



Key Decision Report of the Corporate Director of Housing

Officer Key Decision:	Date:	Ward(s):
	18 July 2019	All

		Non-exempt
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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Contract Award for Lift Repairs and Maintenance in Housing and Public Buildings

1. Synopsis

- 1.1 This report seeks approval for the award of the Lift Repairs and Maintenance in Housing and Public Buildings contract. On 14 June 2018 the Executive gave delegated authority to the Corporate Director of Housing to award this contract in consultation with the Executive Member for Housing and Development.
- 1.2 The Lift Repairs and Maintenance contract will be awarded to one contractor for an initial period of 24 months, with the possibility to extend for three periods each of up to 24 months (total 96 months). The total estimated aggregate value of this contract is £7,360,000 (based on £920,000 per annum).

2. Recommendations

- 2.1 To award the contract for Lift Repairs and Maintenance in Housing and Public Buildings to
 - Amalgamated Lifts Limited

3. Decision date:

Thursday 18 July 2019

4. Background

- 4.1 The Housing Repairs Service delivers responsive repairs to Council properties within the borough, including communal repairs. The housing stock currently comprises approximately 29,000 properties of which 21,000 are tenanted and 8,000 are leasehold. These repairs include repairs to communal lifts. Leaseholders contribute to the cost of lift repairs to their block, as part of their service charges. The Financial Operations and Customer Services Division is also responsible for the maintenance of lifts servicing public buildings. In order to successfully deliver lift repairs and maintenance both services require the support of an external contractor.
- 4.2 On 14 June 2018 the Executive approved a strategy for the procurement of one new contract for the provision of lift repairs and maintenance for housing and public buildings. The contract was advertised by the Council on the London Tenders Portal and Contracts Finder. As the contract value was above the threshold for EU purposes, a notice was also posted in the Official Journal of the European Union (OJEU).
- 4.3 The procurement was conducted in line with the Council's procurement rules and the Public Contracts Regulations 2015. The procurement was undertaken using the Open Procedure.
- 4.4 The contract will be awarded to the Most Economically Advantageous Tender based on the award criteria set at 60% cost and 40% quality. Tenderers were required to achieve a minimum standard scoring of 3 or above for each of the suitability assessment questions in order to have their remaining submission evaluated. Tenderers were then required to achieve a minimum quality standard scoring of 3 or above for each of their method statements in order to have the cost element of their tender evaluated. The contract will be awarded to the tenderer who achieved the highest combined cost and quality score.
- 4.5 There were 16 expressions of interest received, of which four bids were submitted. Out of the four bids submitted, three organisations met or exceeded the minimum requirements for the suitability assessment questions and progressed to have their method statements assessed. Two organisations met or exceeded the minimum requirements for the method statement questions and had the cost element of their tender submissions evaluated.

The 40% quality element was divided into the following sub-criteria:

- Proposed approach to resourcing, mobilisation and delivery of contract 10%
- Proposed approach to customer service and equality 10%
- Proposed approach to meeting volumes and timescales 5%
- Proposed approach to quality management 5%
- Proposed approach to health and safety 5%
- Proposed approach to social value 5%.

The 60% cost element was divided into the following sub-criteria:

Item	Percentage breakdown	Description
1	30%	All-Inclusive, annual cost for planned servicing, responsive maintenance, repairs and annual SAFED tests
2	3%	All-inclusive annual cost for the responsive repairs and planned servicing to lift Electronic Monitoring Units (EMU's)

3	2%	Pro-rata all-inclusive annual cost for the responsive repairs and planned servicing per additional 10 lift EMU's
4	5%	SAFED Supplementary Tests
5	10%	Supply and Installation of Additional Items – Bespoke Schedule of Rates for Major Component Upgrade/ Replacement
6	2%	DAYWORK – HOURLY CHARGES Inside normal working hours
7	2%	DAYWORK – HOURLY CHARGES Outside normal working hours
8	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for materials
9	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for plant and equipment
10	2%	APPROVED SPECIALISTS Percentage adjustment for Specialists
	TOTAL 60%	

4.6 A two stage leaseholder consultation took place as part of this procurement. Only two observations were made. One observation requested more information on what would be in place to ensure the successful contractor carried out repairs effectively and replaced components when necessary. The arrangements for the monitoring of this contract and the pre- and post-inspection of works were explained in greater detail.

