

Item No.	Classification: Open	Date: 23 August 2023	Decision Taker: Strategic Director of Housing
Report title:		Gateway 2 - Contract Award Approval Responsive and Planned Maintenance – Fire Protection Chargeable Contracts (North and South)	
Ward(s) or groups affected:		All	
From:		Director of Asset Management	

RECOMMENDATIONS

1. That the Strategic Director of Housing approves the award of Contract A – Fire Protection Contract to PRB Estates Ltd for the estimated sum of £2m per annum for a period of three years from 1 November 2023 with the option to extend (at the council’s discretion) by a further one year making a total estimated contract value of £8m.
2. That the Strategic Director of Housing approves the award of Contract B – Fire Protection Contract to Ductclean (UK) Ltd trading as DCUK FM for the estimated sum of £2m per annum for a period of three years from 1 November 2023 with the option to extend (at the council’s discretion) by a further one year making a total estimated contract value of £8m.
3. That the Strategic Director of Housing notes that both PRB Estates Ltd and Ductclean (UK) Ltd trading as DCUK FM will operate as a backup contractor to each contract area in the event of the failure to deliver the service using their own tendered rates should this be required.

BACKGROUND INFORMATION

4. The planned procurement strategy was the subject of a Gateway 1 report approved by the then Strategic Director of Housing and Modernisation (now the Strategic Director of Housing) on 19 July 2021. The approved restricted tendering procurement strategy was followed in accordance with Regulation 28 of the Public Contracts Regulations 2015.
5. The scope of works will be:
 - intrusive type 4 compartmentation surveys and remedial works;
 - passive and active fire protection, including all / any associated works;
 - fire doors and cavity barriers;
 - sprinkler maintenance and installation;
 - fire hydrant maintenance;
 - associated sundry building works; and
 - all forms of safe working access equipment.

6. The geographical split (north and south) of the borough for the two new contracts are (Contract A – north - Walworth, Borough and Bankside, Bermondsey, Rotherhithe and Contract B – south - Camberwell, Peckham, Nunhead and Peckham Rye, Dulwich) each providing all of the works noted at paragraph 5 above.
7. The total estimated value for the contracts stand at £16m, broken down as follows: - Total cost for the initial three year period: £12m - Total cost for the additional one year period: £4m.
8. The prices are fixed until 1 April 2024 but the contracts contain a Building Maintenance Index / General Maintenance Index adjustment that is applied annually thereafter. Both contractors were advised to take this into account when pricing for these contracts at the Information Day held on 19 October 2022.

Procurement project plan (Key Decision)

9.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	22/03/2023
Briefed relevant cabinet member (over £100k)	12/07/2021
Approval of Gateway 1: Procurement Strategy Report	19/07/2021
Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation)	28/09/2021
Invitation to Tender (ITT)	11/10/2022
Closing date for return of tenders	16/11/2022
Completion of evaluation of tenders	21/04/2023
Brief relevant cabinet member (over £100k)	03/05/2023
Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation)	14/06/2023
DCRB Review Gateway 2	10/07/2023
Notification of forthcoming decision – Five clear working days	07/08/2023
Approval of Gateway 2: Contract Award Report	08/08/2023
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	16/08/2023
Debrief Notice and Standstill Period (if applicable)	29/08/2023
Contract award	30/08/2023
Add to Contract Register	31/08/2023
Publication of award notice in Find a Tender Service	01/09/2023

Activity	Completed by/Complete by:
Publication of award notice on Contracts Finder	01/09/2023
TUPE Consultation period (if applicable)	22/11/2023
Contract start	23/11/2023
Contract completion date	22/11/2026
Contract completion date – if extension(s) exercised	22/11/2027

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

10. This procurement exercise was delivered to ensure two contracts are in place for responsive fire protection repairs and maintenance works to enable the council to meet its legislative obligations as a social housing landlord.
11. The provision of these works will contribute to the health and safety and quality of life of council residents. These contracts will ensure that the council has arrangements in place to meet its obligations statutory requirements to the Fire Safety Act 2021 and Part 5 (Section 156) of the Building Safety Act 2022.
12. These contracts will ensure that the council has arrangements for fire protection repairs and will contribute to maintaining the council's housing stock. Residents rely on the council to ensure that all passive and active fire protection, windows, doors, frames, linings and casings are maintained to a standard to reduce the risk from fire in homes and communal areas. The council also needs to ensure that preventative maintenance is undertaken to remove the demand on responsive repairs.

