



London Borough of Enfield

Report Title:	Award of Two Contracts for Domestic Gas Servicing and Repairs (Housing Compliance)
Report to:	Strategic Director of Housing and Regeneration – Joanne Drew
Date of Report:	13/02/2024
Cabinet Members:	Cllr Savva – Cabinet Member for Social Housing
Directors:	Strategic Director of Housing and Regeneration: Joanne Drew
Report Author:	Head of M&E Compliance: Ayfer Chol
Ward(s) affected:	All Wards
Key Decision Number	KD5638
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 Domestic Gas Servicing and Repairs Contract (Housing Compliance).

Recommendations

- I. That approval be given to award and enter into contracts with “Contractor A” and Contractor B” for Domestic Gas Servicing and Repairs (Housing Compliance) for up to 5 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 social housing landlord, the Council has statutory compliance responsibilities in respect of gas safety. This contract covers the domestic (non-communal) gas servicing responsibilities detailed below:
 - Domestic Gas boiler servicing
 - Domestic Gas servicing preliminary works
 - Domestic Heating maintenance
 - Under floor heating servicing
 - Ground Source heat pump servicing
 - Air source heat pump systems
 - Reactive heating repairs and replacements
3. Through the delivery of inspection, testing, identification of remedial actions (either resolved on site or referred to the Council for a decision on remedial action), the contract is critical to ensure the Council meets its statutory responsibilities and ensures resident safety.
4. The contract delivers services to Enfield Council tenanted properties only, and as such is not relevant to leaseholders; therefore Section 20 consultation does not apply.
5. As the pre-tender estimate for these services was over the Public Contract Regulation (PCR) threshold an open procurement process has been undertaken in line with these regulations.
6. Tenders were issued via the London Tenders Portal (LTP) Project Information Ref – DN692664 to the open market. The process includes a minimum requirements questionnaire which ensures bidders are suitably competent and experienced in works element. The tender submissions of the compliant

bidders have been evaluated in line with the process. Twelve bidders returned a tender.

7. The tenders were evaluated based on a quality/cost split of 60/40 as that was the Council's approach at the time the procurement commenced. Due to an administrative error by the Council's external procurement specialists, the tender was re-run (at the external specialist's expense) to ensure compliance with the relevant procurement requirements.
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 of decrease volumes as stock levels change

Preferred Option and Reasons for Preferred Option

9. Consideration was given to delivering domestic gas servicing and maintenance as a single contract; however, this option was discounted due to the scale of the works and the capacity of the contractors on the market.
10. It was considered whether this contract could be combined with communal gas and electrical compliance servicing requirements, however this option was discounted due to requirement for different expertise in each area and to reduce the Council's reliance on any one contract.
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, due to the value of the framework levy these contracts would have attracted and diverse supply market it was concluded that the best value for money could be achieved for the Council by procuring these contracts independent of a 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 open process was chosen as it minimises the timescales of the procurement process.

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 5-year term.
16. The preferred number of contracts is two, split geographically into north and south. This is deemed beneficial to ensure contractor capacity to deliver the contract and the reduced impact to the Council in the event of performance issues. This will allow more effective management of performance issues.

Relevance to Council Plans and Strategies

17. 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

18. This report is requesting for approval to award and enter into contracts with “Contractor A” and “Contractor B” for Domestic Gas Servicing and Repairs (Housing Compliance)
19. To approve a total estimated budget of £7.92m which includes contingency at and inflationary allowances.
20. The full implications of the project can be found in the confidential appendix

Legal Implications

21. 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. 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. Further, 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.

22. The Council, as landlord, would have a statutory duty under Section 20 of the Landlord and Tenant Act 1985 to undertake a consultation with leaseholders whose homes will be included on the programme and who will subsequently be charged a proportion of the costs incurred. The purpose of the consultation procedure is for leaseholders to be kept informed at the key stages of entering into a new contract and to permit leaseholders to make written observations within stipulated time periods, to which the Council is required to have regard. There are sanctions for failing to comply with Section 20 which could restrict the Council's ability to recover costs from leaseholders as statutory caps can be imposed as to how much it can recover through service charge. However, if the works are landlord maintenance obligations within individual properties (as opposed to communal areas which are subject to service charges) the cost of which will be fully absorbed by the Council and not contributed to by leaseholders, then a Section 20 consultation is not required, as confirmed elsewhere in this report.
23. The aggregate value of this opportunity is estimated as £7.92m which is above the relevant threshold (presently £5,372,609) for the Public Contracts Regulations 2015 to apply to this procurement exercise, and as noted elsewhere in this Report the procurement has been conducted in accordance with the PCRs. The contracts to be entered into with "Contractor A" and "Contractor B" will need to be sealed by the Council on account of their high value.

Equalities Implications

24. An Equality Impact Assessment has been undertaken and appended to this report.
25. The works will be delivered boroughwide to various homes, improving safety and will benefit residents irrespective of the protected characteristics of the residents.
26. 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.
27. 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

28. The Contractors' offers includes various commitments to support the Council's priority to reduce carbon emissions, these include an to carbon offset of their vehicle fleet from one contractor and a reduction of 9.98tCO₂e from the other.

Public Health Implications

29. 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.

30. 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

31. 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.

32. In addition to the above the Contractor is required to provide a Resident Liaison function 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

33. The procurement was carried out on behalf of the Council by Echelon Consultancy Limited. As the procurement was not led by Procurement Services, ultimate accountability for procurement compliance lies with Echelon Consultancy Limited.

34. As the contract is over £1,000,000 the supplier must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of the Councils Contract Procedure Rules.

35. The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.

36. 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.

37. As this contract will be over £500,000, the CPR's state that the contract must have a nominated contract manager in the Council's e-Tendering portal. Contracts over £500,000 must show evidence of contract management of KPI's to ensure VFM throughout the lifetime of the contract. The contract will be managed in line with the Contract Management Framework and evidence of robust contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment shall be uploaded into the Council's e-Tendering portal.
38. 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

Background Papers
None