

Key Decision Report of the Corporate Director Homes and Neighbourhoods

Officer Key Decision	Date: 03.02.2022	Ward(s): All
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Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Procurement Strategy for TV Aerial Systems Repairs and Maintenance Contract**1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of TV Aerial Systems Repairs in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 A service to undertake responsive repairs to TV aerial systems in residential blocks, community centres and reception centres at various locations throughout the Borough of Islington. This procurement is for a corporate contract so other service areas with similar services needs may access this contract.

2. Recommendations

- 2.1 To approve the procurement strategy for TV Aerial Systems Repairs and Maintenance as outlined in this report.

3. Date the decision is to be taken

3 February 2022

4. Background

- 4.1 Nature of the service
Islington Council provides communal TV aerial systems to its 29,000 directly managed residential properties in addition to approximately 50 community centres and three reception centres located across the borough. A further 4,000 homes will be added to the directly

managed council housing stock during 2022 however it is understood there are only six communal TV aerial systems within this stock so it is not anticipated these additional properties will not make any material difference to the scope or value of the contract.

The communal TV aerials contract service covers communal digital and analogue aerial systems, Integrated Reception Systems and Sky Q. This enables residents whose homes are connected to communal TV aerial systems to watch terrestrial and Freeview TV and listen to digital radio services. During the length of the new contract, new technologies may be added to the list of systems that the contractor will maintain while older technologies may become obsolete.

Although there are no legal requirements to provide these aerials, where they exist, the council has a duty to ensure they are maintained to comply with sections 2 and 3 of the Health and Safety Act 1974. Maintenance is also essential to ensure compliance with the Confederation of Aerial Industries (CAI) and Registered Digital Installer Licensing Body (RDI-LB) engineers codes of practice.

TV aerials are regularly exposed to damage by adverse weather conditions and do require maintenance and possible realignment. Failure to carry out repairs results in residents being unable to access the TV services they pay for as part of their rent or annual service charges. This carries a reputational risk for the council. These risks are mitigated by ensuring this contract is procured within the given timescales.

4.2 Estimated Value

The service delivered through the new contract will be funded from existing Housing Revenue Account budgets. Leaseholders receiving the service will contribute toward the cost of any repairs carried out under the contract through their annual service charges.

It is proposed to procure a contract for an initial period of three years with the option of one further three year extension and a final optional extension of two years. This means the full contract will be for up to eight years in length should the council wish to exercise all extensions.

The estimated value of the contract is £200,000 per annum anticipating some inflationary pressure on former spend. This means the estimated total contract value of the full eight year contract is £1,600,000. The current annual budget of the existing contract is £196,400 and this was used to estimate the value of the new contract.

4.3 Timetable

The existing contract is due to expire in December 2022. The proposed timetable for the procurement of the new contract is:

- February 2022 - Procurement Strategy approved
- March 2022 - Open tender published
- April/May 2022 - Submissions evaluated
- August 2022 - Award decision
- August/November 2022 - Mobilisation of contract
- December 2022 - Contract start date

4.4 Options appraisal

The following service delivery and procurement routes have been considered:

Deliver the service in-house: A benefit of insourcing the service would be it enables the council to have full control over the services it delivers to residents. However, insourcing would require significant upskilling of the existing in-house repairs team, and the purchase of specialist equipment. TV aerials repair and maintenance is a specialist area requiring engineers with a variety of specialist skills. Knowledge of industry codes of practice and significant up to date technical knowledge, qualifications and experience in maintaining a wide range of TV and related systems is essential. Working at height and in confined spaces is often required, which also requires additional technical skills and qualifications, experience and equipment. The nature of this service means that it is not considered efficient and effective for the council to in-source this specialist contract.