Key/Non Key decisions

13. This report deals with a key decision.

Policy implications

14. The works provided through these contracts will contribute to the Fairer Future Procurement Framework to support the Council Delivery Plan and Fairer Future Commitments to deliver value for money and be open, honest and accountable.
15. These contracts will contribute to the Council's priorities and commitments as outlined in the Council's Delivery Plan to make the borough fairer, greener and safer, specifically the following themes:
 - A thriving and inclusive economy;
 - A healthy environment;

- Quality affordable homes; and
- Keeping you safe.

Tender process

16. On 24 May 2022, following the placement of the Find a Tender Service (FTS) advertisement, the PAS91 Pre-Qualification Questionnaire (PAS91 PQQ) documents and the Invitation to Tender (ITT) were uploaded to the eProcurement System (Portal) and Contracts Finder website for tenderers to view and download.
17. A total of 11 companies returned completed PAS91 PQQ submissions by the PAS91 PQQ response deadline of 12 noon on 21 June 2022.
18. Following a compliance check carried out on all PAS91 PQQ submissions received on 21 June 2022, it was noted that one company had not sent in a completed PAS91 PQQ Table 13 Response Document. On 22 June 2022, a clarification was raised via the Portal and by telephone with them and on the same day they submitted two case studies together with an incomplete PAS91 PQQ Table 13 Response Document and no supporting documents. On 23 June 2022, a message was sent via the Portal to them advising that as insufficient information was received, the information provided was deemed non-compliant and could not be evaluated.
19. The PAS91 PQQ set out that the top six highest ranked applicants would be invited to tender but reserved the right to invite further applicants should they obtain a score that was within two marks of the sixth ranked applicant's score
20. Ten PAS91 PQQs were evaluated by asset management specialist services managers, a fire surveyor and the fire safety team.
21. The top six companies were invited to tender as well as the seventh placed bidder whose score was within two marks of the sixth ranked applicant and are detailed below:
 - Bidder A (Trail)
 - PRB Estates Ltd (PRB)
 - Ductclean (UK) Ltd trading as DCUK FM
 - Bidder B (OpenView)
 - Bidder C (Ventro)
 - Bidder D (CLM)
 - Bidder E (Ecosafe)
22. The three unsuccessful companies: Bidder F, Bidder G and Bidder H were provided with feedback.
23. Bidder A, PRB, DCUK FM, Bidder B, Bidder C, Bidder D and Bidder E were invited to tender on 11 October 2022 with the instruction to return a completed tender by 16 November 2022.

24. On 19 October 2022, an Information Day was held with all seven tenderers' representatives at 160 Tooley Street. All seven tenderers' representatives attended. The purpose of this Information Day was to explain to the tenderers that the contracts were predominantly of a responsiveness nature, to provide them with guidance on how to complete the tender and to enable them to raise any clarifications they had in relation to the tender documents prior to compiling their tenders.
25. Six out of seven tenders were returned via the Portal on or by 2pm on 16 November 2022 and were electronically opened the same day by the monitoring officer's authorised representative in accordance with the council's Contract Standing Orders (CSO) 7.2.5 in the presence of an asset management procurement team (AMPT) procurement manager. These were transferred to a secure file for evaluating and checked for compliance.
26. It was noted that Bidder D did not submit a tender which could have been due to the predominant nature of the works being responsive.

