



Report of: Executive Member for Housing and Development

Meeting of:	Date:	Ward(s)
Executive	28 September	All

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Procurement Strategy for Door Entry and Access Control Systems Testing Servicing and Repairs contract

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Door Entry and Access Control Systems Testing Servicing and Repairs Contract in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 This contract is for the delivery of door entry (intercom) repairs and servicing to Islington Council residential properties. It will include the communal door entry systems and internal door entry phones within individual properties. Electronic car park gate entry system on estates will also be repaired and serviced as part of this contract.

2. Recommendations

- 2.1 To approve the procurement strategy for Door Entry and Access Control Systems Testing Servicing and Repairs Contract as outlined in this report.
- 2.2 To delegate the award of the contract to the Corporate Director of Housing and Adult Social Services in consultation with the Executive Member for Housing and Development.

3. Background

- 3.1 Nature of the service
The council would like to procure one contractor to deliver borough-wide door entry repairs and servicing to residential properties, blocks and estate car parks.

The existing door entry contract was procured in 2010 by the Council's Arm's Length Management Organisation (ALMO), Homes for Islington (HFI). HFI was insourced to the Council in 2012 and this

contract was novated to the council.

The contract will have an operational team that oversees day to day repair works, including costing, quality of work, residential access etc. and this will include a monthly operational meeting. There will also be a contract officer that will oversee contractual matters, including performance and dealing with any escalated operational matters. This will include higher level meetings that occur quarterly, or at a frequency set as required.

The existing contract needs to be re-procured to achieve greater value for money to the council.

3.2 Estimated value

The estimated aggregate value of this contract is £2,700,000 (£540,000 per annum), based on a contract term of 60 months in total (24 + 24 + 12 months).

The contract will be funded from an existing allocated budget, set aside within the repairs and maintenance overall budget.

This budget is allocated from the Housing Revenue Account (HRA) and leaseholders will be recharged under Section 20 agreements.

The door entry contract expenditure has exceeded budget for the last two years: £556,556 was spent in year 2015/16 and £548,703 in year 2016/17 respectively. It is anticipated that spending will be contained within the £540,000 per annum budget in the new contract, through the provision of a new contract with a clear itemised and robust price framework. A new contract with a measurable price framework will allow budgets to be monitored and identify recurring repairs that may benefit from capital programme renewals.

3.3 Timetable

The council intends to advertise the first stage (Selection Questionnaire) of the Door Entry and Access Control Systems Testing Servicing and Repairs contract on 3 January 2018. The second stage (Invitation to Tender) will be advertised on 12 March 2018, with an estimated contract award in September 2018. The contract start will be 1 November 2018. The current contract will expire on 30 October 2018, following a twelve (12) month extension being awarded out of an optional thirty six (36) month extension available, to allow for this procurement to take place. A formal Procurement Project Plan will be created following this strategy approval.

A two stage section 20 consultation will take place with leaseholders as part of this procurement, due to leaseholders being charged for door entry repairs, including leaseholders' internal door entry handset repairs. The first consultation will take place upon approval of this procurement strategy and the second consultation will take place at the award stage of the procurement process.

3.4 Options appraisal

A competitive tender process, a framework agreement, and the option of insourcing have been considered.

The schedule of Rates (SOR) included within the available frameworks, are not fit for purpose, so this option did not meet Islington's requirements. Insourcing would not be cost effective at this time.

Collaboration with neighbouring authorities was also considered, particularly Camden. However, their service delivery model does not mirror Islington Council's and the door entry systems within Islington are not standardised systems.

It was decided to procure using a competitive tender process, as this can deliver the best value overall whilst meeting the service needs. One contractor will be procured for the whole contract, using the two stage restricted tender procedure. The evaluation process and award criteria are explained in greater detail in section 4.6.

3.5 Key Considerations

There will be key social benefit clauses within the contract terms including offering a minimum number

of apprenticeship opportunities, work experience placements, job shadowing and training opportunities.

London Living Wage will be a requirement of the contract terms. The current market pays above London Living Wage for Door Entry Engineers.

Best Value is considered within the terms and conditions for the Door Entry contract, especially with regards to community benefits such as apprenticeship schemes and training opportunities. Best Value forms part of the tender criteria as the contract will be awarded to the Most Economically Advantageous Tender and the award criteria will be set at 70%cost 30% quality; more detail is available in section 4.6 for the quality criteria.

Staff from the existing contractor may be subject to TUPE regulations as part of this procurement.

3.6 Evaluation

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage is Selection Criteria through a Selection Questionnaire (SQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the SQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT which is forwards-looking using the advertised Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria, in order to determine the most economically advantageous offer.

The cost criteria will consist of the National Housing Federation (NHF) Schedule of Rates (SORs) and Bespoke SORs, which the contractors will submit prices against individual items. The quality criteria will include ability to meet volumes and timescales, quality assurance, customer service, equality and mobilisation of the contract. This will enable Islington to acquire a contractor that delivers best value overall.

The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 70%cost 30% quality.

3.7 Business Risks

Islington Council has a duty to provide door entry repairs and keep them in good working order as part of The Secure Tenant's of Local Housing Authorities (Right-to-Repair) Regulations 1994. Failure to do this, due to a break in delivering the service, would result in the council not complying with the regulations and potentially liable to pay compensation.

