

WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW & SCRUTINY COMMITTEE

26 FEBRUARY 2019

Title:

REPAIRS AND MAINTENANCE PROCUREMENT PROJECT OUTCOMES

[Portfolio Holder: Cllr King]

[Wards Affected: All]

Summary and purpose:

To advise the committee of the outcome of the project to procure a range of repairs and maintenance contractors for April 2019. To introduce Vicky Fordam-Lewis MPS Housing Limited's Managing Director.

How this report relates to the Council's Corporate Priorities:

This report predominately relates to the priorities of People and Place. The delivery of the new repairs and maintenance contracts, with a revised customer focus, will support improving lives and communities.

Equality and Diversity Implications:

Equality and Diversity issues were considered in the development of the tender documentation regarding how tenants will access and receive services. This formed part of the evaluation and assessment process.

Financial Implications:

This report documents the procurement process for the repairs and maintenance contracts. The financial implications are contained in the Housing Revenue Account Business Plan which was approved at Council on the 12 February 2019 and contains the repairs and maintenance budget for 2019/20.

Legal Implications:

The Legal Services team was represented on the project team to ensure all legal procedures and processes were followed correctly, including the OJEU process and completion of new contracts. External specialist legal advice was sought when necessary.

Background

1. Members will recall that a number of repairs and maintenance current contracts are due to end in Spring 2019 or be extended for further seven years. After a detailed options appraisal the Executive agreed, in April 2017, to a procurement project for the repairs and maintenance service split into three elements:
 - responsive repairs and voids

- planned works (two lots - kitchen and bathrooms, windows and doors), and
 - building works framework for a range of minor contracts (four lots - redecoration, roofing, drainage and general building works)
2. The committee received a progress report in January 2018 detailing the project governance and actions to date.
 3. The Housing Service had appointed Faithorn Farrell Timms consultants (FFT) to provide support and expert advice for the procurement project. A cross service Project Team and Governance Board was also created to implement and monitor the project including risks and communications.
 4. The project team had successfully published the Prior Information Notices, created tender documentation and completed 65 SQ (selection questionnaire) evaluations. The project team and tenant volunteers were due to complete tender evaluations in January/ February 2018.
 5. The committee received further verbal updates on the procurement project during 2018.

Project Update

6. The project has progressed well with all key events completed in 2018.

Key event	Project timeline	Completed	Comments
Tender Evaluation	January/ February	February	<p>Responsive repairs and voids - nine tenders assessed. Five invited to final stage ITT (invitation to tender) and feedback to unsuccessful contractors.</p> <p>Planned works Lot 1 (kitchen and bathrooms) and Planned works Lot 2 (windows and doors) – eight assessments. IT and tenant representatives included in the assessment.</p> <p>Framework (four lots) - 13 tenders assessed. IT and tenant representatives included in the assessment.</p>
Progress Workshop	March	6 March	Updated staff and tenant volunteers on project, how their views informed documentation and next steps.
Responsive repairs	March to	12-21	Agreed topics and questions prior

and Voids negotiation /clarification meetings	April	March	to negotiations Requested Profit and Loss template completed to inform financial assessment Opportunity to clarify queries from tenderers and Waverley's requirements and objectives Five meetings conducted
Planned Works contractor interviews	March	27 and 28 March	Questions set within tender documentation Marks awarded included in the overall tender assessment Eight interviews conducted (with seven contractors)
Final Responsive Repairs and Voids Tender documentation issued	April	23 April	Documentation slightly updated to reflect outcomes of negotiations Five contractors invited to submit final tender documents by 10 May
Final Responsive Repairs and Voids Tender Evaluation	April - June	23 – 25 May	Technical making assessment IT and tenant representatives including in the assessment
Contract Awards Agreed	June/July	21 June	Three project tender reports received in May/June. Governance Board agreed recommendations
Leaseholder Consultation	August	2 July to 6 August	Preferred bidder section 20 notification on contracts
Contracts signed	Sept/ Oct	Oct/Nov	All contracts signed and sealed
Communications	Autumn	October 5 Nov 12 Nov	Award Notice Homes and People newsletter (Annexe three) Mitie Press release

7. The original high level project timeframes can be found at Annexe One for the responsive repairs and voids procurement and Annexe Two the planned and framework.
8. There was a slight delay with the planned interview dates and with contract signing but due to the healthy mobilisation period within the procurement project plan there has been no adverse impact.