Tender evaluation

27. The Tender Evaluation Panel (TEP) was split into three separate panels; one to evaluate quality and social value qualitative, one to evaluate price and social value quantitative and one to evaluate equality, diversity and inclusion (EDI). The quality and social value qualitative evaluation panel consist of individuals experienced in repairs and maintenance provisions and the price evaluation panel consisted of an individual with financial expertise.
28. Tenders were evaluated using the weighted model of 55:42:3 price and social value quantitative/quality and social value qualitative /EDI.
29. All tenders were initially checked for completeness and compliance with the ITT documents as set out in the Tender Evaluation Methodology and to ensure that a tenderer was the same company shortlisted at the PAS91 PQQ stage. All tender submissions received were compliant and released for evaluation by the TEP.
30. Tenders were evaluated using a price evaluation model that contained various annexes covering the different work streams and hourly rates. This tendering approach was intended to preclude tactical tendering of any work streams and reduce the risk of uncontrolled expenditure.
31. Each annex contained a pre-priced schedule of rates and estimated indicative quantities for each annex based on historical data and the tenderers were required to put either a +/-% against each annexe, including their hourly rate.
32. Price evaluation was marked out of 55 points. The lowest lump sum price was awarded 30 points, 5 points for social value quantitative and 20 points for the lump sum price that is closest to the mean average of all compliant lump sum Tenders.

33. For these two contracts (Contract A and Contract B), the figures and quantities used in the price evaluation were indicative only, to enable an evaluation of the relative prices of the tenders. Final expenditure will be demand led in accordance with the available budget. Each tendered price was scored against the lowest lump sum price and was awarded 30 points, 5 points for social value quantitative and 20 points for the lump sum price that is closest to the mean average of all compliant lump sum tenders. Tender prices submitted and the respective scores are as follows:

Position	Tenderer	Tender Sum *	Best Price Weighting	Mean Avg Price Weighting	Social Value Price Weighting	Total Price Score
1	PRB Estates Ltd	£1,521,966.52	26.27%	18.70%	5.00%	49.97%
2	Bidder A	£1,332,896.42	30.00%	17.19%	0.55%	47.74%
3	Ductclean (UK) Ltd trading as DCUK FM	£1,584,410.82	25.24%	19.26%	2.45%	46.94%
4	Bidder B	£1,662,158.70	24.06%	20.00%	0.84%	44.90%
5	Bidder E	£2,325,487.68	17.20%	17.31%	0.51%	35.02%
6	Bidder C	£2,598,704.14	15.39%	15.49%	0.21%	31.09%

* Note tender sum figures are for evaluation purposes only.

34. All priced documents submitted were checked for arithmetical errors and qualifications.

35. The quality assessment was based on the information received from tenderers who were required to provide information to support their quality submission in response to Method Statements (MS) covering mobilisation, service delivery, and value for money, climate, and quality management, social value and London Living Wage (LLW) and EDI.

36. Each member of the TEP independently assessed each method statement response in accordance with the scoring guidelines detailed in the TEM. The TEP then checked the scoring for consistency and agreed a consensus score. Final scores were calculated to ascertain the tenderer's overall score.

37. A summary of results from the quality evaluation is shown in the table below:

Tender Quality Score Summary	MS1- Q1 Mobilisation	MS1- Q2 Mobilisation	MS2 - Service Delivery	MS3 - Value for Money	MS4 - Climate	MS5 Quality Mgmt.	MS6 Social Value and LLW		
Tenderer	Contract Mobilisation of Works	Example of mobilisation plan	Delivering the various works streams	Homeowner charges	Carbon Zero	Quality and compliance of works	Social Value Proposal	LLW Administer and Monitor	LLW Identification
PRB	3	5	3	5	4	4	4	4	3
DCUK FM	4	4	4	4	4	4	5	3	4
Bidder A	2	3	3	2	2	2	4	2	2
Bidder C	2	1	2	2	2	2	2	2	3
Bidder B	1	3	2	3	2	2	4	2	2
Bidder E	1	2	1	1	1	1	2	1	1

