

Item 4

REPORT TO CABINET

30TH NOVEMBER 2006

REPORT OF DIRECTOR OF HOUSING

Housing Portfolio

CALL OUT SERVICE FOR EMERGENCY HOUSING REPAIRS

1. SUMMARY

1.1 Cabinet endorsed subjecting the call-out service to a tendering exercise on 29th June 2006. Its resolution also made clear that any in-house bid had to reflect changes to participating employees contracts of employment. The tendering exercise has now been completed and it is not possible to award the contract within the existing budgets and therefore it is necessary to re-tender the service.

2. RECOMMENDATIONS

2.1 That the call-out service is re-tendered with a revised specification, reflecting current service standards whilst maintaining the requirement for this service to be delivered within a contracted agreement.

3. KEY CONTENT

3.1 On 29th June 2006 the Cabinet received a report on the future provision of the call-out service, and approved the recommendations of the report which were as follows:-

- (a) That the future provision of the call-out service for emergency housing repairs is subject to market testing.
- (b) That in assembling an in-house bid there must be recognition of the need to secure continuous provision of the service throughout the year and that due consideration be given to negotiating a contractual agreement with the relevant Trade Unions.

3.2 Members were advised that the key driver for tendering the service was to locate the provision of call-out within a contractual agreement, thus reducing the high or significant risk that the service would be withdrawn without reasonable notice.

3.3 Tenders were invited based on a firm price contract with a 12 week contract period from the following firms:-

- (a) British Gas Housing Services
- (b) H. & B. Services Limited
- (c) Morrisons Facilities Services
- (d) R. Bland Limited
- (e) Rokbuild Limited
- (f) Property Services (Contract Management Section),
Sedgefield Borough Council

3.4 Tenders were received as follows:-

- (i) £336,122.00
- (ii) £495,680.00
- (iii) Non-compliant tender (qualified)
- (iv) No tender
- (v) No tender
- (vi) No tender

3.5 In accordance with the code of procedure for single stage selective tendering, a number of meetings took place in order to give the non-compliant tenderer the opportunity to withdraw the qualification and produce a compliant tender. We were unable to reach an agreement for the qualification to be withdrawn and thus the offer is not a compliant tender.

3.6 The duration of those discussions has negatively impacted upon the anticipated contract start date of the project (13th November) specified within the invitations to tender.

3.7 The two unqualified tenders received were for sums in excess of the budget available to deliver the improved service specification. The specification sought to secure service improvements, requiring all emergency calls to be dealt with within one hour, currently approximately 50% are dealt with within an hour. It is apparent that the cost of securing such improvements is in excess of the available budget.

3.8 The service specification for the service has been revisited, and rewritten to reflect the current quality of service. It is recommended that the provision of the call-out service is re-tendered, with the tender specification reflecting current service standards whilst maintaining the requirement for the service to be delivered within a contractual agreement.

4. RESOURCE IMPLICATIONS

4.1 The service specification has been revised to reflect current levels of provision, it is anticipated that those changes will facilitate future provision of the service within budget.

5. CONSULTATIONS

5.1 Consultations have taken place with the relevant Trades Unions with a view to negotiating a contractual agreement. However such an agreement cannot be reached.

6. OTHER MATERIAL CONSIDERATIONS

6.1 Legal Implications

There is a risk of potential external challenge if the service is not re-tendered.

6.2 Asset Management

The provision of an emergency out of hours repairs service contributes towards maintaining the integrity of the Council's housing stock.

6.3 Risk Management

Utilising the Zurich Municipal Risk Matrix to map and manage the risk of service failure, for the emergency call out service, leads to the conclusion that the risk is unacceptably high, with a potentially 'critical' impact and a 'high' or 'significant' likelihood of that occurring. This means that the risk must be managed down as a matter of urgency. In order to manage the risk 'downwards' it would be necessary for a contractual agreement to be in place that would give the Council and its tenants some confidence in relation to continued service provision.

6.4 Health and Safety

The service is provided 24 hours a day and tenants need to be happy their homes are safe and secure at all times. It is important that tenants can call on trained qualified craftsmen and know that there is certainty there will be a response. Such responses will include work to heating/hot water systems and electrical installations the maintenance of which clearly impact on the health and safety of tenants and the security and structural stability of their homes.

6.5 Sustainability

Sustainability is not in issue in these circumstances.

6.6 Information Technology

There are no I.T. implications.

6.7 Equality and Diversity

Equality and diversity are not prejudiced in this report.

6.8 Crime and Disorder

There are no crime and disorder issues raised in this report.

6.9 Human Rights

No human rights issues are addressed in this report.

6.10 Social Inclusion

There are no implications for social inclusion raised in this report.

6.11 Procurement

The call out service will be procured in accordance with the Contract Procedure Rules set out in the Council's Constitution, furthermore any innovations or suggestions for service improvement will also form part of the tender evaluation.

7. OVERVIEW AND SCRUTINY IMPLICATIONS

7.1 There are no implications for Overview and Scrutiny.

8. LIST OF APPENDICES

8.1 None.

Contact Officer: Colin Steel
Telephone Number: 01388 816166 Ext. 4203
E-mail address: csteel@sedgefield.gov.uk

Wards: All Wards

Key Decision Validation: Yes

Background Papers: Not applicable

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>