



London Borough of Enfield

Title of Report:	Award of a Contract for the Mechanical and Electrical Servicing (Housing Compliance)
Report to:	Executive Director Housing Regeneration Development: Sarah Cary
Date of Report:	28th July 2023
Directors:	Executive Director Housing Regeneration Development: Sarah Cary Director of Housing and Regeneration: Joanne Drew
Report Author:	Acting Investment and Resident Safety Director: Paul O'Donnell
Ward(s) affected:	All
Key Decision Number	KD 5638
Implementation date, if not called in:	Wednesday 23 August 2023
Classification:	Part 1 & 2 (Para 3)
Reason for exemption	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Purpose of Report

1. To obtain approval to award a Contract for the Mechanical and Electrical Servicing (Housing Compliance)

Recommendations

- I. That approval be given to award and enter into a contract with “Contractor A” for Mechanical and Electrical Servicing (Housing Compliance) for up to 8 years for contract price detailed in the confidential appendix.
- II. That approval be given for the total budget including the contract price, the contingency sum, inflationary allowance and staff costs detailed in the confidential appendix

Background and Options

2. As a landlord the council has statutory compliance responsibilities including both communal and domestic servicing requirements. This contract covers the communal servicing responsibilities detailed below:
 - Communal Fire Alarm Servicing
 - Emergency Lighting Servicing
 - Building Evaluation Alert System Servicing
 - Automatic Opening Vent (AOV) Servicing
 - Riser Servicing
 - Automatic Water Fire Suppression System (Sprinklers) Servicing
 - Communal Electrical Testing
 - Lightning Protection Servicing
 - Mechanical Gate Servicing
 - Door Entry Servicing
 - Communal Extract Servicing
 - Fall Arrest Systems Servicing
 - Schedule of Rates for related services
 - Quotation mechanism for remedial repairs.
3. This contract inspects the elements, confirms compliance or identifies remedial actions which are either resolved onsite or referred to the council for remedial action. These actions are addressed and safety is maintained in council housing blocks.
4. The contract delivers services to communal areas of blocks with leaseholders and therefore the section 20 process applies. This report authorises the award of this contract subject to the Section 20 observation period, any relevant observations following leaseholder notices will be referred to the decision maker of this report ahead of contact award.
5. The pre-tender estimate for these services was over the Public Contract Regulation (PCR) threshold, a restricted procurement process have been undertaken in line with these regulations.
6. Tenders were issued via the London Tenders Portal (LTP) Project Information Ref – DN538928 to the open market. The process includes two stages, Supplier Qualification Questionnaire (SQQ) which shortlists 5

bidders, who are the invited to Tender at Invitation to Tender (ITT) stage. Three bidders returned a tender.

7. The tenders were evaluated based on a quality/cost split of 60/40.
8. The form of contract will be JCT Measured Term Contract (MTC), which has been tendered on a schedule of rates to allow flexibility increase or decrease volumes as stock levels change

Preferred Option and Reasons for Preferred Option

9. Consideration was given to delivering domestic electrical and fire alarm servicing through this contract, however this was discounted due to the concerns of whether a single contract could deliver the significant additional volume of 10,400 inspections and the increased impact non-delivery would have to the council.
10. It was considered whether this contract should be split geographically to award 2 contracts in the borough, however this was discounted to ensure the contract size was desirable to the market and the volume of work could ensure borough presence.
11. In terms of procurement options there were three main routes for consideration:
 - a) Use of a suitable consortia framework agreement, with appointment via direct award or mini tender.
 - b) Unilateral tendering utilising the open process.
 - c) Unilateral tendering utilising the restricted process.
12. Using a framework can save time and money, while still delivering a service specified to local requirements. Under this route contractors are assessed for suitability prior to joining the framework and have signed up to pre-agreed terms and conditions. Standard documentation is also provided as well as support from the framework itself. However, the section 20 implications of the framework with the range of servicing requirements in this contract mean that it has not been possible to find a compliant framework.
13. Tendering a contract allows clients to create bespoke documentation designed to fit its requirements. This approach also opens the opportunity to tender to a wider group of bidders however is more costly and time consuming. In this instance it was required as the requirement is over the PCR threshold.
14. The options of open and restricted processes are either a two stage or an open stage process. Both the open and restricted process are initially open to the whole market, with the restricted process having two stages where all interested bidders submit a SSQ and are shortlisted before being invited to tender. The restricted process was chosen as it minimises the resources required in the evaluation process as ITT submissions are limited as defined in the ITT.

15. Tendering a contract using the JCT Measured Term Contract is the preferred approach as this allows the council to flex the quantities of each services ordered according to the changes in the number of homes over the 8-year term.