Residents' are reliant on door entry systems to enter their buildings and let visitors into the buildings. Vulnerable residents' may have care packages and home help services, which need to be let into the building to assist them. Failure to keep door entry systems in good working order would result in vulnerable residents' being unable to access essential services they require. Leaseholders pay service charges for door entry repairs and expect that they will be repaired when not working. These risks can be mitigated by ensuring a Door Entry Repairs contract is procured within the given timescales to deliver the necessary services.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

- 3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Door entry system repairs and servicing to residential properties, blocks and estate car parks. See paragraph 4.1
2 Estimated value	The estimated value per year is £540,000. The agreement is proposed to run for a period of 24 months with an option to extend for two periods of 24 months and 12 months, up to a maximum of 36 months in total. See paragraph 4.2
3 Timetable	SQ Advert – 3 January 2018 ITT Advert – 12 March 2018 Contract Award – September 2018 Contract Start – 1 November 2018 See paragraph 4.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	A competitive tender process has been selected. See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living Wage and social benefit clauses will be included as part of the contract terms. Best value is considered as part of the specification, award criteria and delivery of the service. There may be TUPE implications. See paragraph 4.5
6 Evaluation criteria	The award criteria will be split at 70% price and 30% quality. The award criteria price/quality breakdown is more particularly described within the report. See paragraph 4.6
7 Any business risks associated with entering the contract	Failure to deliver door entry repairs as required in The Secure Tenant's of Local Housing Authorities (Right-to-Repair) Regulations 1994. Failure to provide services that leaseholders pay for and impact on vulnerable residents' being unable to allow care services entry to their properties. See paragraph 4.7

4. Implications

4.1 Financial implications:

The HRA repairs 2017-18 budget totalling £32m currently includes £518k provision in respect of door entry repairs and maintenance, which is slightly less (£22k) than the annual estimated value of the contract being £540k, however it is anticipated that this pressure can be contained within the overall repairs budget.

In addition, if as the report intimates at 4.2 a more robust pricing framework leads to an improved mechanism of identifying recurring repairs & as such facilitates a means of linking this into to defining capital programme requirements, as a consequence we should see less pressure placed on the day to day door entry repairs budget.

4.2 Legal Implications:

The council is responsible for undertaking the repair, maintenance and servicing of its housing properties and installations therein (Part 2 of the Housing Act 1985). The council also has duties under the Secure Tenants of Local Housing Authorities (Right-to-Repair) Regulations 1994 where the door entry phone system is not working. Accordingly, the Council has power to enter into the proposed contract in respect of door entry and access control systems under section 1 of the Local Government (Contracts) Act 1997 on the basis that such services are properly required for the discharge of the Council's functions.

Maintenance and servicing of the door entry and access control systems is a public services contract for purposes of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of the Regulations to works contracts is currently £164,176.00. The value of the proposed contract is above this threshold and therefore the provisions of the 2015 Regulations will apply including advertisement in OJEU. It is proposed to carry out a competitive tendering process using the restricted procedure in accordance with those regulations.

On completion of the procurement the contract may be awarded as required, to the highest scoring tenderer subject to the tender providing value for money for the council.

4.3 Environmental Implications

Environmental implications from this contract include CO2 emissions from vehicle use and the Contractor should optimise travel routes to minimise number of journeys taken. In addition, Contractors should be encouraged to use LPG and environmentally friendly fuel sources for vans.

The Contractor will be required to adhere to requirement of Councils Housing HSE Code of Conduct for Contractors and appropriate legislation. The contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable. The Contractor will have a duty of care to ensure that any waste disposal is done legally and in alignment with the waste hierarchy.

Where possible, the Contractor should use recycled or sustainably produced materials. The contractor will install energy saving replacement parts where possible and if compatible. Where complete renewals are required, then energy saving replacements will be considered.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 20 June 2017 and the summary is included below.

This procurement will not have any negative impact on any persons within the protected characteristics groups. This contract will have a positive impact on vulnerable groups as it allows care services and other home assistance services to access residents' properties. Diversity and equality are considered

during the procurement process. Potential service providers will be asked a scored question during the procurement process about how they assess and manage door entry repairs for customers with any of the equalities characteristics. It is a contractual requirement for service providers to work to Islington Council's policies and procedures, where equality, diversity and an accessible service for all is factored into service delivery procedures.

5. Reasons for the decision:

- 5.1 The council have a duty to provide repairs for door entry systems and keep them in working order. The current contract is not delivering value for money and does not enable accurate spend forecasting or measurement of door entry repair trends. The procurement of a new contract is required to deliver a more strategic door entry repairs service for the future, making better use of the funding available for this service.
- 5.2 It is recommended that the Corporate Director of Housing and Adult Social Services be authorised to award the key decision of the award for Door Entry and Access Control Systems Testing Servicing and Repairs Contract, to enable the procurement timetable to be met.

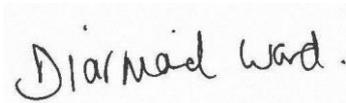
Appendices

- None

Background papers:

- None

Signed by:



Date: 8 September 2017

Executive Member for Housing and Development

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