

Homes and Neighbourhoods
222 Upper Street

Report of: Executive Member for Homes and Neighbourhoods

Meeting of: Executive

Date: 24th October 2024

Publication: Open

Council Priority: A safe place to call home

Ward(s): All

Subject: Testing, Repairs, Servicing Works for Door Entry, Access Control, Vehicle Access Barriers, and Security Shutter Systems

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of testing, repairs, servicing works for door entry, access control, vehicle access barriers, and security shutter systems.
- 1.2. The contract is needed for the provision of testing, repairs, and servicing works to these systems located within Islington Council residential properties, to vehicle access gates and barriers, and security shutter systems located on council housing estates, and various other council owned buildings.

2. Recommendations

- 2.1. To approve the procurement strategy for testing, repairs, servicing works for door entry, access control, vehicle access barriers, and security shutter systems.

- 2.2. To delegate authority to award the contract to the Acting Corporate Director of Homes and Neighbourhoods, after consultation with the Executive Member for Housing and Neighbourhoods, following completion of the tender process.

3. Background

3.1. Nature of the service

- 3.1.1. The council is a landlord to tenants and leaseholders living in homes located across the borough. The council's stock comprises residential blocks, community centres, and concierge offices, all of which avail some use of door entry and access control systems, vehicle access gates and barriers, and security shutter systems. As a landlord and employer, the council is responsible for ensuring the provision of safe and fully operational equipment.
- 3.1.2. Ensuring the functionality of these systems is paramount for the overall safety and well-being of residents and staff. These systems act as a safeguarding mechanism against unauthorised access and potential security breaches.
- 3.1.3. Maintaining these systems in good working order also facilitates smooth access for council staff, operatives and contractors carrying out duties for example, necessary capital, repairs, and maintenance works.
- 3.1.4. In times of emergencies, such as fire or medical incidents, the efficiency of these systems becomes essential for the prompt response of emergency services. In the event of critical emergencies, emergency services have access to overrides/keys should the need arise.
- 3.1.5. Accordingly, an emergency response element will be contained within the contract. Embedding an emergency response component within the contract framework, ensures that protocols are in place to address such situations effectively. Additionally, clear and reactive communication measures will be implemented by the service to supplement the emergency component. For example, providing communication to residents that the system is down, once such an order has been raised, ensuring residents are clear on the processes involved and updates provided to them. Such foresight not only enhances safety and security but also instils confidence among interested parties. This will also extend to include out of hours provision, where a situation may necessitate (e.g., a situation that arises in the night).
- 3.1.6. A well-maintained access infrastructure is indispensable for the convenience and security of vulnerable residents, providing them with a sense of assurance and protection. In addition, the upkeep of such systems is vital for giving carers access, and essential for the delivery of care-based packages.

- 3.1.7. The coronavirus pandemic has subsequently led to a greater number of people being at home more frequently. It has also accelerated 'working from home/hybrid working' practices. Thus, greater strain has been placed on these systems, increasing the importance of maintaining their working order.
- 3.1.8. The existing door entry contract is set to expire on 1st April 2025. To bridge the gap until the new contract commences, the current contractor will be relied upon, and the contract will be extended accordingly.
- 3.1.9. The council seeks a single contractor to provide comprehensive testing, repairs, servicing works for door entry, access control, vehicle access gates and barriers, and security shutter systems across the borough, covering residential blocks, estate car parks, community centres and concierge offices. The successful contractor will also be responsible for the acquisition and supply of the SIM Cards used in cloud-based access control systems.
- 3.1.10. The upcoming contract will include an operational team responsible for the day-to-day repair works, encompassing cost management, work quality, and residential access. A monthly operational meeting will be conducted for ongoing coordination. Additionally, a designated contract officer will manage contractual matters, monitor performance, and address escalated operational issues in higher-level meetings scheduled quarterly or as needed.
- 3.1.11. The new procurement will include a new specification of requirements with updated KPIs, ensuring value for money is achieved.

3.2. **Estimated value**

- 3.2.1. The current door entry contract (including vehicle access gates and barriers, security shutter systems) outturn for the last 3 years is as follows:
- 2020-2021: £635,094
 - 2021-2022: £661,606
 - 2022-2023: £809,312
- 3.2.2. The estimated total aggregate value of the new contract is £4,200,000 (£700,000 per annum), based on a contract term of 72 months.
- 3.2.3. It is proposed that the duration of the contract be for an initial period of 24 months, with an option for a further extension of 24 months, and a final option to extend by a further 24 months. Should the contracts be extended, the maximum total contract will be for a period of 72 months (six years). The contract will include break clauses which the council may enact should circumstance necessitate the contract end earlier.
- 3.2.4. 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), Council leaseholders will be recharged for works undertaken linked to their property.