The second observation asked if a competitive tender process was followed and who participated in this. The open tender process, including the number of tenders received, how the tenders were evaluated and the successful contractor was selected, was explained.

4.7 The results of the tender evaluation are set out in the attached exempt Appendix 1.

5. Implications

5.1 Financial implications:

The maintenance of lifts in Council housing is funded by the Council's Housing Repairs budget (32.93m in 2019/2020), part of the Housing Revenue Account. The current budget allocation for lift works is £870k per annum.

The maintenance of lifts in public buildings is mainly funded by the Council's Building Repairs fund, part of the General Fund. The current budget allocation for lift works is £39k per annum covering 32 lifts. There are 14 additional lifts maintained under the same contract but the cost, estimated at £11k per annum, is paid for by other non-housing divisions such as Environment & Regeneration and People's Services.

It is anticipated that the current budget provisions (both Housing Revenue Account and General Fund) will continue to be available in the foreseeable future to support lift repairs and maintenance. The cost of this contract will therefore be contained within the Housing Revenue Account and General Fund budgets without causing additional pressure to the Council.

5.2 Legal implications:

The Council is responsible for undertaking the repair, maintenance and improvement of its housing properties and installations therein (Part 2 of the Housing Act 1985 and section 111 of the Local Government Act 1972). The Council has power to procure public building repairs services under section 111 of the Local Government Act 1972 which enables the Council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council has power to enter into contracts with providers of lift repair and maintenance services under section 1 of the Local Government (Contracts) Act 1997.

The proposed contract is a contract for services which is above the EU threshold of £181,302 for application of the Public Contracts Regulations 2015 (the Regulations). It was therefore advertised in the Official Journal of the European Union (OJEU). The Council's Procurement Rules require contracts over the value of £181,302 to be subject to competitive tender. The contract has been procured with advertisement and competitive tendering in compliance with the Regulations and the Council's Procurement Rules.

Bids were evaluated in accordance with the evaluation model. Amalgamated Lifts Ltd. was found to be the highest scoring tenderer. Therefore, the contract may be awarded to Amalgamated Lifts Ltd. as recommended in the report. In deciding whether to award the contract as recommended the Corporate Director for Housing should be satisfied as to the competence of the provider to provide the services and that the tender prices represent value for money for the council. Regard must also be had to the information set out in the exempt appendix to the report.

4.3 Environmental Implications:

Environmental considerations for this contract include carbon dioxide emissions from vehicle use and the contractor should optimise travel routes to minimise the number of journeys taken. Maintenance schedules should be planned in order to minimise travel and the resulting impact on congestion. Contractors will be encouraged to use liquid propane gas (LPG) and environmentally friendly fuel sources for vans. By having one contractor for lift maintenance for both housing and public buildings it should be possible to reduce transport emissions and congestion.

The Contractor will be required to adhere the requirements of the Council's Health, Safety and Environment Code of Conduct for Contractors. 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 waste disposal is done in accordance with waste hierarchy and appropriate legislation. All environmental, health and safety precautions are to be observed whilst operatives are working with hydraulic oil, and on completion of work old oil should be transported to a licensed contractor to be disposed of safely and should never be stored on site.

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 6 April 2018 and is attached as an appendix to this report. A 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 is designed to ensure that lifts remain in service and working safely allowing residents to be able to continue access and leave their homes. It also allows care services and other home assistance services to access resident's properties. Vulnerable residents and visitors to the borough will also be able to continue to access Islington's public building.

6. Reason for recommendations

- 6.1 The successful contractor selected for the contract award for Lift Repairs and Maintenance in Housing and Public Buildings, scored the highest overall score and met or exceeded the minimum requirements of all of the quality criteria of their tender.

Appendices

- Appendix 1 - Exempt.
- Appendix 2 - Resident Impact Assessment.

Background papers: None.

Final report clearance:

Signed by:

Corporate Director of Housing

Date

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