

Report to Cabinet
14 November 2018
Report of Director of neighbourhoods
Subject The award of a contract for works to private sector leasing scheme properties

Item

13

KEY DECISION

Purpose

To seek approval to award a contract for works to private sector leasing scheme properties.

Recommendation

To approve the award of a contract for works to private sector leasing scheme properties to Gasway Services Ltd.

Corporate and service priorities

The report helps to meet the corporate priority value for money services.

Financial implications

The cost of works arising from this report will be £286,000 which will be funded from existing budgetary provision which is recharged to the property owners and tenants.

Ward/s: All Wards

Cabinet member: Councillor Harris - deputy leader and social housing

Contact officers

Gemma Mitchell, housing outcomes manager 01603 213139

Lee Robson, head of neighbourhood housing 01603 212939

Background documents

None

Report

1. The council, in addition to its stock of council-owned social housing, manages a number of privately owned properties which it uses to home tenants as required. In order to fulfil its legal obligations under the Landlord and Tenants Act 1988 it requires on an ad-hoc basis various small works, repairs and services to be undertaken on these properties. The private sector leasing team (LetNCC) manage this service.
2. In August 2017 following a tender exercise 4 lots were awarded under contract for various trades to undertake small maintenance and repair works to these properties.
3. These were won as follows:-
Lot 1 Gasway Services Ltd
Lot 2 Norse Commercial Services Ltd
Lot 3 Novus Property Services Ltd
Lot 4 Gasway Services Ltd.
4. Shortly after award there were performance issues with service delivery for lot 3 and the supplier was replaced by Norse Commercial Services Ltd.
5. In July of this year contractual discussions commenced with Norse Commercial Services Ltd on the delivery of works under both lot 2 and lot 3; in relation to the service performance and cost of delivery.
6. These discussions concluded in October with Norse Commercial Services Ltd acknowledging that the trade work mix conflicted with the way the larger housing contract is operated within their organisation. The private sector leasing works jobs are standalone and do not mix with the core housing service provision which is based on all trades. This has contributed to the performance and service delivery issues encountered by the service and financial losses faced by the company.
7. Therefore it was mutually agreed to terminate the contracts for lot 2 and lot 3 on 31 October 2018.

Procurement process

8. There was an immediate need to have a supplier to fulfil the works under both lots 2 & 3 from 1 November 2018. The usual procurement timetable would not allow for this timeframe to be met therefore an exemption under section 6 of the Contract Procedures was approved by the Business relationship and procurement manager and the Chief finance officer to negate the need to go out to open tender.
9. Previous to the contract re let in August 2017 Gasway Services Ltd had undertaken successfully the work across all 4 lots. They currently have lots 1 and 4 and were the next priced bidder in lots 2 and 3, discounting Norse Commercial Services Ltd and Novus Property Services Ltd. No other supplies bid for lot 3 and only one other for lot 2, who were more expensive.

10. Therefore Gasway Services Ltd was approached. They confirmed both a willingness to undertake the work and they were able to mobilise immediately. The prices submitted under a new request for quotation were only 2.45% and 4% increased from their tendered prices.
11. The potential value of lot 2 and lot 3 from 1 November 2018 to 29 October 2020, to co terminate with lots 1 and 4, is £285,902.24. However this is recharged to the private property owners and tenants with no direct cost to the council.
12. Both the service area and the procurement team are satisfied that:
 - the Contract Procedures have been adhered to and that the council has conformed to relevant legal requirements and
 - that best value can be delivered through increased performance delivery, reduced void times and no wasted costs due to incorrect or inadequate work being delivered or wasted officer resources dealing with issues.

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:	14 November 2018
Director / Head of service	Director of neighbourhoods
Report subject:	The award of a contract for Private Sector Works
Date assessed:	26 October 2018

	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"/>	
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Increased void turnaround times allows more rental properties to be available at any one time
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	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
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	