3.2.5. It is proposed that an annual indexation using Consumer Price Index (CPI) be included within the contract, implemented from the first contract anniversary. The contract is dependent on adequate skilled labour where salaries can be quite competitive and inflate annually, as well as the inflation that occurs with parts and materials. The inclusion of CPI will allow for external inflations without impacting the viability of the contract delivery, and enable the council's budgets and spend to be effectively managed.

3.3. **Timetable**

3.3.1. The current door entry contract is due to expire on April 1st 2025.

3.3.2. The anticipated timetable for the procurement is as follows:

- Approval of Procurement Strategy: October 2024
- Invitations to tender: November 2024
- Approval of Contract Award: February 2025
- Start/Mobilisation of the new Contact: April 2025

3.3.3. In preparation for this procurement strategy, the service has consulted with health and safety, climate action team, equalities and fairness, finance, legal and strategic procurement teams.

3.3.4. This procurement involves a two-stage Section 20 consultation with leaseholders, given that they will incur charges for door entry repairs, including repairs to internal door entry handsets.

3.4. **Options appraisal**

3.4.1. As part of the planning for this procurement exercise, various procurement routes have been evaluated:

- Do nothing
- Deliver the service in-house
- Use of an external framework agreement
- A competitive open tender process
- Collaboration with neighbouring authorities
- Collaboration with other Islington Council Directorates- Corporate Landlord and Capital

3.4.2. Do nothing: Given the nature of the service, taking no action is not feasible. The council is legally obligated to provide this service. Allowing the contract to lapse without renewal exposes the council to potential legal challenges and enforcement actions. Failure to inspect and service equipment in accordance with legislative requirements increases the risk of death or serious injury. Additionally, such negligence would pose a significant threat to the council's reputation.

3.4.3. Deliver the service in-house: Insourcing this service would grant the Council full control over resident services. However, it necessitates substantial upskilling and

equipment procurement for the in-house repairs team. There are also likely to be significant periods of downtime for the directly employed operatives which would be an inefficient use of council resources. Considering the specialised nature and the resources required to facilitate the task, insourcing is not recommended.

- 3.4.4. Use of an external framework: Using an external framework agreement could offer a quicker procurement route. This is due to the fact that using an existing framework agreement means that several contractors have already completed a pre-selection process in order to join the framework. However, the existing framework agreements lack the all-inclusive pricing model maintained by the service. The adoption of framework pricing would require significant IT system adjustments and hinder section 20 consultation with council leaseholders. They also restrict the number of suppliers that can tender for the opportunity to those already on the agreement. For these reasons, this option is not recommended.
- 3.4.5. A competitive open tender process: Opting for a competitive open tender process, albeit slightly longer, affords the council greater control over the terms and conditions of the contract, aligning with existing service and payment requirements. The open procedure allows for selection and award criteria, pricing, specification and terms and conditions to be specifically tailored to meet the council's needs. Given the particularly important legislative requirements, and safety and compliancy consequences linked to the delivery of this contract, it is preferable to have maximum control over the full procurement process. For the above reasons, a competitive tender process using the Open Procedure is the preferred route for this procurement.
- 3.4.6. Collaboration with neighbouring authorities: Collaboration with neighbouring authorities was also considered. The service delivery model of other authorities does not mirror that of Islington Council's. Door entry systems that currently exist across the borough are not standardised systems, thus meaning complexity of any cross collaboration would likely not result in any significant economies of scale or efficiency saving.
- 3.4.7. Collaboration with other Islington Council Directorates: The potential for collaboration with other Islington Council Directorates has been evaluated. The contract will be a corporate contract and therefore be accessible for other directorates of the council to utilise. This facilitates collaboration between the council's repairs and maintenance, capital, and corporate landlord teams. Other directorates utilising the service, must deal with the contractors themselves.