Use of an external Framework Agreement: Use of a framework agreement would provide a slightly quicker route to procure a specialist contractor. However, we have only been able to identify one existing procurement framework offering this service in the London area. The option of using a framework is rejected for a number of reasons. The service has set up an all-inclusive pricing model for the delivery of TV aerial related works and wishes to maintain this approach. This pricing model is not available through the procurement framework. Adoption of the pricing model set out within the procurement framework would require significant change to the IT system used within the service adding additional costs and inconvenience to the service. In addition, the requirement to undertake Section 20 consultation with council leaseholders may present difficulties when using a procurement framework.

A competitive open tender process: The drawback of this route is that it is a slightly lengthier process than the use of a procurement framework. The benefits of this option are that the council has more control over the specific terms and contractual conditions applied to the contract. This enables the council to procure service provision that fits with existing service, IT and payment requirements. Use of the open tender process is proposed because the size of the market for this specialist area is known to be small. For these reasons, the open tender procurement route for one supplier is the preferred option of the council.

Opportunities for collaboration include other parts of the council requiring the same service to access the contract. As the contract is a council wide contract, there are opportunities for other service areas within the council to use this contract for the repair and maintenance of communal TV aerial systems. Collaboration opportunities within this contract will be explored with other parts of the council as part of a strategic project.

4.5 Key Considerations

The chosen supplier will be required to deliver four weeks paid work experience (25 hrs per week) three times per annum. This work experience must be paid at the London Living Wage and at the suppliers own expense for Islington residents to gain hands on work experience in this precise sector. The purpose of this is to raise awareness for individuals with a view to them then going on the train as a TV and Radio Reception Systems Technician. The council's iWork service will recruit and select the local residents, especially those who are disadvantaged in the labour market, as a contractual requirement of this contract. These targeted employment opportunities will be achieved in good faith & working partnership between the contractor and the council's internal employment services. Other social value contributions, such working with the council's community development team to support the delivery of local estate based projects throughout the life of the contract will be encouraged in addition to choosing the council's adult and/or youth employment services 'menu of support needs' and ultimately approved and added via the procurement and contract management process.

In addition, tenderers will need to demonstrate their commitment and support to council priorities related to net-zero carbon and environmental protection. These measures will reduce the carbon footprint of the delivery of this service, for example, by using electric vehicles to undertake works and using sustainably sourced materials whenever possible. Suppliers will also be required to consider and take reasonable steps to protect wildlife when undertaking works to the outside of buildings, for example nesting birds or roosting bats. Supplier will also be encouraged to use local suppliers when possible. This commitment will increase local economic growth and help with local employment opportunities.

London Living Wage will be included as a condition of the contract where permitted by law.

There may be TUPE implications resulting from this contract.

Council leaseholders will be consulted as part of the procurement process for this new contract.

4.6 Evaluation

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The overall evaluation award criteria will be 40% cost and 60% quality. The full breakdown of the quality criteria will be:

- 20% - Proposed approach to the quality checking of works completed to achieve continual delivery of the highest standards of workmanship, including legal and regulatory compliance and workforce competence
- 20% - Proposed approach to delivery of required social value requirements in the areas of local employment and community benefits, environmental protection and carbon reduction. Commitment to exceed minimum requirements will be considered favourably.
- 10% - Proposed approach to the resourcing of the contract to maintain service delivery, including consideration and mitigation of risk and business continuity.
- 10% - Proposed approach to communication with the client and resolution of complaints

4.7 Business Risks

The key risks associated with this procurement are:

Risk	Likelihood	Impact	Priority	Mitigation
Procurement is unsuccessful with no suitable supplier tendering or being identified	Low	High	Medium	Interim emergency measures will be sought and plans to re-procure put in place
The successful tenderer pulls out of the contract prior to start of the contract	Low	High	Medium	Interim emergency measures will be sought and plans to re-procure put in place
Delays to the procurement process result in limited mobilisation time for new supplier/s	Medium	High	Medium	A project plan is in place and the procurement team need to ensure agreed key milestones are met.

