

Report to	Cabinet	Item
	16 November 2016	
Report of	Director of neighbourhoods	9
Subject	Procurement of the housing gas heating servicing and repairs contract	

KEY DECISION

Purpose

To inform cabinet of the procurement process for the re-provision of the housing gas servicing and repairs contract and to seek approval to award the contract

Recommendation

To approve the award of the contract to Gasway Services Ltd

Corporate and service priorities

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

Financial implications

The financial consequence of this report is the award of a contract at a cost of £6,272,658.33 over a four-year period, which will be included within the Housing Revenue Account budgets and financial forecasts commencing 2017/18.

This represents a saving of approximately £100,000 per year, depending upon the number of repairs required.

Ward/s: Multiple Wards

Cabinet member: Councillor Harris – Deputy Leader and council housing

Contact officers

Carol Marney, Head of Operation Property Services, NPS 01603 227904
Norwich

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Norwich

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 and the council's performance is upper quartile compared to other similar housing providers. NPS Norwich and Housing officers work closely with the council's contractor to ensure that the council's landlord's responsibilities are met with respect to this important safety issue.
2. In addition to this, the council maintains a number of district heating systems and communal boilers which heat flats and sheltered housing blocks. These are also maintained within the same contract. This means that leaseholders receive and pay for this service.
3. The Council's current heating servicing and repairs contract is due to finish on 31 March 2017. It is being delivered by Gasway Services Ltd under a contract that was tendered in 2010/11 for three years and then extended for an additional three years due to the good performance delivered by Gasway.
4. Eastern Procurement Ltd (EPL) is a local consortium of 11 small/medium Registered Providers and 4 local authorities who 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 10 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, or decide not to procure any work at all through the consortium. In this way the Council retains complete control without any commitment.
6. At the beginning of 2016 EPL carried out a procurement process to put a heating servicing and repairs framework agreement in place for members to access. The framework lasts for four years. The proposal is that the council should take advantage of this framework to replace the current contract from 1 April 2017.

Tender process

7. Three suppliers were appointed to the framework agreement thereby allowing EPL members to choose to award contracts by direct call-off or by mini-tender. The suppliers are:

Gasway Services Ltd
Liberty Gas Group Ltd
Sure Maintenance Ltd

8. A mini-tender was conducted with the three 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. All observations have been answered and there have been no major objections to the proposal.

Mini-tender evaluation and results

10. The evaluation was based on price only. This is because the earlier framework procurement had included a detailed quality evaluation which the three 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. The lowest priced tender was submitted by Gasway Services Ltd for the sum of £1,568,164.58 per year. This equates to a sum of £6,272,658.33 over a four-year period. This represents a saving of approximately £100,000 per year, depending upon the number of repairs required.
12. It is recommended that the contract for housing heating servicing and repairs is awarded to Gasway Services Ltd.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 November 2016
Head of service:	Head of neighbourhood housing services
Report subject:	Procurement of the housing gas heating servicing and repairs contract
Date assessed:	27/10/2016
Description:	This relates to the award of the four year contract to service and repair housing gas boilers and solid fuel heaters – both domestic and communal.

	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.
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"/>	

	Impact			
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
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