3.5. **Key Considerations**

- 3.5.1. The successful contractor must deliver social value to Islington residents as a contractual obligation. Specific, stringent social value measures and targets will be outlined in the contract specification. Social value proposals within tender submissions will have a bearing on the quality evaluation, accounting for 20% of the score. Performance regarding social value delivery will be regularly monitored during contract meetings and will influence decisions regarding contract extensions.

- 3.5.2. Within their tender returns, contractors will be asked to demonstrate their commitment and quantify their social value requirements. The chosen contractor must provide one apprenticeship opportunity in each 3-year period of the contract (Total x 2) for residents to train as specialist technicians throughout the contract. The apprenticeship is a level 3 Apprentice Security Engineer. The contract's potential duration offers an opportunity to recruit and train apprentices for eventual full-time employment within the facilities and maintenance sector.
- 3.5.3. Contractors will work directly with the council's Construction Team (iWork service), who will do all the advertising, shortlisting, and recruitment of residents for the contractor to interview. This reflects the council's agenda of prioritising local recruitment, especially for disadvantaged residents.
- 3.5.4. Contractors will need to demonstrate their commitment and support to council priorities related to net-zero carbon and environmental protection. Implementing such measures will reduce the carbon footprint of the delivery of this service. An example of such, using electric vehicles to undertake works, and using sustainably sourced and recyclable materials, wherever possible. Contractors will also be required to consider and take reasonable steps to protect wildlife when necessary, or appropriate to the works.
- 3.5.5. The contractors will need to consider recycling/reconciliation of existing obsolete door entry equipment to extend the life span of current equipment, when this is feasible. The prevailing market rate for Door Entry Engineers already exceeds the London Living Wage.
- 3.5.6. Mandating the London Living Wage is an integral aspect of the contract terms.
- 3.5.7. The chosen contractor must guarantee their staff fair Terms and Conditions of employment, access to Trade Unions, and training opportunities. Contract specifications will explicitly forbid the recruitment of any staff, including both operational and administrative roles, on zero-hour contracts.
- 3.5.8. TUPE regulations may apply to the new contract.

3.6. **Evaluation**

- 3.6.1. 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.
- 3.6.2. The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 60% quality and 40% cost.
- 3.6.3. The detailed breakdown of the quality criteria includes:

- 20% for the proposed approach to quality management.
- 20% for the proposed approach to meeting social value requirements.
- 10% for the proposed approach to resourcing the contract.
- 10% for the proposed approach to communication with the client and the resolution of complaints.

3.7. **Business risks**

- 3.7.1. Islington Council is legally obligated under The Secure Tenants of Local Housing Authorities (Right-to-Repair) Regulations 1994 to ensure the provision of repairs and maintenance for door entry and access control systems, as well as vehicle access and shutter systems, maintaining them in a satisfactory operational condition. Non-compliance with these regulations, resulting from a break in service delivery, may render the council liable for compensation and in breach of statutory obligations.
- 3.7.2. The functionality of door entry, access control, vehicle access and shutter systems are paramount to the overall safety and well-being of the community. Residents rely on these systems to access their buildings and admit visitors. Such systems facilitate access for emergency services in times of emergency and give access to operatives/contractors when works are required, while vulnerable individuals may depend on them to facilitate essential care services. Failure to maintain these systems in good working order could lead to vulnerable residents being unable to access vital services. Leaseholders, who contribute to door entry system repairs through service charges, rightfully expect timely repairs when malfunctions occur. To mitigate these risks, it is imperative to promptly procure this contract, ensuring timely delivery of necessary services.
- 3.7.3. The increasing economic uncertainty and inflationary pressures pose a risk that the contract may not be awarded due to either a lack of contractor tendering or the failure of the tender process. To mitigate this risk, proactive measures will be taken to inform both the current contractor and other potential contractors about the upcoming advertisement of the contract. This will ensure a broad range of contractors are aware in advance of this and have the opportunity to contract with the council, thereby enriching the pool from which suitable contractors can be selected.
- 3.7.4. In the event of unsuccessful procurement with no suitable contractor tendering or being identified, which is considered a low likelihood but with high impact and priority, interim emergency measures will be sought, and plans for urgent re-procurement will be put in place. Similarly, if the successful contractor pulls out of the contract prior to the start of the contract, a scenario also deemed low in likelihood but high in impact and priority, interim emergency measures will be sought, and plans for urgent re-procurement will be initiated. Additionally, delays to

the procurement process resulting in limited mobilisation time for new suppliers, considered of low likelihood but with high impact and priority, necessitate a mobilisation plan put in place prior to the contract award to minimise mobilisation time.

