

Report to: Housing Review Board



Date of Meeting 24th March 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Procurement of the Gas Servicing/Services Contract

Report summary:

To update the Housing Review Board on the current position with the procurement, award and mobilisation of the Gas Servicing Contract to enable seamless delivery of the service following expiry of the existing/implementation of the new Contract.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Housing Review Board note the update on the current position with the procurement, award and mobilisation of the gas servicing/services Contract.

Reason for recommendation:

To ensure that East Devon District Council discharge their legal requirement to carry out annual gas servicing to all stock with a gas component delivering 100% compliance.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Medium Impact

As a Social Landlord we carry a Statutory Requirement to carry out annual gas servicing on all of our stock containing a gas component

Climate change Medium Impact

Risk: Medium Risk; In the coming years the use of gas components will be gradually phased out, other fuel options will need to be considered, in relation to gas there is likely to be switch to Hydrogen, the procurement will be carried out to reflect this and the impact of Climate Change

Links to background information [HRB Agenda and minutes September 2021](#)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Report in full

1. Current Position:

2. Liberty Group have been delivering the 3 star gas servicing contract for the past four years, we have just entered the fifth year. The Contract with Liberty is due to expire on 31st March 2022.
3. Liberty Group deliver the following services:
 - Domestic boiler servicing.
 - Domestic boiler and heating breakdown and repairs.
 - Commercial boiler servicing and breakdowns.
 - Domestic and commercial boiler installations.
 - Unvented Cylinder Servicing.
 - LPG & Oil Servicing.
4. The current value of the servicing contract is £450k per annum.
5. For the duration of the contract to date the Liberty Group have provided a good level of service and achieved 100% compliance at all times unless exceptional circumstances otherwise dictate e.g. the Covid pandemic. We have full confidence in the current service provider at all levels e.g. National/Regional Director level, Local Management level and at operational level Supervisors and Engineers all of whom are Gas Safe registered.
6. The current gas servicing programme is carried out on an 11 month cycle. With this type of servicing the date changes year on year and as you move through the cycle properties will have two services carried out resulting in considerable additional expenditure.

As part of the procurement process we intend to change the regime to the industry recognised 'MOT Style' servicing in accordance with The Gas Safety (Installation & Use) (Amendment) Regulations 2018 Regulation 36. Under this arrangement the service date will remain the same year on year, our Tenants will be able to diarise this date and know when to expect their annual gas service. The only change to service date will be as a result of a major component change e.g. a boiler replacement.

7. Procurement Phase:

8. After an initial procurement exercise it was demonstrated that the gas servicing and related services work streams would not be added to the Integrated Asset Management Contract delivered by Ian Williams, therefore other options were explored.
9. As members of Advantage South West (ASW) we were aware that their Gas Servicing Framework was due to be re-procured.

After consultation, we took the opportunity to take advantage of ASW's procurement expertise and tender our own Gas Servicing/Services Contract alongside their Framework particularly as the timescales for the re-procurement of their Framework aligned with our own requirements.

This route gave us the comfort that the procurement was being driven by an organisation with the required expertise in procurement ensuring compliance with all Statutory Regulations.

In addition, the procurement was within our required timescales, namely our existing Contract concluding on 31st March 2022 and our new Contract/Contractor being in place to commence work on 1st April 2022.

10. Tender process:

11. The project has followed a process compliant with the Public Contract Regulations 2015 and subsequent amendments. This has seen public advertisements being placed on the Find-a-Tender Service ('FTS', the OJEU replacement) (Contract Notice 2021/s 000-017933 dated 28/07/2021) and Contracts Finder (ADVSW001-DN559603-06952891 dated 28/7/21).

A restricted procurement process was chosen with submission of the Supplier Selection Questionnaires and tenders in accordance with ASW's adopted governance arrangements and utilising the www.advantageswtenders.co.uk website e-tendering functionality

12. Award Criteria:

13. The procurement documentation was accessed by 49 companies through www.advantageswtenders.co.uk. 7 companies submitted SSQ responses by the 31/8/21 deadline:

- British Gas Social Housing Ltd t/a P H Jones
- Dodd Group Midlands Limited
- Gas Call Services Limited
- Liberty Group
- Robert Heath Heating Limited
- Shield Mechanical & Electrical Services Ltd
- Sure Maintenance Ltd

Of these, all except Shield met the requirements of the SSQ documentation and were invited to tender. Shield were notified of their exclusion.

