

Item

Procurement of Compliance Contractor 2022-2028

Update

To:

Councillor Mike Todd-Jones Executive Councillor for Housing
Housing Scrutiny Committee

22nd June 2021

Report by:

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Wards affected:

All Wards

This report is for decision.

1. Executive Summary

The report seeks a decision to approve the issue of tenders and authorise the Strategic Director (following consultation with Executive Councillor, Chair and Spokes of the Committee and elected tenant spokes) to award a contract(s) to a contractor or multiple contractors to carry out Compliance-based activities. These activities include the re-procurement of the Gas Servicing and Maintenance Contract which is currently being delivered by Mears Group, as well as servicing areas currently incorporated in the TSG contract including (but not limited to) Electrical Testing, Fire Safety Asset Servicing and the Water Hygiene contract currently delivered by Veolia. The contracts are proposed to be for a period of up to 4 years and 4 months, with an option to extend for one or more periods up to a maximum extension of 3 years.

2. Recommendations

The Executive Councillor is recommended to approve the decision to amalgamate the aforementioned contracts into a single procurement exercise and authorise the Strategic Director (following consultation with Executive Councillor, Chair and Spokes of the Committee and elected tenant spokes) to award either a single contractor, or multiple contracts for Compliance Delivery areas.

3. A New Approach to Compliance

Following the E&F Service Review conducted in 2020 a new Risk Assurance and Compliance Team (RACT) was formed. This team is made up of a Risk Assurance and Compliance Manager (Interim), Asbestos Officer (FTC), M&E Compliance Programme Manager (Vacant), Fire Risk Assessor and Advisor, Assistant Surveyor, Compliance Officer.

The Mears contract was extended in March 2020 until 22nd November 2022 which is also the date that the TSG contract is expected to end, the Veolia contract has ended and the Council are currently operating this contract on a rolling monthly arrangement. The existing contracts were procured before the Service Review and the servicing contracts were previously delivered by the Operations Team (Gas Servicing) and Asset Team (TSG and Veolia); with the formation of the new Compliance and Risk Team the opportunity has arisen to rationalise the contracts and one part of that is amalgamating the compliance servicing and maintenance contracts into a single broad-scope contract which will allow the Compliance and Risk Team to manage the contract easier whilst also removing the burden of Contract Management from other teams within Estates and Facilities.

As part of the new contract it is proposed that “call-off” options will also be procured, these options will include services for future ‘greener’ heating systems such as air-source heat pumps, electric car charging point servicing and maintenance and battery storage technology provisions. Given the Council’s commitment to greener technologies, the ban on new gas boiler installations in new build properties by 2030, the ban on the sale of new petrol and diesel cars also by 2030, and Central Government’s carbon-neutral targets it is foreseen that these technologies will become increasingly prominent within the recommended life of the contract and therefore need to be included to ensure the Council is well placed to manage the transition from fossil fuels to electric and other more environmentally friendly alternatives.

4. Contract Services

The proposed works/services to be included within the new contracts are as follows:

Compliance Activity
Domestic Gas Boiler Servicing & Maintenance
Commercial Gas Boiler Servicing & Maintenance

M&E Servicing & Maintenance (including lifts, lighting, fire alarms, automatic doors and barriers and other compliance-related activities)
Electrical Safety Checks (EICR)
Air-source and Ground-Source Heat Pump Servicing and Maintenance

5. Timetable

The timetable below shows the draft procurement plan for the procurement and award of the proposed contract.

Task	Responsible	Completion Date Target
Specifications for new contract and decision on approach (i.e. division of services into Lots)	RACT	Sep 21
Production of Tender Documents	Procurement Manager	Oct 21
Issue of Tender Documents	Procurement Team	Nov 21
Return of Tender Documents/Clarification	RACM	Jan 22
Tender Marking and Contractor Decision	RACM	Feb 22
Cool-off Period & Section 21	Procurement	Mar 22
Award of Contract	Procurement	Apr 22
TUPE Implications (Contractor Only)	Contractors	Sept 22
Data and Process Development (including integration of ICT systems)	RACT / Contractor	Sept 22
Inform Tenant's and Stakeholders of the changes to service provisions	Comms	Oct 22
Mobilisation and Contract Start	All	Nov 22

6. Implications

6.1 Financial Implications

The award involves approval to tender and award contract with value of up to £10m over a potential period of 7 years and 4 months.

This includes an estimated £225 per property per annum for the provision of Gas Servicing and Maintenance, £500,000 per year for other compliance related activities and up to £100,000 per year contingency costs.

There may also be TUPE and pension cost implications as a result of changing supplier due to a transfer of non-council staff.

It is anticipated throughout the life of the contract the spend on Gas Servicing and Maintenance will start to decrease, and the spend on Electrical and 'Greener' Heating Provisions will start to increase – it is anticipated that the decrease in gas spend and increase in other spend may correlate from a revenue spend perspective.

If other activities are added in future, then this spend will increase – for example as a result of the Building Safety Bill or Fire Safety Bill (and associated guidance) increasing the levels of checks required.

6.2 Staffing Implications

There are no new staffing implications directly relating to this report. The activity will be completed in existing resources across the council services (Procurement, Estates & facilities, Legal and Human Resources)

6.3 Equality & Poverty Implications

An Equality Impact Assessment is not required – this project is repair work only.

Project specific EQIA's may be required for future maintenance work delivered under this contract.

6.4 Environmental Implications

The contract will include provisions for servicing non-fossil fuel-based assets in the future.

6.5 Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee.

The Council's Finance, Legal, Audit, HR, City Homes and Corporate Procurement teams will be actively engaged in the procurement, scrutiny and selection process.

6.7 Community Safety

There are no new community safety implications directly relating to the content of this report.

7. Background papers

None

8. Appendices

None

9. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Gareth Basterfield – Interim Risk Assurance and Compliance Manager,
Tel: 01223 458685, email: gareth.basterfield@cambridge.gov.uk.