

CABINET

8 MARCH 2022

AWARD OF GAS & RENEWABLES SERVICE CONTRACT 2022 – 2028

Cabinet Member: Cllr Bob Evans, Deputy Leader and Cabinet Member for Housing and Property Services
Responsible Officer: Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing

Reason for Report: To advise Members of the procurement of a combined gas and renewables servicing delivery partner (2022-2028) and confirm the award of the contract.

RECOMMENDATION: That Cabinet approve the following

- 1. The new 6-year (4+1+1) Combined Heating Services Contract is awarded to Contractor 2 with a forecast annual cost £385,000.00.**
- 2. Delegated authority be granted to the S151 Officer (in consultation with the Deputy Leader and Cabinet Member for Housing and Property Services) to complete the associated service contract.**

Contracted Works: The contract will deliver the statutory annual landlord gas safety inspection, along with servicing and reactive repairs for both MDDC owned gas appliances and renewable measures in our housing stock.

Relationship to Corporate Plan: To ensure the council maintains its statutory duty as a Registered Social Landlord (RSL) to maintain compliance for gas safety and demonstrate this by the production of a Landlord Gas Safety Record (LGSR) for each tenanted property as determined by the Gas Safety (Installation and Use) Regulations 1998 and The Gas Safety (Installation and Use) (Amendment) Regulations 2018.

Financial Implications: The budget for the works is £385,000.00 per annum. This is an aggregated figure across the various installed measures. There is an expectation of higher costs associated with the delivery of servicing of the Renewables measures during year 1.

Legal Implications: We have a legal duty to maintain safety compliance standards within or homes. The conditions and specifications within the contract will provide a robust framework for maintaining quality of delivery by the successful contractor.

Risk Assessment: The principal risk is failing to maintain ongoing compliance and place the Council at risk of penalty: legally, financially and with regard to its reputation. The performance of the contract shall be monitored continually. Monthly reporting will be employed to monitor Key Performance Indicators but the contractor is required to maintain LGSR compliance at all times.

Impact on Climate Change: Beyond safety considerations, the efficient running of gas heating appliances and our renewable equipment and measures in place in our

housing stock is critical in terms of minimising and reducing our carbon emissions within the Mid Devon Housing Service and therefore as a Council.

1 Introduction

- 1.1 The term of this contract is 4 years with two possible 1 year extensions subject to budgets, performance and the approval of the Portfolio Holder for Housing.
- 1.2 The procurement procedure was a compliant mini competition award process via the ProcurePublic Framework Agreement Heating & Electrical Services (Award Notice 2020/S 251 – 634326)
<https://www.procurepublic.co.uk/framework/heating-framework/>

2 Framework Benefits

- 2.1 Shared procurement expertise and resource.
- 2.2 The terms & conditions for delivery have already been established but are flexible enough to accommodate local changes / preferences
- 2.3 The pre-tendered framework is already fully compliant with PCR Regulations to deliver speedy procurement outcomes.
- 2.4 The requirement has been advertised and capable suppliers have been identified through competitive procurement.
- 2.5 All suppliers have been fully assessed for their experience, technical and professional ability.

3 Procurement Process

- 3.1 The framework tender was first advertised as a PIN (Prior Information Notice) on the 4th September 2020. (2020/S 173-419262). This is designed to let the market know that a tender is coming. 35 companies expressed an interest at this point. The Contract Notice (2020/S 224-551996) was released on the 11th November 2020. 58 bidders downloaded the tender documents. 23 Tender responses were received. The Award Decision Notice was (2020/S 251-634326) whereby 10 bidders were awarded places onto the framework.
- 3.2 A PIN/EOI was issued to Framework members on w/c 22/11/2021. 8 suppliers expressed an interest in bidding as part of a mini-competition to deliver gas and renewables servicing of MDDC households.
- 3.3 The mini-competition documents were distributed to bidders on: 14/01/2022. 2 Suppliers submitted final bids by the 31/01/2022 deadline.
- 3.4 Evaluation criteria set out in the original ITT and maintained as part of the mini-competition:

Quality	60%
Price	40%

- 3.5 There were slight changes to the original specification, hence the need to run a mini-competition. These included: tenant engagement and adhering to the MOT (Reg 36A) form of gas safety inspection.
- 3.6 Evaluations were carried out during early February 2022, by representatives from Mid Devon District Council's Planned Maintenance and the ProcurePublic Framework Manager.
- 3.7 The outcome of the evaluation is shown below:

CONTRACTOR	SCORE		TOTAL (OF A POSSIBLE 100%)
	PRICE (MAX.40%)	QUALITY (MAX.60%)	
Contractor 1	39.08%	36.00%	75.08%
Contractor 2	36.91%	48.00%	84.91%

4 Conclusion

- 4.1 The outcome of the evaluation of the suppliers via the Procure Public Framework and our own Service Level Criteria shows Contractor 2 as the highest ranked supplier that could meet our specific needs.
- 4.2 Approval is required from Cabinet for contract award. The recommendation is made based upon the contract being awarded to the contractor with the highest combined price/quality score with 40% of the total score based on price and 60% on quality.
- 4.3 Following the decision, there will be a compulsory 10 day standstill period after which the contract will be awarded.
- 4.4 The contract will commence on 1st April 2022.

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Circulation of the Report:

Deputy Leader and Cabinet Member for Housing and Property Services
Leadership Team
Corporate Management Team
Operational Leads including Legal Services

List of Background Papers:

- **ANNEX A: PART II - Confidential**