Relevance to Council Plans and Strategies

16. The contract will support the following objectives from the Council Plan:

- a. **More and better homes:** the programme will improve the quality and safety of existing homes and therefore positively impact on the wellbeing and quality of life for our residents.
- b. **Sustain healthy and safe communities:** improving the existing homes where people desire to live will help to create and maintain healthy and confident communities.
- c. **An economy that works for everyone:** ensuring residents can fully participate in activities within their neighbourhood.

Financial Implications

17. This report is requesting for approval to award and enter into a contract with "Contractor A" for the Mechanical and Electrical Servicing works (Housing Compliance)

18. To approve a total estimated budget of £4.5m which includes contingency at 10% of the contract.

19. The full implications of the project can be found in the confidential appendix

Legal Implications

20. The Council has the power under section 1(1) Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. The Council has the power to alter, repair or improve its housing stock in accordance with section 9 of the Housing Act 1985. Further, under section 11 of the Landlord & Tenant Act 1985 the Council has repairing obligations in respect of properties which are occupied by its tenants and these obligations cover structure, the exterior including drains, gutters, external pipes, installations in homes including water, gas, electricity and sanitation. Under section 111 Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions. The recommendations in this report are in accordance with these powers.

21. The contract is a mixed contract (public services contract and public works contract) for which the main subject matter is the provision of services and

consequently classified as a public services contract. The estimated value of the contract is above the threshold for public services contracts under the Public Contracts Regulations 2015 (PCR 2015) and the procurement was carried out in accordance with the PCR 2015. In addition to compliance with the PCR 2015, the Council must ensure that it complies with its Constitution, in particular, the Contract Procedure Rules.

22. The contracts must be in a form approved by Legal Services on behalf of the Director of Law and Governance and must be executed under seal.
23. The Contract Procedure Rules require that where a contract is awarded with a value of £1 million or over (as is the case here), the contractor must be required to provide 'sufficient security' as defined in CPR Rule 7.3 (such as a performance bond or a parent company guarantee). Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. If this requirement is waived, then the Executive Director of Resources must approve the financial risk prior to any award, and this report must set out the reasons for the waiver and what measures are to be taken to manage the risk.
24. The Key Decision process under the Constitution must be followed as the contract value is above the Key Decision threshold of £500,000.

Equalities Implications

25. An Equality Impact Assessment has been undertaken and appended to this report.
26. The works will be delivered boroughwide to various communal areas and will benefit residents irrespective of the protected characteristics of the residents.
27. Access may be required via properties to access communal loft spaces. The successful contractor will be required to ensure all operatives will be fully briefed in line with the council's safeguarding policy. The terms and conditions of the contract will require adherence with the Equalities Act and contractors will be required to share their Equality Diversity and Inclusion policy to assure the council of their recruitment policies.
28. Engagement with residents will be undertaken by the Contractor in accordance with their processes for resident engagement and liaison which were evaluated as part of their tender submission which will be adapted according to the profile of the resident e.g. vulnerability, language spoken.

Environmental and Climate Change Implications

29. The Contractors' offer includes several environmental commitments that will be delivered to the Council including related to waste management, recycling and carbon reduction. Contractors will use local suppliers where possible to minimise the carbon footprint of deliveries.

Public Health Implications

30. The works will improve the living conditions of those residents that receive works. This aligns with the provisions of the Enfield Joint Health and Wellbeing Strategy, which refers to the importance of housing quality as a determinant of health.
31. The contractors will be completing works in-line with the government's Covid Secure and CLC guidelines. They are required to provide a detailed method statement and risk assessment for each activity and the Council, and its advisors will review and comment on these prior to the commencement of works.

Safeguarding Implications

32. The works will require Contractors to enter resident's homes and therefore the Contract Documents require Disclosure & Barring Services (DBS) and adherence with the Council's Safeguarding Policy.
33. In addition to the above the Contractor is required to provide a dedicated Resident Liaison Officer (RLO) whose role is to ensure that residents needs are reflected in the processes adopted by the Contractors. Evaluation of the Contractors offer in this area are a component of the qualitative evaluation.

Procurement Implications

34. The procurement was undertaken using the London Tenders Portal (DN538928) using the Find a Tender Service. The procurement was carried out on behalf of the Council by Echelon Consultancy Limited.
35. As the procurement was undertaken by Echelon Consultancy Limited, it was not led by Procurement Services. Ultimate accountability for compliance lies with Echelon Consultancy Limited.
36. As the contract is over £500k the service must ensure that sufficient security has been considered to manage risk.
37. The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
38. The procurement and award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
39. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

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Appendices: Appendix 1: Restricted Appendix (Confidential)
Appendix 2: Equality Impact Assessment
Appendix 3: Gateway 3 Procurement Assurance Group
(Confidential)

Background Papers
None