38. A summary of results from the EDI evaluation is shown in the table below:

Tender Quality Score Summary	MS7 EDI		
Tenderer	Implementing Organisational social value	Enhanced social value delivered through schemes	Engagement with residents and communities
Bidder B	4	4	3
PRB	2	4	2
DCUK FM	3	3	3
Bidder C	2	2	3
Bidder A	2	2	2
Bidder E	3	1	2

39. Tenderers were required to submit a method statement proposal answering the questions contained within the Method Statement Response Document and covers the following areas:

- MS1 Mobilisation
- MS2 Service Delivery
- MS3 Value for Money
- MS4 Climate
- MS5 Quality Management

- MS6 Social Value and London Living Wage
- MS7 EDI

40. PRB and DCUK FMs' Method Statement Response Documents will be incorporated into their contracts as their planned way of working/operating throughout the contract period.

41. All submissions were scored against the same criteria / sub criteria and sub-weightings as set out in this schedule.

42. The 0-5 scores shown above resulted in the weighted scores shown below:

Tenderer	MS1- Q1 Mobilisation	MS1- Q2 Mobilisation	MS2 Service Delivery	MS3 Value for Money	MS4 Climate	MS5 - Quality Mgmt.	MS6 - Social Value and LLW			Total
	Contract Mobilisation of Works	Example of mobilisation plan	Delivering the various works streams	Homeowner charges	Carbon Zero	Quality and compliance of works	Social Value Proposal	LLW Administer and Monitor	LLW Identification	
DCUK FM	4.8%	1.6%	9.6%	4%	4.8%	5.6%	0.3%	0.5%	0.4%	34.1%
PRB	3.6%	2.0%	7.2%	5%	4.8%	5.6%	2.4%	0.4%	0.3%	31.3%
Bidder A	2.4%	1.2%	7.2%	2%	2.4%	2.8%	2.4%	0.2%	0.2%	20.8%
Bidder B	1.2%	1.2%	4.8%	3%	2.4%	2.8%	2.4%	0.2%	0.2%	18.2%
Bidder C	2.4%	0.4%	4.8%	2%	2.4%	2.8%	1.2%	0.2%	0.3%	16.5%
Bidder E	1.2%	0.8%	2.4%	1%	1.2%	1.4%	1.2%	0.1%	0.1%	9.4%

Tender Quality Score Summary	MS7 EDI			Total
Tenderer	Implementing Organisational social value	Enhanced social value delivered through schemes	Engagement with residents and communities	
Bidder B	0.8%	0.8%	0.6%	2.2%
DCUK FM	0.6%	0.6%	0.6%	1.8%
PRB	0.4%	0.8%	0.4%	1.6%
Bidder C	0.4%	0.4%	0.6%	1.4%
Bidder A	0.4%	0.4%	0.4%	1.2%
Bidder E	0.6%	0.2%	0.4%	1.2%

43. The table below shows that the tenderers' combined price, quality, social value and EDI scores identifies the two successful tenderers for Contract A and Contract B respectively.

Tender Evaluation
SUMMARY OF TENDER SCORES FOR FIRE PROTECTION RESPONSIVE WORKS

Position	Tenderer	Best Price Weighting	Mean Avg Price Weighting	Social Value Price Weighting	Quality Weighting	EDI weighting	Total Score
1	PRB	26.27	18.70	5.00	31.30	1.60	82.87
2	DCUK FM	25.24	19.26	2.45	34.10	1.80	82.85
3	Bidder A	30.00	17.19	0.55	20.80	1.20	69.74
4	Bidder B	24.06	20.00	0.84	18.20	2.20	65.30
5	Bidder C	15.39	15.49	0.21	16.50	1.40	48.99
6	Bidder E	17.20	17.31	0.51	9.40	1.20	45.62

Plans for the transition from the old to the new contract

44. An initial mobilisation will be held with both PRB and DCUK FM in which the mobilisation requirements will be clearly set out by the Fire Safety Team that includes a Specialist Services Contract Manager, a Specialist Services Manager and a Specialist Fire Surveyor.

