

Item 7

KEY DECISION

REPORT TO CABINET

15th FEBRUARY 2007

REPORT OF DIRECTOR OF HOUSING

HOUSING PORTFOLIO

CALL-OUT SERVICE FOR EMERGENCY HOUSING REPAIRS

1. SUMMARY

- 1.1 The purpose of this report is to seek approval to accept the lowest tender for emergency call-out service for the Council's housing stock.
- 1.2 Cabinet approved tendering of the call-out service with a specification, which reflects current service standards whilst maintaining this requirement for the service to be delivered within a contracted programme.

2. RECOMMENDATION

- 2.1 That the call-out service be awarded to the lowest tenderer as identified in Section 5.

3. KEY CONTENT

- 3.1 On 29th June 2006 Cabinet approved that the call-out service be tendered as the existing arrangement for the delivery of the service was to expire in July 2006. One of the key drivers for tendering the service was to ensure a contractual agreement for service delivery, this reducing the significant risk that the service could be withdrawn without reasonable notice. Cabinet recommended that any in-house bid must have a contractual agreement in place with the relevant Trade Unions. This contractual agreement was required in order to secure continued service provision of this important emergency service should the contract be won in-house. Previously the call-out service was provided as a non-contractual service through a local agreement that set out standby and remuneration arrangements.
- 3.2 The results of the tendering exercise were reported to Cabinet on 30th November 2006. Cabinet subsequently approved a report, which recommended the re-tendering of the service as a result of receiving tenders, the costs of which were not affordable within existing budgets.

4. TENDER DETAILS

4.1 In consultation with an appointed Consultant competitive tenders were invited on a firm price contract with a 12 month contract period with an option to extend for a further 12 months subject to performance. The following firms were invited to tender:-

- (a) H & B Services Limited
- (b) Mears Limited
- (c) Morrison Facilities Services
- (d) R. Bland Limited
- (e) Rokbuild Limited
- (f) Sedgefield Borough Council (Housing Department)

4.2 Tenders were received as follows:-

- (i) £189,702.00
- (ii) £275,378.60
- (iii) £326,108.00
- (iv) £410,008.00
- (v) £450,958.00
- (vi) £497,420.00

4.3 The lowest tender was submitted by H. & B. Services Limited, in the sum of £189,702.00, that sum can be accommodated within the Housing Revenue Account for 2006/07 and projected budgets for 2007/08. The priced specification and schedule of innovations, included with the tender, have been scrutinised and found to be correct and will provide additional enhancements to the service at no extra cost to the Council.

Innovations

H. & B. Services Limited has listed a number of innovations, none of which would have a financial impact to the contract:-

- Facility at periods of high demand to increase the number of Gas Service Engineers and other trades.
- Work with the Council to utilise handheld computers to ensure timely and efficient transfer of data.
- Carry out a Gas Service to a property as part of the call-out, if the gas servicing is outstanding.
- Work with the Council to reduce the number of call-outs.
- Wherever possible within the terms of the specification complete a job in order to minimise the need for a make good approach.
- Introduce a system wherein a tenant is given a password when reporting an emergency call-out which will be used by the tradesman, to increase security.

- Ensure clear signage on all vehicles and clear identity information for all employees in order to demonstrate the link with Sedgefield Borough Council.
- Work with the Council to maximise response within the targets, and to review the targets in order to improve the service.
- Agree a wider set out key performance indicators to monitor performance and identify improvements.

4.4 The details of the tender have been found to be in order, the additional benefits this contractor will bring to the service are listed above. All firms who were invited to tender are considered to have the necessary construction skills to carry out this service. H. & B. Services currently undertake approximately £600K of construction work per annum for the Council. It is recommended that the tender be accepted and that the contract be awarded to H. & B. Services Limited.

5. RESOURCE IMPLICATIONS

5.1 The service specification reflects the current level of provision, with the proposed innovations by H. & B. Services Limited there will be enhancements to the service at no increase in cost.

5.2 In order to proceed with awarding this work to H. & B. Services Limited the Housing Department will need to give adequate notice to our craft staff who are currently carrying out this work.

6. CONSULTATIONS

6.1 Consultations have taken place with relevant Trade Unions to reach a contractual agreement with craft staff who currently undertake this service. We will discuss the implications of this contract with the Trade Unions as part of the Council's consultation framework.

7. OTHER MATERIAL CONSIDERATIONS

7.1 Procurement

Tendering has been carried out in accordance with the Council's Contract Procedure Rules and good practice guidelines as used within the construction industry.

7.2. Asset Management

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

7.3 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. The award of this tender will service continued service provision.

7.4 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.

7.5 Sustainability

Sustainability is not in issue in these circumstances.

7.6 Information Technology

There are no I.T. implications.

7.7 Equality and Diversity

Equality and diversity are not prejudiced in this report.

7.8 Crime and Disorder

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

7.9 Human Rights

No human rights issues are addressed in this report.

7.10 Social Inclusion

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

8. OVERVIEW AND SCRUTINY IMPLICATIONS

8.1 For information.

9. LIST OF APPENDICES

9.1 None.

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Wards: All Wards

Key Decision Validation: Expenditure over £100,000

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"/>

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