3.7.5. On going economic uncertainty and rising service delivery costs during the contract term increase the risk that the successful contractor may withdraw after mobilisation. To mitigate this, rigorous contract management will be implemented. Contractors will have the chance to identify and discuss risks with the council, enabling proactive resolution before situations escalate.

3.7.6. There is a risk of contractors being unable to handle the workload. This risk is addressed through clearly defined specifications and thorough evaluation during the method statement stage of the tender process. Officers will work closely with the contractor should this situation arise during the contract term to support the contractor to overcome difficulties. However, should this fail more formal processes will be considered which could result in emergency interim measures being implemented and an early procurement of a new contract.

3.7.7. 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.

3.7.8. 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	<p>This report sets out the strategy to procure a contractor to undertake the testing, repairs, and servicing works for door entry, access control, vehicle access barriers, and security shutter systems located on council housing estates, and various other council owned buildings.</p> <p>See paragraph [3.1]</p>

2. Estimated value	<p>The estimated value per year is £700,000.</p> <p>The agreement is proposed to run for an initial 24month period, with an option of two further extensions of 24 months each.</p> <p>The total aggregate value of the contract is estimated to be £4,200,000 if the maximum contract length is reached (6yrs).</p> <p>See paragraph [3.2]</p>
3. Timetable	<ul style="list-style-type: none"> • Advert • Shortlisting • Award • Other relevant dates <p>See paragraph [3.3]</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>A competitive tender process using the Open Procedure is the preferred route for this procurement.</p> <p>See paragraph [3.4]</p>
5. Consideration of: <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	<p>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.</p> <p>See paragraph [3.5]</p>
6. Award criteria	<p>The award criteria will be split at 60% quality, and 40% price. The award criteria price/quality breakdown is more particularly described within the report.</p> <p>See paragraph [3.6]</p>
7. Any business risks associated with entering the contract	<p>A number of business risks linked to the successful delivery of this procurement are outlined in the body of this report.</p> <p>See paragraph [3.7]</p>
8. Any other relevant financial, legal or other considerations.	<p>See paragraph [4]</p>

4. Implications

4.1. Financial Implications

4.2. This report outlines the strategy to procure a supplier for testing, repairs, and servicing works for door entry, access control, vehicle access barrier, and security shutter systems across the Housing Revenue Account (HRA) properties. Currently, these services are provided by Alphatrack Systems Ltd.

4.3. Annual Estimated Value:

The estimated annual value of the contract is £700,000 (a revenue budget in the HRA). This estimate is based on the average cost of services from 2020-21 to 2022-23, as provided by the finance Cedar system. It is important to note that these figures have been subject to data cleaning to ensure accuracy. The most recent financial period closed with a total cost of £688,803 20 (2003-24).

4.4. Contract Duration and Total Value:

The proposed contract will initially run for 24 months, with the option for two additional extensions of 24 months each, subject to CPI adjustments. If the maximum contract length of six years is reached, the total aggregate value of the contract is estimated to be £4,200,000, excluding CPI uplifts.

4.5. Cost Recovery:

Costs for door entry systems are recoverable from tenants and leaseholders through annual service charges. The estimated impact of this procurement exercise is not material. There should therefore be minimal impact to tenant service charges calculations. If the procurement exercise varies significantly from this, then any budget shortfall would impact HRA reserves. From 2025/26 onward, the costs would be recovered from tenants via an appropriate increase in service charges. The leaseholder share of the costs will be recovered through the leaseholder service charge actualisation process.

4.6. Budget vs. Estimated Costs:

Finance Year	Budget	Estimates	Variance
2024/25	£698,400	£700,000	£2,600
2025/26	£698,400	£700,000	£2,600

4.7. Managing Budget Exceedance:

The estimated cost of this procurement exercise is broadly in line with existing budgets. As referenced in 4.5, should the costs ultimately exceed this, we will need to factor this into future service charge calculations.

4.8. Inflation Considerations:

Contract values will be subject to CPI adjustments to account for inflation.

4.9. Financial Risks:

The calculations are based on historical spend data from the Cedar system, which may contain data cleaning errors. Additionally, costs related to fob systems and their expansion are included in the same cost centre, which could affect accuracy.