45. As PRB's geographical area is changing (previously covered the whole of the borough), TUPE implications may apply and will be considered during the TUPE consultation period.

Plans for monitoring and management of the contract

46. The two contracts (Contract A and Contract B) will be managed by asset management's fire safety team.

47. The purpose of the Key Performance Indicators (KPIs) is to maximise, through measurable continuous improvement, the service provided to the council's residents and to provide best value to the council.

48. Performance against all of the KPIs, which are identified in the table below, shall be ascertained and monitored on a monthly basis at the contract progress meetings from the commencement of the contracts.

NO	KPIs	Minimum Target Percentage %	Council's Aspirational Target Objective %
1.	Right first time	95%	95%
2.	Percentage of Priority Code 0 and 4 Orders completed within the stipulated time periods.	95%	98%
3.	Response to queries/complaints from Residents and Council Officers to meet the Council's Complaints Policy	98%	99%
4.	Percentage of maintenance works completed within the agreed program	98%	100%
5.	Contractors vehicles being either Hybrid OR Electric within 12 months of Commencement Date	90%	100%
6.	Delivery of proposed social value initiatives as measured by proxy value	95%	100%

49. The actual basis of calculation of KPI percentages shall be agreed by the contract administrator prior to any additional KPIs being implemented

50. The AMPT contracts compliance officer will produce annual performance reviews (APR) with the contract manager in line with the council's CSOs.

51. As part of the APR process, the AMPT contracts compliance officer will carry out annual checks to ensure:

- a. Current insurances and certifications are maintained;
- b. London Living Wage compliance;
- c. Blacklisting and other forms of discrimination e.g. unlawful discrimination, Anti-discrimination legislation;
- d. Compliance with the council's relevant policies e.g. Equality & Diversity Policy, Fairer Future Procurement Strategy, trade union recognition, etc.;
- e. Compliance with relevant legislation e.g. Equalities Legislation, the Employment Relations Act 1999 (Blacklists) Regulations 2010 and the

Prevent Duty under section 26 of the Counter-Terrorism and Security Act 2015; and

- f. Contractors' own policies e.g. Equality & Diversity;
52. Monthly progress meetings with PRB, DCUK FM and the asset management fire safety team will be arranged and recorded to review performance and compliance.
 53. LLW compliance will be reviewed at APR stages and office audits of contractors will be carried out to confirm compliance.
 54. Social value commitments proposed by PRB and DCUK FM will be incorporated into their contracts and will be monitored by an asset management fire safety manager on a quarterly basis. In addition, a social value agenda item will be included at regular contract meetings. Agreed minutes will be provided to the AMPT contracts compliance officer on a regular basis.
 55. Asset management quantity surveyors will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
 56. To ensure robust contract management arrangements are in place, the asset management technical quality officers will undertake audit site inspections to ensure that method statements are adhered to and re-instatement works are compliant and delivered to a high standard.
 57. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the Portal.

Identified risks for the new contract

58. The table below identifies the specific risks associated with this contract, the likelihood of occurrence and the controls in place to mitigate the risk:

R/N	Risk	Likelihood	Risk Control
R1	One or both of the contractors become insolvent	Low	<p>The two contracts contain a provision for both contractors to act as back-up to each other.</p> <p>If both contractors become insolvent, the council's approved works list (Alcumus SafeContractor) will be used should this occur whilst re-procuring a contract.</p> <p>The financial stability of both contractors will be continuously monitored throughout the initial term through the contract management monitoring process. Bureau van Dijk (BvD) Fame credit checks were</p>

