

Homes and Neighbourhoods  
222 Upper Street, N1 1XR

Report of: Corporate Director of Homes and Neighbourhoods

Date: 20 September 2022

Ward(s): All

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## Subject: (2122-0299) Contract award for TV Aerial Systems Repairs and Maintenance

### 1. Synopsis

- 1.1. This report seeks approval for the contract award for TV Aerial Systems Repairs and Maintenance.
- 1.2. This contract is to deliver responsive repairs and maintenance to TV aerial systems in residential blocks, community centres and reception centres at various locations throughout the Borough of Islington.

### 2. Recommendation

- 2.1. To award the contract to SCCI Alphatrack Ltd for an initial period of thirty-six (36) months with the option of a further thirty-six (36) months extension and a final optional extension of twenty-four (24) months. This means the full contract will be for up to ninety-six months (96) in length should the council wish to exercise all extensions. Any extension will be subject to satisfactory performance and available funding.

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

- 3.1. 20 September 2022

## 4. Background

### 4.1. Nature of the service

- 4.1.1. This contract aims to secure the supplier's service that provides responsive repairs and maintenance to TV aerial systems in residential blocks, community centres and reception centres at various locations throughout the borough of Islington.
- 4.1.2. The service covered by this contract includes repairs and maintenance of communal digital and analogue aerial systems, Integrated Reception Systems, and Sky Q. This service enables residents whose homes are connected to the communal TV aerial systems to watch terrestrial and Freeview TV and listen to digital radio services.
- 4.1.3. New technologies may be added to the list of systems the supplier maintains during this contract, while older technologies may become obsolete.
- 4.1.4. The contract with the current supplier expires at the end of November 2022.

### 4.2. Estimated value

- 4.2.1. The estimated total value of this contract is £1,600,000 (£200,000 per year) based on a maximum contract term of ninety-six (96) months.
- 4.2.2. This contract will be funded using an existing Housing Revenue Account (HRA) budget.
- 4.2.3. The council has consulted with leaseholders in accordance with the Landlord and Tenant Act and the leaseholders receiving the service will contribute toward the cost of any repairs carried out under the contract through their annual service charges.

### 4.3. Timetable

- 4.3.1. The leaseholder consultation (Landlord and Tenant Act 1985, Section 20) about the proposed entering into this contract concluded on 29 August 2022. The council has not received any observations objecting to the award of this contract.
- 4.3.2. Once this decision is taken and the contract is awarded, we anticipate a two (2) month mobilisation period will commence.
- 4.3.3. The new supplier is expected to start delivering the service in December 2022.

#### 4.4. **Options appraisal**

- 4.4.1. A competitive tender, framework agreement, collaboration and insourcing were considered.
- 4.4.2. Based on the market knowledge and a limited number of companies offering the required service, it was expected that only a small number of organisations would respond. Therefore, a competitive tender using the open procedure was chosen as the procurement route that would generate the best result.
- 4.4.3. This is a corporate contract, so other service areas within the Council may access it if required.

#### 4.5. **Key Considerations**

- 4.5.1. Social Value (SV) was allocated a weighting of 20% of the award criteria, and the economic, social and environmental aspects of the (SV) were considered.
- 4.5.2. The winning supplier will provide economic benefits to the local community within Islington by committing to spend a minimum of 10% of the contract's annual value on local SMEs within Islington.
- 4.5.3. The winning supplier will promote skills and contribute to tackling youth unemployment by partnering with the Islington-based charity that helps young people transition into work. The commitments include engineering placements for young people, shadowing, CV writing, and interview training.
- 4.5.4. One apprenticeship placement will be provided annually as a part of the delivery of this contract.
- 4.5.5. The winning supplier will mirror Islington Council's climate action and commits to being Carbon Neutral by 2030. Whilst delivering the contract, the supplier will also pursue the following objectives: Increasing recycling by 25% year-on-year; reducing CO2 emissions by 15% year-on-year; Implementing a 100% hybrid/electric vehicle fleet by 2025, measuring and recording waste vs recycled waste and employing locally to reduce travel.
- 4.5.6. A detailed implementation program, including timings and milestones for the suitable initiatives, will be agreed upon between the Council and SCCI Alphatrack Ltd during the mobilisation phase of this contract. Social value delivery will be monitored throughout this contract as an integral part of the contract management and performance evaluation.

4.5.7. London Living Wage is included as a condition of the contract.

4.5.8. There are TUPE implications resulting from this contract.

#### 4.6. **Evaluation**

4.6.1. The tender was conducted using the Open Procedure. The tender was 'open' to all organisations who expressed an interest. The procedure included minimum requirements organisations had to meet before the rest of their tender was evaluated.

4.6.2. The Council's award decision was based on the most economically advantageous tender (MEAT). MEAT was identified using 40% cost and 60% quality, of which 20% was Social Value.

4.6.3. The quality criteria were assessed by evaluating the following:

- 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

4.6.4. The financial evaluation of the pricing schedule was undertaken only for the submissions that met the minimum quality requirements and scored at least three (3) points for each question in the suitability and method statements evaluations.

4.6.5. Out of four (4) submissions received, two (2) were compliant and were subject to a quality/method statements evaluation.

