

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 09 April 2018

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Gas Servicing Maintenance and Installation Contract 2018 to 2023</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

**Purpose:**

To consider the tenders received and to award a contract for the provision of Gas Servicing Maintenance and Installation works to council properties.

**Executive summary:**

This report provides the Executive with information on the Council's statutory duty to manage gas appliances. It provides details on a new contract to provide Gas Servicing, Maintenance and Installation works for the next 5 years with an option of 2-year extension.

**Recommendation:**

It is recommended that the Executive approves that:

- (a) a contract is awarded to the contractor who submitted the most economically advantageous tender as detailed in Appendix A to this report;
- (b) authority be delegated to the Director of Finance and Resources, in consultation with the Director of Fareham Housing, to jointly approve an extension of the above contract by a further two years, subject to satisfactory performance by the contractor; and
- (c) the existing contract for Gas Servicing, Maintenance and Installation with TSG Building Services is extended for up to 6 months from its existing expiry date of 30th April 2018.

**Reason:**

To ensure gas appliances and installations are maintained safely and in good order.

**Cost of proposals:**

The costs of these proposals are outlined in Appendix A to this report.

**Appendices:**

Confidential Appendix A: Summary of tender evaluation

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### Executive Briefing Paper

<b>Date:</b>	09 April 2018
<b>Subject:</b>	Gas Servicing Maintenance and Installation Contract 2018 to 2023
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. All gas appliances within a Fareham Borough Council owned property need to be safety checked on an annual basis and serviced in accordance with manufacturer's instructions. As a landlord, the Council has additional legal responsibilities to maintain the gas installation within Fareham Housing Properties. These works are to prevent carbon monoxide poisoning and gas leaks in addition to providing well maintained heating and hot water systems.
2. The scope will provide a repair and maintenance service to all gas appliances and installation for Fareham Borough Council's Property portfolio, Fareham Housing, Civic Offices, Broadcut Depot, Ferneham Hall, Pavilions and all other council owned sites.
3. The works on this contract include:
  - Provision of a 24hour breakdown and repair service for all gas appliances, heating and hot water installations including the replacement of parts.
  - Completion of statutory checks and servicing requirements for gas appliances and installations.
  - The replacement of domestic boilers that are beyond economic repair.
4. This new contract will be for an initial period of five years with the option to extend the contract by a further two years subject to satisfactory performance.

#### TENDER PROCESS

5. A 'contract notice' was issued on the 22nd December 2017 in accordance with Publication of Supplement to the Official Journal of the European Union and available on the Tenders electronic daily website (TED).
6. As an open tender procedure, all suitably qualified contractors were given the opportunity to submit a tender in accordance with our requirements, terms and conditions as set out in our tender documentation.
7. We received five tenders electronically by the return date of the 31<sup>st</sup> January 2018.

## **EVALUATION PROCESS**

8. The evaluation process consisted of a five-stage process as detailed below:

Stage 1 - Evaluation of the financial aspects of the submissions primarily considering the tendered maintenance rates, percentage adjustments and tendered contract preliminary costs.

Stage 2 - An assessment of quality and performance based on an evaluation of the bidders submitted method statement - including the bidder's organisation, management systems, proposals for carrying out the works, customer care and IT systems.

Stage 3 - At the completion of stages 1 and 2 an overall assessment was undertaken based on the quality to price ratio to determine which tenderers should be invited for interview.

Stage 4 - A further assessment of quality and performance by means of an interview. This is designed to examine in more detail the issues, tenderers Method Statement and the impact in terms of the successful day to day operation and management of the Contract.

Stage 5 - Final review of all bids under final consideration.

9. The results of the five-stage evaluation process are details in Appendix A to this report.

## **FINANCIAL IMPLICATIONS**

10. For Fareham Housing, these works will be funded annually through the Housing Revenue Account. Budgets for 2018/19 were approved by the Executive on 5th February 2018 as part of the 2018/19 Housing Revenue Account Budget and Capital Plans report.

Works for all other Fareham Borough Council properties will be funded by previously approved budgets.

## **CONCLUSION**

11. It is recommended that a contract be awarded to the contractor who submitted the best scoring tender for the value detailed in Appendix A to this report.
12. In addition, it is recommended that the Executive delegates authority to the Director of Finance and Resources, following consultation with the Council's Managing Director of Fareham Housing, to jointly approve a 2-year extension to the initial contract period for the value set out in Appendix A to this report subject to satisfactory performance.
13. To allow for transition to a new contract, it is recommended that the Executive confirm their approval to formally extend the existing contract with TSG Building Services for up to a maximum of 6 months from its existing expiry date of 30<sup>th</sup> April 2018.

### **Enquiries:**

For further information on this report please contact Ian Cousins. (Ext 4835)