

**Key Decision Report of the Corporate Director of Housing**

<b>Officer Key Decision</b>	<b>Date:</b> 16 March 2020	<b>Ward:</b> All
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<b>Delete as appropriate</b>		Non-Exempt
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**THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION****SUBJECT: Contract Award for Electrical Repairs and Maintenance including Out of Hours Cover****1. Synopsis**

- 1.1 This report seeks approval for the award of the contract for Electrical Repairs and Maintenance, including out of hours cover. On 30 April 2019, the Corporate Director of Housing approved the procurement strategy for Electrical Repairs and Maintenance, including out of hours cover.
- 1.2 The Contract is for the delivery of Electrical Repairs and Maintenance, including out of hours cover and will be awarded to two contractors for an initial period of 24 months, with the option to extend for two possible extensions of up to 12 months each. A total of 48 months. The estimated total value of this contract is £1,840,000 over the maximum period of 48 months. This is based on an estimated value of £460,000 per annum.

**2. Recommendation**

- 2.1 To award the contract for the Electrical Repairs and Maintenance, including out of hours cover to:
  - Lightside Limited.
  - Newmay Electrical Services Ltd.

### 3. Date the decision is to be taken:

13 March 2020.

### 4. Background

- 4.1 The Housing Repairs Service delivers responsive repairs to approximately 29,000 council properties within the borough including communal repairs. This contract provides additional support to the in-house Housing Repairs Service, during periods of high demand for repair work requests. It will include domestic electrical repairs, electrical testing where required, low energy extractor fan repairs, fire alarms and the repair of communal and estate lighting. The service will apply to residential properties and communal areas. This contract is to replace an existing contracts that is expiring.
- 4.2 On 30 April 2019, the Corporate Director of Housing approved a strategy for the procurement of two new contractors for the provision of Electrical Repairs and Maintenance. 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 contract notice was also published 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 a competitive tender under the Open Procedure.
- 4.4 Following advertisement of the contract, 23 submissions were received. Two organisations did not pass the compliance stage as they failed to submit the correct tender documents. The 21 remaining organisations were required to achieve a minimum standard scoring of three or above for each of the suitability assessment questions, in order to be invited to tender. Two organisations successfully achieved the minimum requirement at the suitability assessment stage and progressed to have their method statements evaluated.
- 4.5 Tenderers were required to achieve a minimum score of three or above for each of their method statements to assess the quality criteria, in order to have the cost element of their tender evaluated. Both remaining organisations met this threshold and had the cost element of their tender evaluated.
- 4.6 The contract will be awarded to the Most Economically Advantageous Tender (MEAT) based on the award criteria set at 40% quality and 60% cost.

The 40% quality element was further divided into:

Item No.	Percentage Breakdown	Description
1	10%	Proposed approach to managing the delivery of services according to contractual priorities with appropriate resourcing
2	10%	Proposed approach to ensuring value for money, with consideration to both cost and quality of work delivered
3	5%	Proposed approach to customer service (including managing the customers' expectations) and equality

4	5%	Proposed approach to social value including reducing carbon footprint and promoting opportunities for Islington residents
5	10%	Proposed approach to health and safety in the work environment including compliance with current legislation
Total 40%		

The 60% cost element was divided into:

Item No.	Percentage Breakdown	Description
1	30%	Percentage adjustment to the NHF Schedule of Rates for responsive maintenance and void property works version 6.1 (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
2	15%	Rates and prices tendered in section 3 of this Price Framework – Electrical Repairs and Maintenance Price List
3	5%	Surcharge for emergency call-out outside normal working hours
4	2.5%	DAYWORK – HOURLY CHARGES Inside normal working hours General building multi trade / skilled tradespeople/engineers
5	2.5%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for plant and equipment
6	2.5%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for materials
7	2.5%	Percentage adjustment for directing and supervising approved Specialists
TOTAL 60%		

4.7 A two-stage leaseholder consultation took place as part of this procurement. Four observations were received. One leaseholder asked to review the tender response and was provided with the information to secure an appointment to view the documentation. One leaseholder's observation related to the number of contractors that had been invited to tender and how the council considered the past record of each tenderer to ensure capability to deliver works. It was confirmed that the tender was advertised on the London Tenders Portal and open to any contractor to submit a tender. That part of the tender process included requesting documented and referenced evidence of previous similar works undertaken. Another observation asked what recourse the council had in the event of poor performance by a contractor. They were

advised that the contract included terms that allowed us to terminate the contract in the event of poor performance and service delivery. The final observation related to how a leaseholder would be aware of any works required to an individual property. The response advised that a separate consultation notice would be issued detailing the works and estimated costs of works. All leaseholders received a response to their observations.