			<p>carried out as part of the tendering process and will be carried out again prior to award and annually as part of the contract management monitoring process.</p> <p>Retentions will be held on all interim payments to mitigate against all risks involved of company failure.</p> <p>A parent company guarantee will not be taken up from either PRB or DCUK FM as neither company have an ultimate holding company.</p>
R2	One or both of the contractors is unable to fulfil the requirements of the contract e.g. poor performance, leading to the need to terminate the contract.	Low	<p>The council will use back-up arrangements on the contractor's own tendered rates within the contract.</p> <p>If both contractors fail, the council's the council's approved works list (Alcumus SafeContractor) will be used should this occur whilst re-procuring a contract.</p> <p>The tender selection process reduced the likelihood of poor performance through the use of method statements to evaluate tenderers' capacity to deliver.</p>
R3	Price increase	Low	<p>The price evaluation model in the tender documents was specifically designed to allow for sustainable bids and avoid a race to the lowest price. PRB and DCUK FM both priced for these contracts giving due allowance for the Building Maintenance Index / General Maintenance Index to be applied per annum.</p>
R4	Risk of procurement challenge	Low	<p>The procurement was conducted in accordance with Regulation 28 of the Public Contracts Regulations 2015.</p> <p>All tenders were anonymised before distributing to the TEP. As the service delivery for fire protection is predominately of a responsive nature, both PRB and DCUK FM demonstrated a good understanding of the responsive nature of this service delivery resulting in a 0.02% difference between both of them whilst the third placed bidder did not demonstrate a good understanding resulting in a 13.11% difference</p>

			between DCUK FM and the third placed bidder.
--	--	--	--

Community, equalities (including socio-economic) and health impacts

Community impact statement

59. The two contracts (Contract A and Contract B) will operate borough wide and will support the council’s Fairer Future Commitments for quality affordable homes and revitalised neighbourhoods.

60. Both contracts (Contract A and Contract B) will be of low impact to tenants, homeowners and other stakeholders as these are external works.

Equalities (including socio-economic) impact statement

61. The two contracts (Contract A and Contract B) will contribute to ensuring good quality homes which will benefit Southwark communities.

Health impact statement

62. The two contracts (Contract A and Contract B) will contribute to the health and safety and quality of life of council residents. The two contracts will ensure that the council has arrangements in place to meet its obligations and statutory requirements to the Fire Safety Act 2021 and Part 5 (Section 156) of the Building Safety Act 2022.

Climate change implications

63. The two contracts (Contract A and Contract B) requires all contractor company vehicles to be either hybrid or electric within the first 12 months of the contract term in line with the council’s target of being carbon zero by 2030. As referenced in paragraph 40 above, PRB and DCUK FMs’ Method Statement Response Documents will be incorporated into their contracts.

Social Value considerations

64. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

65. PRB and DCUK FM will be required to demonstrate that they are registered and accredited with the Transport for London (TfL) Fleet Operator Recognition Scheme (FORS). FORS helps fleet operators to measure and monitor performance, encompassing safety, fuel efficiency, vehicle emissions and improved operations, in order to promote fleet management best practice and reduce social / environmental impacts.

66. PRB and DCUK FM will be required to demonstrate that they can meet the Mayors Good Working Standard foundation level or above and that they are committed to the End Violence at Work Charter.

Economic considerations

67. The full cost to the council and the life span of each contract is set out in paragraphs 1 to 2 and 77 to 78 of this report.

68. PRB and DCUK FM will be required to provide the apprenticeship opportunities and work experience for schools and those not in education, employment or training as proposed in their Method Statement Response Documents which will be incorporated into their contracts.

Social considerations

69. Both PRB and DCUK FM have confirmed that they will comply with the provisions of the Equalities Legislation, the Employment Relations Act 1999 (Blacklists) Regulations 2010 and the Prevent Duty under section 26 of the Counter-Terrorism and Security Act 2015.

