

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 March 2017

Portfolio:	Policy and Resources
Subject:	Extension of Contract for Gas Servicing and Boiler Replacement.
Report of:	Director of Finance and Resources
Strategy/Policy:	Corporate Strategy
Corporate Objective:	Safe and healthy place to live and work.

Purpose:

This report recommends that the Executive approves the extension of the existing contract for Gas Servicing and Boiler Replacement for the Councils property portfolio for fourteen months, following which it is to be subject to a competitive tender.

Executive summary:

The Council has a statutory duty to manage gas appliances within its property portfolio and this service is currently contracted to TSG Building Services.

The contract expired on the 28 February 2017 and the Executive is requested to consider extending this by fourteen months whilst a new model for service delivery is developed and subjected to a competitive tender.

Recommendation/Recommended Option:

That the Executive approves the existing contract with TSG Building Services Ltd be extended until 30 April 2018.

Reason:

To allow continuity of services whilst a new model of service delivery is developed prior to the service being subjected to a competitive tender.

Cost of proposals:

All costs of this proposal will be contained within existing revenue budgets.

Appendices: None.

Background papers: None

Reference papers: None.

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Executive Briefing Paper

Date:	06 March 2017
Subject:	Extension of Contract for Gas Servicing and Boiler Replacement.
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

1. In January 2011 the Executive approved the award of a five year contract to TSG Building Services Ltd to undertake gas servicing, boiler repairs and boiler replacements across the Council's property portfolio including domestic, public and commercial properties.
2. The original agreement contained within it an option to extend the contract for a further two years subject to the satisfactory performance of the contract.
3. In February 2015, the Executive approved the triggering of the extension clause and as such the contract was extended and concluded on 01 March 2017. The current contract has therefore expired but both parties have agreed to operate under the existing terms pending a decision on the future of the contract.

PROPOSAL

4. The Council's responsive repairs team has been reviewed using the Vanguard method and as a result working arrangements have changed with the emphasis now focussed on "what matters" to customers. Consequently, it is intended to prepare a new model for service delivery and specification for the gas servicing contract and to then re-tender the contract to ensure that the successful contractor provides the service in a way that more effectively meets the need of the customer.
5. This desire to formulate a new delivery method has resulted in a period of up to fourteen months between the expiry of the existing contract with TSG and the appointment of a new provider for this service.
6. A start date for the new provider of 1st May 2018 will also allow a handover during the non-heating season when demand on this contract is reduced.
7. The Executive is therefore requested to consider extending the existing arrangements with TSG Building Services for a further fourteen months to maintain continuity of service whilst a new model is developed and subjected to a competitive tender process.

CONTRACTOR PERFORMANCE

8. In considering the original two year extension to the contract, the Executive considered the performance of the TSG Building Service Ltd and concluded that this was satisfactory. Their performance over the last two years has maintained a satisfactory standard, and officers have no concerns about extending the arrangement for a further period.

FINANCIAL IMPLICATIONS

9. This contract is funded from the existing Housing Revenue Account for Council Housing properties and from the General Fund revenue budgets for other Council owned properties including the Civic Offices, Ferneham Hall and the Depot.
10. Over the twelve month period of the proposed contract extension the value of the works is circa £550k.

CONCLUSION

11. The Council has a statutory duty to manage gas appliances within its property portfolio.
12. The existing contractual arrangement with TSG Building Services has expired and it is recommended that this be extended by fourteen months to ensure continuity of service and compliance with legislation whilst a new model for service delivery is developed and subjected to a competitive tender.

Enquiries:

For further information on this report please contact Gareth Satherley. (Ext 4476)