14. Tender Evaluation Process:

15. The tender analysis methodology was determined by EDDC and ASW as 60% price, 40% non-price. Price score was out of 150, non-price score out of 100.

| Ref | Tender Analysis Criteria | | |
|-----|--------------------------|--|--------|
| | Price | | 150.00 |

| | | | |
|-----|---------------------------|-------|--------|
| 1.1 | Web Portal a | 12.50 | |
| 1.2 | Web portal b | 12.50 | |
| 2.1 | Resident communication | 10.00 | |
| 2.2 | Client communication | 10.00 | |
| 3.1 | Resourcing | 15.00 | |
| 4.1 | Supply chain management a | 15.00 | |
| 4.2 | Supply chain management b | 5.00 | |
| 5.1 | Mobilisation plan | 20.00 | 100.00 |
| | | | 250.00 |

Sure Maintenance Ltd chose not to submit a tender.

Tenders received were analysed by:

- Jo Garfoot - EDDC
- Graham Baker - EDDC
- Michelle Davidson - EDDC
- Kevin Alexander - EDDC
- Steve Gammon - EDDC (IT Questions only)
- Simon Landfear - Strata Services (IT Questions only)
- Neil Biddiscombe - Advantage South West (ASW)

16. Summary of Tenders:

17. Following analysis of the Tenders the results were:

| Tenderer | Price Score | Quality Score | Total |
|--|-------------|---------------|--------|
| Liberty Group | 150 | 83.13 | 233.13 |
| British Gas Social Housing Ltd t/a P H Jones | 140.47 | 80.23 | 220.70 |
| Dodd Group Midlands Ltd | 136.74 | 69.65 | 206.39 |
| Gas Call Services Ltd | 128.40 | 69.04 | 197.44 |
| Robert Heath Heating Ltd | 126.22 | 65.80 | 192.02 |

The commercial evaluation was carried out by ASW.

Following the Tender process the successful company was our current incumbent, Liberty Group.

18. Sub-contracting:

19. Liberty indicated as part of their Tender submission that no sub-contractors will be used unless specifically agreed.

20. TUPE Considerations:

21. There are no TUPE implications in the award of this contract as the contractor is already the incumbent.

This question was however asked at the outset of the tender exercise and Liberty demonstrated they fully understood the implications of TUPE.

22. Award:

23. On completion of the procurement process a 'Tender Award Recommendation Paper' was prepared and in line with the delegated powers awarded to the Strategic Lead for Housing, Health & Environment and the Housing Service Lead that enabled them to sign off as accepted/approved the relevant stages of the procurement process to facilitate the appointment of Liberty Group to deliver the 3 Star Gas Servicing Contract.
24. An Award letter was issued to Liberty Group on 5th January 2022 formally accepting their tender dated 4th November 2022.

The letter confirmed that the Contract will commence on 1st April 2022 and will be for a duration of 4 years with the option to extend by a further 6 (2+ 2+ 2+).

25. Contract Documents are being prepared by an external Legal provider Devonshires and these will issued for signing by all parties prior to the commencement of the Contract.

26. Mobilisation

27. Following the award of the Contract we have developed a Mobilisation Plan with Liberty and are currently working through the numerous tasks and developing numerous documentation to ensure the smooth running of the Contract. An example of the documents being prepared are:

- Terms of reference
- Business Continuity Plan
- Communications Plan
- Risk Register
- CDM Plan
- Method Statements/Risk Assessments
- Social Value Plan

28. In addition our IT Team are working with our service provider Strata and Liberty's specialists to develop an interface between the organisation that ultimately assist in the management of the Contractor increasing our efficiencies in managing the Contract and our ability to report on/manage performance

This will allow the Contract to be fully mobilised and be in a position to 'go live' on 1st April 2022 ensuring that gas servicing is carried out without disruption ensuring that East Devon District Council remains 100% compliant.

29. Go live:

30. On April 1st 2022 our new gas servicing/services Contract will go live delivering 3 star industry standard 'MOT Style' gas servicing.
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Financial implications:

The financial implications and current contract value have been discussed within the body of the report.

Legal implications:

The Procurement framework is set out within the report and requires no further comment