4.6.6. The winning supplier met all the required criteria and achieved an overall score of 84%.

#### **4.7. Business risks**

- 4.7.1. 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 been 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.

## **5. Implications**

### **5.1. Financial Implications**

- 5.1.1. Following a competitive tendering process, it is recommended that the contract for TV aerial repairs is awarded to SCCI Alphatrack Ltd.
- 5.1.2. A credit search provided by Dun & Bradstreet was conducted for SCCI Alphatrack Ltd. The credit report indicates a "Low-moderate" overall business risk.
- 5.1.3. Should the contract be awarded, SCCI Alphatrack Ltd would require a period to mobilise the service, which is anticipated to take 2 months and would not incur any additional costs to the council. The council may incur some costs in setting up the contract arrangement but costs are expected to be minimal.
- 5.1.4. The contract is estimated to cost £0.200m per year and is expected to be funded from the existing TV aerial repairs budget in full which stands at £0.200m. It should be noted, the contract is not an annually fixed priced contract, actual costs incurred each year may vary and is dependant on demand and the need for the service. Any cost pressures that may arise will need to be met from the wider Repairs and maintenance budget envelope (£42.857m for 2022/23).
- 5.1.5. The contract would be awarded on an initial term of 36 months with the option to extend for a further 36 months and a further final extension of 24 months, a maximum term of 8 years.
- 5.1.6. The cost of maintaining shared TV aerials for blocks and estates are recoverable from tenants and leaseholders via annual service charges. As per the procurement strategy report, the TV aerial repairs and maintenance contract is not expected to result in a change to the current levy to tenants and leaseholders.

5.1.7. To note, the contract would be subject to an annual inflationary uplift equal to the published CPI figure for the month prior to the contract anniversary date. Inflation rates are currently high and there is a risk that they could remain high for an extended period. Should this transpire, this is likely to cause a budgetary pressure to the service. It is expected that any future pressures will be managed from existing budget allocations for repairs and maintenance. This will need to be monitored closely to ensure appropriate management can be taken to manage risk arising.

## 5.2. **Legal Implications**

- 5.2.1. This decision paper seeks approval to award a 36 month contract with an option to extend for 36 months and a further 24 months at a value of £1,600,000 to SCCI Alphatrack Ltd.
- 5.2.2. The council has power to enter into the proposed contract under section 1 of the Local Government (Contracts) Act 1997.
- 5.2.3. The Local Government Act 1999, requires the council to make arrangements to achieve Best Value in the exercise of its functions when considering a service provision, which includes the services detailed in the body of the report.
- 5.2.4. The estimated total value of the eight year (96 months) contract is £1,600,000. The estimated value of the proposed contract exceeds the 2022 financial threshold for services (£213,477 including VAT) for the Public Contracts Regulations 2015 (PCR). Contracts over threshold need to be advertised on 'Find A Tender'. It is stated in the body of the report that the open Procedure was used. The tender route detailed in the report appears to be compliant with the PCR.
- 5.2.5. The procurement must comply with the council's Procurement Rules. Procurement Rule, 1.7 band (iv) requires "a formal tender process with a minimum of five (5) written competitive tenders". It also states that where "five (5) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative)". It is stated in the body of the report that four submissions were received of which two were compliant and subject to a method statements assessment. Following the completion of the evaluation exercise, the contract was awarded to SCCI Alphatrack Ltd.
- 5.2.6. The provisions of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply and officers will need to make the usual arrangements and facilitate transfer of the relevant statutory information between the outgoing contractor and the incoming contractor to support the contractors' statutory

compliance duties.

- 5.2.7. All contracts with a value above £500,000 will need to be sealed. This should be carried out by Legal Services.
- 5.2.8. Under Procurement Rule 18, Corporate Directors have the power to award contracts using revenue spend of up to £2,000,000.
- 5.2.9. The decision maker can approve the recommendations provided they are satisfied with the contents of the report and the recommendations represents best value for the council.

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

- 5.3.1. The contract stipulates that the supplier will mitigate the impact on the environment, adhere to all appropriate legislation and follows the requirement of the Council's Housing Health Safety and Environmental Code of Conduct for Contractors.
- 5.3.2. The specification for the service sets out expectations regarding the use of materials, minimising and correct disposal of waste and encouraging the use of electric vehicles and use of green energy.
- 5.3.3. The supplier is legally required to protect any roosting bats and nesting birds they encounter.
- 5.3.4. The supplier will also be encouraged to use low or zero-emission vehicles and install energy-saving replacement parts where possible and compatible.

### 5.4. **Equalities Impact Assessment**

- 5.4.1. 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.

5.4.2. An Equality Impact Assessment was completed on 6 December 2021 and identified no adverse impact on groups with protected characteristics.

5.4.3. The full Equality Impact Assessment is appended.

## 6. Conclusion and reasons for the decision

6.1. Entering into a contract with SCCI Alphatrack Ltd will ensure that all necessary responsive repairs and maintenance to TV aerial systems in residential blocks, community centres and reception centres at various locations throughout the borough of Islington are provided.

## 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 Homes and Neighbourhood**

Date:

### **Appendices:**

Appendix 1 EIA - Equality Impact Assessment for TV Aerials Contract (2122-0299)

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