70. Both PRB and DCUK FM have confirmed that they recognise trade union recognition in line with the council's Fairer Future Procurement Framework and they exceed the payment of the minimum LLW hourly rate to all relevant staff. Quality improvements and cost implications linked to the payment of the LLW will be monitored as part of the each contract review process.

Environmental/Sustainability considerations

71. PRB and DCUK FM will be required to recycle metal and timber products.

72. PRB and DCUK FM will be required to provide hybrid or electric company vehicles within the first 12 months of the contract term in line with the council's target of being carbon zero by 2030.

Market considerations

73. PRB and DCUK FM are small and medium sized enterprises private limited companies.

74. PRB is based in Sidcup and currently employs fewer than 50 employees and operates throughout the Greater London Area. PRB has confirmed that they will not be using sub-contractors to deliver the works.

75. DCUK FM is based in Hertfordshire and currently employs 254 employees and operates across the UK. DCUK FM has confirmed that they will not be using sub-contractors to deliver the works.

Staffing implications

76. There are no staffing implications as the existing asset management division are already performing the contract management functions.

Financial implications

77. For construction (works) contracts, the council is the end user in relation to Domestic Reverse Charge (DRC) and notification of this will be included in the letter of award to the successful contractor.

78. The Fire Protection contracts have an estimated combined spend of £4m per annum broken down into two contracts:

- Contract A (North) £2m
- Contract B (South) £2m

79. Contract A (North)

Budget Code	Cost excluding VAT
GG952 62184 (50%)	£ 292,550
Estimated capital expenditure (based on the financial resources will be available and considering other priorities across asset management).	£1,707,450
Total Estimated Contract Value	£2,000,000

80. Contract B (South)

Budget Code	Cost excluding VAT
GG952 62184 (50%)	£ 292,550
Estimated capital expenditure (based on the financial resources will be available and considering other priorities across asset management).	£1,707,450
Total Estimated Contract Value	£2,000,000

81. The prices are fixed until 1 April 2024 with a Building Maintenance Index/General Maintenance Index being applied annually thereafter. Where these works are chargeable to leaseholders they will be recharged through the annual charge

Second stage appraisal (for construction contracts over £250,000 only)

82. Second stage financial appraisals were obtained from BvD Fame report for PRB and DCUK FM on 27 February 2023. The table below details their credit score and risk banding:

Tenderer	Credit Score & Risk Banding
PRB Estates Ltd	82Secure
Ductclean (UK) Ltd trading as DCUK FM	95Secure

83. Financial appraisals will be obtained from BvD Fame for PRB and DCUK FM prior to contract award.

Legal implications

84. Please see concurrent from the Assistant Chief Executive – Governance and Assurance.

Consultation

85. A Resident Engagement Plan has been prepared and will be communicated to all residents.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance (H&M23/029)

86. The Strategic Director of Finance and Governance notes the contents of this report, in particular the financial implications section. The expected combined cost of these contracts is £4m, with £585k revenue expenditure and £3,415k capital expenditure.

87. The Asset Management capital programme is currently under review to ensure that the programme can be delivered within available resources. Although this gateway approves the award of these contracts, use of the contractors will be subject to available resource allocation. Sufficient budget must be allocated within this reprioritised programme to cover the use of these contracts in line with council priorities.

Head of Procurement

88. This report seeks approval from the Strategic Director of Housing to award of Contract A – Fire Protection Contract to PRB Estates Ltd and Contract B – Fire Protection Contract to Ductclean (UK) Ltd at an estimated sum of £2m per annum per contract for a period of three years from 1 November 2023 with the option to extend by a further one year making a total estimated

contract values of £16m. PRB Estates Ltd and Ductclean (UK) Ltd will act as back up contractor for each other.