4.10. Tender evaluation criteria: The evaluation criteria are 60% Quality and 40% Cost. This has been discussed with the lead procurement officer and we are satisfied with this weighting.

4.11. **Legal Implications**

4.12. The Council is responsible for undertaking the repair, maintenance and improvement of its housing properties and installations in accordance with Part 2 of the Housing Act 1985 and section 11 of the Landlord and Tenant Act 1985. The Council is also legally obligated under The Secure Tenants of Local Housing Authorities (Right-to-Repair) Regulations 1994 to ensure the provision of repairs and maintenance for door entry and access control systems, as well as vehicle access and shutter systems, maintaining them in a satisfactory operational condition. The council has the power to procure and enter into the proposed contract under section 1 of the Local Government (Contracts) Act 1997 and s111 of the Local Government Act 1972.

4.13. The proposed contract is a works contract. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £5,372,609 for works contracts. Contracts below this value do not need to be advertised in Find a Tender service (FTS) or Contracts Finder. However, such contracts need to be procured with due regard to the principles of equal treatment, non-discrimination and transparency that underpin the Regulations. The council's Procurement Rules require contracts over the value of £214,904 to be subject to competitive tender.

4.14. The proposed procurement strategy, a competitive tender process using the Open Procedure, complies with the principles underpinning the Regulations and the council's Procurement Rules.

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

4.16. The contract is for a period in excess of 12 months and therefore will be a qualifying long-term agreement under section 20 of the Landlord and Tenant Act

1985. Accordingly, the Council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

4.17. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

4.18. An Environmental Implications Assessment was conducted for this contract and was subsequently signed off by Climate Action Team on 14th May 2024.

4.18.1. Door entry and associated system repairs can have an impact on the environment by way of energy use, material consumption, and transportation. Repair processes often involve energy-intensive tools and equipment, contributing to overall energy consumption. Additionally, materials such as metals, plastics, and electronics used in repairs have environmental implications, including emissions from manufacturing and disposal. Transportation of repair personnel and materials to and from sites adds to carbon emissions.

4.18.2. To align with the Net Zero 2030 plan, contractors will need to outline environmental impact reduction strategies in their method statements for tender evaluations. The contractor term brief will emphasise waste reduction, efficient vehicle usage, and carbon footprint reduction, aligning with the council's environmental objectives.

4.18.3. The Contractor will be required to adhere to the requirements of the council's Health, Safety and Environment 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.

4.18.4. Contractors will have to commit to using ULEZ compliant vehicles, or low or zero emission vehicles with a view to moving to electric/hybrid vehicles, where the charging infrastructure and technology is developed enough to support this. Where possible, the contractor will use recycled or sustainably produced materials, when doing so will not compromise relevant safety standards and requirements.

4.18.5. We will collaborate with our contractors and suppliers to decrease emissions in alignment with the net zero 2030 plan. As part of the tender evaluation process, contractors will be required to outline their proposed actions in line with the council's objectives within their method statement.

4.19. Equalities Impact Assessment

- 4.19.1. 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.
- 4.19.2. A screening tool Equalities Impact Assessment was signed off on 7 March 2024 by Equalities and Fairness.
- 4.19.3. This procurement process ensures that no individuals within protected characteristic groups will experience negative impacts. Moreover, the contract's implementation will benefit vulnerable groups by facilitating access for care and home assistance services to residents' properties. By prioritising the upkeep of these systems, we not only enhance security but also contribute to the overall resilience and safety of the community. Diversity and equality considerations are integral throughout the procurement process. Service providers will be assessed on how they handle door entry repairs for customers with any equality characteristics, with scoring criteria applied. Additionally, it is a contractual obligation for service providers to adhere to Islington Council's policies and procedures, which prioritise equality, diversity, and accessibility in service delivery.

5. Conclusion and reasons for recommendations

- 5.1. The procurement of this contract is essential for several reasons. It ensures access for operatives and contractors to carry out necessary works, facilitates emergency services access, maintains uninterrupted care services for vulnerable residents, enhances community safety through security measures, and fulfils statutory health and safety obligations through proactive maintenance, ultimately ensuring the safety, security, and well-being of residents and the wider community.
- 5.2. Following a thorough options appraisal, it is recommended that the contract is procured through a competitive tender process.

Appendices:

- None

Background papers:

- None

Final report clearance:

Executive Member for Homes and Neighbourhoods

Date: 11 October 2024

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