servicing. This compares favourably with the EPL compliance

framework estimated value of £499,420 showing that the Alphatrack contract is still good value. Upgrades are an additional cost which are priced per scheme as and when required.

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:	7 February 2018
Director / Head of service	Lee Robson
Report subject:	Procurement of various housing upgrades and maintenance contracts
Date assessed:	19 January 2018
Description:	Procurement of various housing upgrades and maintenance contracts

	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 Eastern Procurement Limited Frameworks ensures the council achieves value for money.
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"/>	The improvements carried out from the works proposed will enhance the safety of residents and make the homes easier to heat.

	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1. Risk of challenge from unsuccessful suppliers:</p> <p>The tenders and frameworks have followed a restricted process carried out by EPL with input from officers in terms of evaluation etc, with award criteria being based on the most economically advantageous tender, but there is always a risk of challenge from unsuccessful suppliers.</p> <p>2. Risk of supplier failure:</p> <p>There is a risk that the appointed suppliers could fail during the life of the contract. This is low risk as a number of suppliers have been appointed to the framework providing some cover should a supplier fail. In addition 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 this contract is planned in nature.</p>

Recommendations from impact assessment

Positive

The work proposed will enhance the fire safety status of the council's eight tower blocks

Negative

Neutral

Issues

Procurement of various housing upgrades and maintenance contracts

EPL Framework	2018/19 HRA Programme	Value £	Contractor	Basis of award
Roofing	Re-Roofing	700,000	Aspect Roofing Ltd	Same terms minus 3% discount
Property Improvements	Electrical upgrades, re-wires and inspections	1,150,000	Gasway Ltd	Award for two years on previous mini-competition rates
Heating Installations framework	Replacement gas heating systems	3,400,000		Request delegated authority to award
Replacement Doors and Windows	Replacement composite doors	727,500	Anglian Building Products Ltd	Direct selection
Replacement Doors and Windows	Replacement composite doors	727,500	Ashfords	Direct selection
Replacement Doors and Windows	Replacement windows	100,000	Anglian Building Products Ltd	Direct selection
Replacement Doors and Windows	Replacement roofline	100,000	Anglian Building Products Ltd	Direct selection
Carbon Reduction	External wall Insulation	660,000	Everwarm	Award on previous mini competition rates
		7,565,000		