

HOUSING CABINET MEMBER MEETING

Agenda Item 44

Brighton & Hove City Council

Subject: Housing Management Lift Condition Report
Date of Meeting: 10 September 2008
Report of: Director of Adult social Care & Housing
Contact Officer: Name: Peter Matthews Tel: 29-3370
E-mail: Peter.matthews@brighton-hove.gov.uk
Key Decision: Yes Forward Plan No. HSG 2375:
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To Seek approval of the Housing Cabinet Member to tender for a long term agreement for the maintenance, repair and refurbishment of all HRA lifts, including stair and through floor lifts as well as any future lifts added to the portfolio, and to give delegated authority to award said contract to the best value supplier following a formal OJEU tender in accordance with Contract Standing Order CSO 9.1

2. RECOMMENDATIONS:

- 2.1 (1) That the Cabinet Member for Housing approve the recommendation to tender for a long term agreement (9 years) for the maintenance, repair and refurbishment of all HRA lifts.
- 2.2 (2) That the Director of Adult Social Care & Housing be given delegated powers to approve the award of the contract for the repair, maintenance and refurbishment of the HRA lifts, following financial due diligence and cost comparisons of the tenders offered under OJEU, following consultation with the Cabinet Member for Housing.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The existing lift servicing and maintenance contract expired in 2005 and has been extended for the last 4 years. The council's standing orders make it clear that this contract should be retendered and not extended beyond 31st March 2008 unless for exceptional reasons.
- 3.2 The existing contract has increased by RPI every year and no longer represents value for money.

3.3 The present contract is not subject to performance and cost efficiencies and doesn't meet the councils drive to become a three star authority, nor does it cover major repair or refurbishment. These works are presently tendered separately which increases the frustration of residents when a lift breaks down and there is a time delay as a result of the tender process.

3.4 The draft timetable of events is as follows:

Event	Completion date
Appointment of consultants (Delegated authority)	21 July 2008
Complete condition survey	15 August 2008
Complete draft report	29 August 2008
1 st stage S20 Notice	22 August 2008
PQQ	12 September 2008
ITT	27 October 2008
Tender report	20 December 2008
2 nd stage S20 Notice	23 January 2009
Appoint contractor	24 January 2009
Commence on site	1 April 2009

4. CONSULTATION

4.1 Section 20 consultation has commenced with all affected leaseholders.

4.2 A full report on the condition of the lifts will be presented to future area panels.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The long term contract for the servicing, maintenance, repairs and refurbishment of all HRA lifts will require funding from the HRA revenue and Capital Programme.

The current existing revenue budget for lift servicing and maintenance is £90,000 per annum and there is a contingency for Lifts of £250,000 held in reserves (see HRA Capital Programme Report 2008/09 and 2009/10 approved by Policy & Resources 3 April 2008).

The HRA 30 year Business Plan includes estimated funding requirements of approximately £10.7m over the next 9 years for Lifts (shown under Health & Safety repairs).

Once the full report of the conditions of the lifts has been received the estimated costs, funding and profiling of works will be reviewed as part of the 2009/10 Revenue and Capital Programme Budget setting process

during October/November, with the final HRA budget report 2009/10 being reported to Housing Cabinet in February 2009.

Finance Officer Consulted: Susie Allen

Date: 14/08/08

Legal Implications:

- 5.2 The report refers to a contract for services, the value of which is likely to be in excess of the EU procurement threshold (currently £138k). As a result, the contract must be advertised and awarded in accordance with the relevant EU Directive and UK Regulations. The procedure outlined in this report complies with these requirements. In addition, contracts in excess of £75,000 must be sent to Legal for sealing. The Council is obliged to take the rights of individuals under the Human Rights Act into account when considering any such issues, but the recommendations contained in this report are unlikely to breach any such rights.

Layer Consulted:

Alison Leitch

Date: 14 August 2008

Equalities Implications:

- 5.3 An equalities impact assessment will be completed by the winning contractor prior to commencement on site, as this is subject to their chosen method of access
- 5.4 Bidders will be asked to provide details of apprenticeship schemes and their plans for tackling worklessness as part of the tender documentation. This will be weighted and evaluated as part of the scoring matrix.

Sustainability Implications:

- 5.5 The specifications will require contractors to submit a sustainability impact statement on the contractor's proposals to reduce waste, recycling, and the reduction in CO2 emissions for this project
- 5.6 Bidders will be asked about development of local office to manage contract and this will be weighted and evaluated as part of the scoring matrix.

Crime & Disorder Implications:

- 5.7 No crime & Disorder implications are envisaged with this contract.

Risk and Opportunity Management Implications:

- 5.8 Using the council's risk & opportunities management methodology the significant risks and opportunities have been assessed and where amber or red a risk register has been produced detailing action & delivery that will inform the project.

Corporate / Citywide Implications:

- 5.9 This work meets one of the strategic goals of improving the housing stock and ensuring that residents have a health and safe living environment

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The first option considered is to continue extending the existing contract. This is considered to be poor value for money and does not allow the council a quick and effective process to manage major breakdowns leading to major repairs.
- 6.2 The second option was to tender for a new short term contract from 1 to 5 years. This does not give the same economies of scale that a larger contract would and does not allow the introduction of all the necessary major refurbishment/repairs in the life of the contract which would allow the council to seek a reduction in its annual comprehensive service cost as the risk of failure reduces as the lifts are refurbished.
- 6.3 A 9 year all in comprehensive services contract with the major refurbishment/repair contract gives the best economies of scale and allows efficiencies as the contractors risk is reduced following major works. 9 years also ensures that the council is not looking to retender to many large contract all at the same time in allowing better use of resources. The use of an all in contract will also improve response time for residents will no debate between repair and refurbishment contractors over who is responsible for the maintenance issues.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To enable the council to be compliant in its responsibilities as a landlord it needs to ensure a new contract is in place by the end of this financial year. Taking into account the need to comply with the European tendering regulations and the need to give any new contractor a lead in period of a minimum of 2 months, to ensure he has completed his initial surveys, and transferred the maintenance history from the existing contractor the council needs to commence tender procedures no later than the 12 September 2008.

- 7.2 The Area Panel, Housing Management Consultative Committee and Cabinet preparation timetable does not allow enough time for consultation, completion of the analysis, consultation with leaseholders and residents or the dealing with issues arising during negotiations or financial diligence, as well as being ready to request approval to award the contract to meet the 1 April deadline. In view of this it is requested that authority to enter into the contract be delegated to the Director of Adult Social Care & Housing in consultation with the Cabinet Member.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None

