

Item No.	Classification: Open	Date: 10 June 2015	Meeting Name: Strategic Director of Finance & Corporate Services
Report title:		Gateway 3 - Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry Contract	
Ward(s) or groups affected:		All	
From:		Head of Maintenance and Compliance	

RECOMMENDATION

1. That the strategic director of finance and corporate services approves the contract extension of the Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry contract to SCCI Alphatrack Ltd (SCCI) for a period of 12 months from 1 June 2016 to 31 May 2017 at an estimated cost of £730,288.

BACKGROUND INFORMATION

2. A Gateway 2 report was approved on 11 February 2013 to award the Fire Fighting Equipment, Fire Alarms, Emergency Lighting, Warden Call and Door Entry contract to SCCI for a period of three years from 1 June 2013 to 31 May 2016 with the option to extend for 2 further periods of 12 months each.
3. The scope of the contract encompasses the following work streams:
 - Periodic testing of Fire Alarm Systems to meet statutory obligations.
 - Responsive repairs and maintenance to Door Entry Systems.
 - Responsive repairs and testing of Warden Call systems.
 - Testing and repairs to Fire Fighting Equipment.
 - Periodic testing of emergency lighting installations.
 - Automatic Opening Ventilation systems.
 - Some passive fire protection works.
 - Builders work in connection with services
4. The contract was for an initial period of three years from 1 June 2013. The annual cost of the contract was estimated to be £730,288 per annum for an initial period of three years making a total estimated contract value of £2.19m.
5. The budgets and actual expenditure for the periods since the contract began are as follows:

Period	Budget	Actual
1/6/13 ~ 31/3/14	£831,695	£630,096
1/4/14 ~ 31/3/15	£855,569	£685,344
Total	£1,687,264	£1,315,440

6. The contract allows for two separate one year extensions after the initial period has elapsed.

R/N	Risk Identification	Likelihood	Risk Control
R1	SCCI performance declines	Low to Medium	The necessary controls have been put in place to control and mitigate against this eventuality
R2	SCCI ceases trading, go into administration or liquidation	Low	Maintenance and compliance team will utilise the approved contractor list on an interim basis while a procurement plan is put in place.

15. SCCI has complied with the contract documents and has provided a performance bond.
16. The contract documents contain a break clause to terminate the contract with no consideration of any loss or expense.
17. There are no current adverse financial indicators regarding SCCI.

Policy implications

18. The Fire Fighting Equipment, Fire Alarms, Emergency Lighting, Warden Call and Door Entry Systems contract provides an essential service to the community. It supports the council's statutory obligations as a landlord to comply with the following legislation and regulation;
 - The Regulatory Reform (Fire Safety) Order 2005
 - Building Regulations 2010
 - The Housing Act 2004

Contract management and monitoring

19. Programmed monitoring meetings are held each month with SCCI and council officers to discuss and evaluate performance against, amongst other things, the key performance indicators within the contract.
20. The council's maintenance and compliance repairs team monitor performance monthly via a combination of performance data and work in progress/post inspections. The team quality check the works to ensure the council is receiving best value. Any issues are raised quickly through daily interaction between SCCI, and the council's technical officers.
21. The KPIs are measured from the council's IT system I World. The KPIs for Urgent and Non-Urgent services completed on time are shown below for the period 2014/15 to date.

NON URGENT Target 95%	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
On Time	312	373	494	420	563	503	549	560	491	455	523	490

Environmental considerations

30. All electrical equipment being replaced is disposed of in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE). All new equipment is low energy rated to meet current regulations.
31. All recyclable packaging is set aside and disposed of via a recycling centre.
32. No hazardous materials are used.
33. SCCI has been issued with the council's current asbestos register to avoid any risk of exposure to SCCI or the council's residents.

Financial Implications (FIN0850 – JP)

34. The current annual budget available within the HRA for the fire alarms and door entry contract is £840,569 within the HRA. This is more than adequate to meet the costs of the proposed contract. The estimated cost was based on an indicative basket, used for the purposes of evaluating the tender. There has been under spends in the last two years.
35. A budget transfer of £27,902 shall be made to Communal Lighting to cover the difference between current budgeted costs and estimated cost of the demand led Communal Lighting and Lightning Protection term contract.
36. Flexibility within the budget is still required as a large number of new door entry installations are currently being completed. This will cause increases in door entry maintenance.

Investment Implications

37. There are no investment implications.

Legal Implications

38. Please see the comments from the director of legal services.

Consultation

39. Consultation has been on going with tenant representatives, Tenants Council and Area Forum to finalise the next two years refurbishment list of door entry systems. Residents feed into this plan via these consultation meetings and generally the feedback on SCCI's performance has been good.

Other implications or issues

40. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

50. The strategic director of finance and corporate services notes the recommendation in this report for the contract extension of the Fire Fighting Equipment, Fire Alarms, Emergency Lighting and Warden Call Systems Plus Door Entry contract.
51. The extension will operate from June 2016 for one year, thus impacting on financial years 2016/17 and 2017/18.
52. The costs are met from the Housing Revenue Account budget, which for 2016/17 will be agreed by cabinet in January 2016. The financial implications show that the budget has been underspent in the past, due to the level of activity. The budget will need to be monitored on a regular basis as part of the departmental revenue monitoring process.

Head of Specialist Housing Services

53. This contract was subject to consultation under the Commonhold and Leasehold Reform act 2002 and Notice of Proposal was served under schedule 2 of the regulations on 9.1.13. The Notice identified the contract term to include an extension of the period by two years and so there is no requirement for further consultation where such an extension is proposed.

FOR DELEGATED APPROVAL

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature



Date...19.6.15...

Duncan Whitfield, Strategic Director of Finance and Corporate Services