4.8 Results of the tender evaluation are set out in the attached exempt Appendix 1.

## **5. Implications**

### **5.1 Financial implications**

This report seeks approval for the award of the contract for the Electrical Repairs and Maintenance, including out of hours cover.

The report indicates at 4.6 that Lightside Limited and Newmay Electrical Services Limited has been assessed as the Most Economically Advantageous Tender (MEAT) based on the award criteria set at 60% cost and 40% quality.

The estimated cost of this contract is £460,000 per annum for a duration of 24 months, with the option to extend for two possible extensions of up to 12 months each.

This contract for Electrical Repairs and Maintenance is funded by the Housing Revenue Account (HRA) Housing Repairs Budget. The proposed Repairs budget for 2020/2021 is £34.029m; of which the proposed budget of £3.417m is allocated for spend on In-House Repairs Subcontractors.

It is anticipated that the proposed budget provision will continue to be available for the foreseeable future and the cost of the contract will therefore be contained within the existing and future resources without causing additional pressure to the Council.

### **5.2 Legal Implications**

The council is responsible for undertaking the repair and maintenance of electrical installations in its housing properties pursuant to the Housing Act 1985 and section 11 Landlord and Tenant Act 1985. Accordingly, the council may enter into a contract for electrical repairs and maintenance (section 1 Local Authorities Contracts Act 1997).

The estimated value of the contract falls above the financial threshold for public services contracts for the full application of the Public Contracts Regulations 2015. Accordingly, the contract was advertised in OJEU and the compliant tenders have been evaluated in accordance with the tender evaluation model.

In deciding whether to award contracts to Lightside Limited and Newmay Electrical Services Ltd. The Corporate Director of Housing should have regard to the outcome of the tender evaluation as set out in the exempt appendix.

An appropriate proportion of the costs of the contract will be recoverable from the leaseholders of the relevant properties pursuant to the service charges provision of their leases subject to the consultation requirements of section 20 of the Landlord and Tenant Act 1985 having been carried out.

### **5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

Environmental implications from this contract include material use, waste generation and CO2 emissions and congestion from vehicle use, as well as energy use from the items repaired or new parts installed as part of the repairs process.

The contractors have committed to optimising travel routes to minimise journey lengths, will have low emissions and anti-idling policies in place, and have or are moving to ULEZ-compliant vehicles. The contractors are monitoring carbon production, have set targets for further reduction on fuel consumption using tracking devices to plot the most efficient routes to avoid traffic congestion, and are exploring hybrid and electrical vehicle use. Speed limiters and low energy tyres have been fitted to vehicles. The CO2 emissions are capped by grade with a planned reduction of 10% by the end of 2020.

The contractors procure sustainable materials with low embodied energy and seek to use new technologies with longer lifecycles, such as LED technology for estate lighting. Any waste produced are segregated for recycling by their waste contractors. Sustainability is also taken into account in their back-office function, where they recycle all paper and use low energy products. The contractors are committed to reducing the negative impact on the environment and will offer advice to our residents on efficiency use on energy saving products.

### **5.4 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 in 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 10 February 2020 and the summary is included below. The complete Resident Impact Assessment is attached as Appendix 2 and has been updated following the contractor assessment.

This procurement will not have any negative impact on any persons within the protected characteristics groups. The service provided will have a positive impact for Islington residents in maintaining domestic electrical wiring within the home and repairs to communal and estate lighting, that will be maintained and kept in good working condition as part of the Secure Tenants of Local Housing Authorities (Right-to-Repair regulations 1994). To provide a safe environment for all our residents'. The delivery of this service will not discriminate against anyone with protected characteristics.

Diversity and equality implications 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 electrical 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.

**6. Reasons for the decision:**

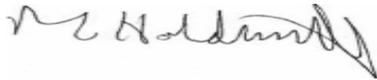
6.1 The Council has a duty to keep electrical installations and equipment in safe working order. The procurement of a new contract is required to ensure continuous provision of domestic electrical and estate lighting repairs support for the in-house repairs team.

The successful contractors selected for the contract award for the Electrical Repairs and Maintenance, including out of hours cover, met the minimum requirements of all the quality criteria of their tender, and had the highest overall score for combined quality and cost.

**7. Record of the decision:**

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

**Signed by:**



**Corporate Director of Housing**

**Date: 16/03/2020**

**Appendices**

Appendix 1 – Tender Evaluation - Exempt  
Appendix 2 – Resident Impact Assessment

**Background papers:** None

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