

HOUSING CABINET MEMBER MEETING

Agenda Item 109

Brighton & Hove City Council

Subject:	Housing Management Lift Contract Tender Award		
Date of Meeting:	16th February		
Report of:	Geoff Raw, Strategic Director Place		
Contact Officer:	Name:	Mark Dennison	Tel: 29-3190
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Key Decision:	Yes/No	Forward Plan No. 20765	
Wards Affected:	Queen Park		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To seek the approval of the Housing Cabinet Member to award and enter into a contract with a single contractor to supply and install 6 passenger lifts, within 3 separate tenanted high rise blocks. This report details the process undertaken, the outcome of the procurement process, and seeks authority to enter into this contract.

2. RECOMMENDATIONS:

That the Housing Cabinet Member:

- 2.1 (1) Approve the selection of Liftec Lift Ltd to supply and install six passenger lifts within 3 separate tenanted high rise blocks;
- 2.2 (2) Authorise the Head of Housing & Social Inclusion to take all steps necessary or incidental to award and completion of the contract with Liftec Lift Ltd and so enable the supply and installation of the lifts.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 At present all the servicing, maintenance, callout and repair of all passenger lift and stair lifts in BHCC housing stock is carried out under an existing contract. The existing contract however does not contain the provision for the supply and installation of new or replacement lifts.
- 3.2 The new contract aims to appoint a suitable supplier to replace 6 lifts with the highest risk of failure, ahead of the end of the financial year 2010/11, after which a new Lift Servicing, Repair, Maintenance & Installation Term Partnering Contract will be awarded.

- 3.3 An Official Journal of the European Union (OJEU) advert and pre-qualification questionnaire (PQQ) were published and five Service Providers were selected from those who returned the PQQ to reply to the Invitation to Tender which was released on 25th October 2010. Bidders were required to submit their completed responses on 06th December 2010. Four Service Providers complied with this request and have been evaluated using the agreed evaluation framework.

4. EVALUATION PROCESS

- 4.1 The award of the contract to Liftec Lift Ltd is based on the most economically advantageous tender received. The evaluation team comprised of managers from the Housing Property & Investment Service, with support from the corporate procurement and finance teams.
- 4.2 The evaluation was based on a 60 %: 40% split between cost and quality. Quality was evaluated using the following six evaluation criteria:
1. Program of works
 2. Management of works in progress
 3. Resource availability
 4. Communication
 5. Maintaining access and egress
 6. Sustainability

The tender price comprised;

1. Lift replacement – total cost for the installation of the required lifts, as per the Specification
2. Hourly rates charges - the hourly rate charges for qualified tradespersons and general operatives as detailed in the specification to be used when costing any variations
3. Materials & Goods on-costs - percentage uplift for overheads and profit on materials and goods which may be required in the day-work element of the contract
4. Plant on-costs - percentage uplift for overheads and profit on plant which may be required in the day-work element of the contract

5. VALUE FOR MONEY

- 5.1 The new contract will start to enable the Council to standardise the type of lift equipment and provide a 25 year warranty on defects. This should improve the reliability of the Council's lifts once replaced. The lifts will now both stop on every floor and will be larger, allowing better access for those with disabilities or using wheelchairs and walking aids.

6. CONSULTATION

- 6.1 It is a legal requirement under Section 20 of the Landlord & Tenant Act 1985 that Leaseholders are consulted on new contracts. A notice has been sent to all leaseholders and details of the preferred bidder have been placed in council offices. The consultation period will close on 4 February.
- 6.2 Initial meetings have taken place with residents to explain the procurement process and give broad details on the lift replacement project. Further meetings will be arranged once the contract has been awarded. The Contractor will be invited to attend to give specific details on the programme.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

The lift replacements will be funded from the 2010/11 Lifts Budget of £1.586m approved by Cabinet in February 2010 as part of the 2010/11 HRA Capital Programme.

Finance Officer Consulted: Claire McCaldon Date: 01/02/11

7.2 Legal Implications:

The value of the work to be procured under the new contract (between £1M and £2M over 6 months) is above the EU Directive's threshold for 'supplies' contracts so the Directive and the corresponding UK Public Contracts Regulations apply in full to the procurement of the contract.

The Council's Standing Orders ('CSO') for contracts over £75,000 also apply and should be complied with in relation to the procurement of the contract. Under CSO 3.1, the entering into contracts valued in excess of £500,000 may only be authorised by the relevant cabinet member, which in this instance is the Cabinet Member for Housing.

Lawyer Consulted: Name Isabella Hallsworth Date: 01/02/11

7.3 Equalities Implications:

An Equalities Impact Assessment will be carried out as part of the mobilisation of the contract to ensure that all tenants are supported during the lift installation process.

7.4 Sustainability Implications:

Sustainability was assessed by the evaluation team as part of the procurement process.

Crime & Disorder Implications:

- 7.5 There are no specific crime and disorder implication in relation to this report

Risk and Opportunity Management Implications:

- 7.6 A risk register has been developed as part of the procurement of this contract and will be maintained throughout the delivery of the contract.

Corporate / Citywide Implications:

- 7.7 None in relation to this report

8. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 8.1 The housing Property & Investment team is in the process of procuring a 9 year lift servicing and replacement contract. This partnering contract will provide the Council with a fully comprehensive service giving cost certainty and value for money over the term. This contract is due to start in Summer 2011.

- 8.2 A programme of lift replacements for the stock has been developed which gives stable investment over a period of ten years. In order to avoid any unnecessary delay to this programme the refurbishment of lifts within the three blocks identified in the first year of the programme has been tendered separately. This enables work to commence during the 2010/11 financial year and ensures that the replacements carried out under the nine year partnering contract are consistent throughout the contract and there is not a backlog to replace during the first year. The same manufacturer of lift equipment will be specified to enable the Council to standardise its lifts whilst gaining a 25 year warranty on all parts.

9. REASONS FOR REPORT RECOMMENDATIONS

- 9.1 To seek approval to enter into a contract with Liftec Lift Ltd. to supply and install six passenger lifts within 3 separate tenanted high rise blocks

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents

None