Other parts of the council that require similar services for the repair and maintenance of communal TV aerial systems will be able to use this contract. Detail that other parts of the council may wish to access the services of the supplier using this contract have been referred

to within the specification for the service. Due to the legal requirements on the council to undertake this work where communal aerials are present there are limited opportunities for savings to be secured within this contract.

4.8 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 complete an 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.

4.9 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	The repair and maintenance of communal TV aerial and associated systems. See paragraph 4.1
2 Estimated value	The estimated value per year is £200,000. The agreement is proposed to run for a period of three years with an optional extension of three years plus an additional two years. See paragraph 4.2
3 Timetable	The anticipated timetable is set out in more detail in the report See paragraph 4.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	The options considered were: In-sourcing the service Accessing a procurement framework An open tender – this is preferred procurement route. See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	The full details of these considerations are set out in more detail in the report See paragraph 4.5

6 Award criteria	The overall award criteria split is 40% price/60% 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	The outcome of business risks assessment is set out in detail within this report See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	See paragraph 5

5. Implications

5.1 Financial implications:

TV aerial system repairs and maintenance costs are funded from the Housing Repairs and Maintenance budget. The 2021-22 budget envelope for such works is £0.2m. The annual cost for these works is estimated at approx. £0.2m per annum, therefore it is expected the annual costs of TV aerial repairs and maintenance will be met from the existing budget allocation in full.

It should be noted that costs are based on estimates and the actual cost of TV aerial repairs and maintenance could vary subject to actual demand and requirement. Should actual costs exceed the budget allocation, any pressure will need to be met from the wider Housing Repairs and Maintenance budget (£35.2m in 2021-22).

The cost of maintaining shared TV aerials for blocks and estates are recoverable from tenants and leaseholders via annual service charges. The TV aerial repairs and maintenance procurement strategy as set out in this report is not expected to result in a change to the current levy to tenants and leaseholders.

5.2 Legal Implications:

It is proposed to procure a contract for TV Aerial Systems Repairs for an initial period of three years with the option of one further three year extension and a final optional extension of two years. This means the full contract will be for up to eight years in length should the council wish to exercise all extensions.

The estimated value of the contract is £200,000 per annum. This means the estimated total contract value of the full eight year contract is £1,600,000.

The council has power to enter into the proposed contract under section 1 of the Local Government (Contracts) Act 1997.

The estimated value of the proposed contract for exceeds the 2022 financial threshold (£213,477 including VAT) for public services contracts for the full application of the Public Contracts Regulations 2015. Contracts above this threshold must be procured with advertisement in the Find A Tender service and in full compliance with the Regulations.

The council's Procurement Rules also require contracts of this value to be subject to competitive tender. The proposed procurement strategy, to advertise a call for competition and procure the service using the open tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contracts may be awarded by the Corporate Director under delegated powers to the highest scoring tenderer subject to the tender providing value for money for the council.

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

This contract will have several environmental impacts. These include journeys made by the contractor, the use of energy, use of materials and the generation of waste and the potential for disturbance of biodiversity such as nesting birds or roosting bats during works on and around roof areas.

There are several ways in which these impacts will be mitigated. The quality score during the procurement will include up to 20% for commitments to social value and net zero carbon. This will assess commitment to reducing the carbon footprint of the delivery of the service. The specification for the service will set out expectations regarding use of materials, minimising and correct disposal of waste and encourage the use of electric vehicles and use of green energy. Contractors will be asked to source goods from sustainable sources and with recyclable packaging, and ensure materials/equipment used is recyclable whenever possible. The contractor is also legally required to protect any roosting bats and nesting birds they encounter.

5.4 Equality 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.

An equality impact assessment completed in December 2021 identified no adverse impact on groups with protected characteristics.

6. Reasons for the decision:

- 6.1 The council has a legal duty to repair and keep in good working order communal TV aerials and associated systems where they are present on council homes and estates. Following consideration of a number of possible procurement options the recommended route is to proceed with an open tender.

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

Date

Appendices

- Equality Impact Assessment

Background papers: None

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