89. The Strategic Director of Housing notes the procurement process is detailed in paragraphs 10 to 12 and 16 to 43, the transition from existing contracts to new is detailed in paragraphs 44 to 45, management and monitoring of the contract is detailed in paragraphs 46 to 57, the risks are detailed in paragraph 58, the impact on equalities, health and climate change are detailed in paragraphs 61 to 63, confirmation of the payment of LLW is detailed in paragraph 70 and social value commitments are detailed in paragraph 54.

Assistant Chief Executive – Governance and Assurance

90. This report seeks the approval of the Strategic Director of Housing to the award of two separate Fire Protection Contract - Contract A (North of the borough) to PRB Estates Ltd and Contract B (South of the borough) to Ductclean (UK) Ltd trading as DCUK FM. Each contract is for an estimated sum of £2m per annum for a period of three years from 1 November 2023 with an option to extend by a further one year, making a total contract price of £8m each.

91. The Strategic Director of Housing is requested to note that PRB Estates Ltd and Ductclean (UK) Ltd trading as DCUK FM will act as back up contractor to each other's area in the event of a failure to deliver the service by the other, using their own tendered rates when required.

92. The tender process and tender evaluation are outlined in paragraphs 16 to 43 of this report.

93. Paragraph 45 of this report highlights that as PRB's geographical area is changing TUPE may apply and as such will be considered during the TUPE consultation period.

94. CSO 2.3 provides that contracts may only be awarded or a variation decision made if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of, the council. Paragraphs 77 to 81 of this reports confirm the financial implications of these awards.

Director of Exchequer (for housing contracts only)

95. These contracts are Qualifying Long Term Agreements under the terms of the Commonhold and Leasehold Reform Act 2002. The work undertaken within these contracts will be service chargeable to leaseholders in most cases and consultation has been carried out under Section 20 of the Landlord and Tenant Act 1985 (as amended) in compliance with schedule 2 of the service charge regulations.

96. Notice of Intention was served on 16 August 2021 and Notice of Proposal on 12 May 2023.

97. Work carried out under these contracts will be charged within the annual charges, or as major works where appropriate, and will be subject to further consultation under Schedule 3 of the regulations where costs for any leaseholder exceed the £250 threshold.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

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 (and as otherwise recorded in Part B below).

Signature:.....David Quirke-Thornton Date...18.08.23.....

Designation:....Strategic Director of Children and Adults Services

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see ‘FOR DELEGATED DECISIONS’ section of the guidance).

1. DECISION(S)
As set out in the recommendations of the report.
2. REASONS FOR DECISION
As set out in the report.
3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
Not applicable.
4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION
None

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

Not Applicable

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

~~I declare that I was informed of the conflicts of interests set out in Part B4.*~~

(* - Please delete as appropriate)

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 Procurement Strategy Approval Responsive and Planned Maintenance – Fire Protection Chargeable Contracts (North & South)	Asset Management	Asset Management Gavin Duncumb 0207 525 0685
Link: ..\..\00 Executed Contract Docs & GW Approvals\Fire Protection\2023 Fire Protection Contracts\Gateway Approvals\19.07.2021 GW1 Fire Protection CO decision.pdf		
Gateway 3 – Variation Decision Responsive Repair and Maintenance - Fire Protection Chargeable Contracts (North & South)	Asset Management	Asset Management Gavin Duncumb 0207 525 0685
Link: ..\..\00 Executed Contract Docs & GW Approvals\Fire Protection\2018 Fire Protection Contracts\Gateway Approvals\29.09.22 GW3 Fire Protection to 31.07.23.pdf		

APPENDICES

No	Title
None	

AUDIT TRAIL

Lead Officer	David Hodgson - Director of Asset Management	
Report Author	Karen Feehily – AMPT Contracts, Commissioning & Compliance Manager	
Version	Final	
Dated	31 July 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Exchequer (for housing contracts only)	Yes	Yes
Cabinet Member	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	No	No
Cabinet	No	No
Date final report sent to Constitutional Team		22 August 2023