9. During the course of the project there was a Property Services staffing restructure, procurement project team member changes and change in Project Manager. The team, with FFT support, successfully completed seven concurrent, complex and varied procurement projects on time and met OJEU and procurement guidelines.

Contract Award

10. The Head of Housing and Portfolio Holder for Housing were given delegated authority, by the Executive, to select the contractors.
11. FFT provided comprehensive Final Tender Reports on each procurement exercise with final recommendations. The procurement outcomes were as follows:

Contract	Successful contractors awarded	Comment
Responsive repairs and voids	Mitie Property Services (UK) Limited	
Planned works - kitchen and bathrooms	Gilmartins Limited	
Planned works – windows and doors	Not awarded	We withdrew from the procurement process as unable to deliver budgeted programme of works on submitted prices Second procurement process to commence Q1 2019/20
Framework Lot 1 – Redecorations and associated repairs	<ul style="list-style-type: none"> ▪ Ian Williams Limited ▪ Mitie Property Services (UK) Limited ▪ Novus Property Solutions Limited 	Works to be awarded directly or through mini tender process
Framework Lot 2 – Pitched/Flat Roofing	<ul style="list-style-type: none"> ▪ R. Bensons Property Maintenance Limited ▪ M&J Group (Construction & Roofing) ▪ Breyer Group PLC 	Works to be awarded directly or through mini tender process
Framework Lot 3 – Drainage Works	<ul style="list-style-type: none"> ▪ Polyteck Building Services Limited ▪ Lanes Group plc ▪ Surrey Groundwork Contractors 	Works to be awarded directly or through mini tender process
Framework Lot 4 – General Building Works –	<ul style="list-style-type: none"> ▪ R. Bensons Property Maintenance Limited 	Works to be awarded directly or through mini

structural, fencing etc	<ul style="list-style-type: none"> ▪ Novus Property Solutions Limited ▪ Bell Decorating Group Limited ▪ Fowler Building Contractors Limited 	tender process
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Post Project Actions

12. A post project review was undertaken on 26 November 2018 which identified the successes of the project and lesson learnt including recommendations for future procurement project:

<u>Successes</u>	<u>Recommendations</u>
<ul style="list-style-type: none"> ▪ use of additional planning time in project plan ▪ pre market engagement with Prior Information Notices and soft market testing ▪ inclusion of Small Medium Enterprises (SMEs) with local advertisements ▪ enlisted external legal assistance if internal support not available ▪ scrutinise the final accounts of tenderers ▪ training of scoring panels ▪ included markers from tenant volunteers and IT services ▪ sought explanation for low process ▪ include negotiation process ▪ use of weekly highlight reports 	<ul style="list-style-type: none"> ▪ stagger procurement and contract commencement dates where possible ▪ consider where workstreams best placed contract or framework ▪ consider additional extension of Selection Questionnaires and Tender periods over Christmas period ▪ include wider range of staff in document preparation and pricing methodology ▪ consider 50:50 technical (quality) : price evaluation (was 60:40) ▪ ensure more detailed programme work available before creating tender documents

13. On the 19 November Mitie Group announced the agreement to sell its social housing business, including the Waverley contract, to Mears Group plc.
14. Following the announcement the team met with Mitie and Mears to clarify the company structure and confirm the commitment to the delivery of the Waverley contracts.
15. Mitie Property Services (UK) Limited has been split with responsive repairs moving to a new company, MPS Housing Ltd, within the Mears Group. The external decoration service and Waverley's redecoration framework contract remains within the Mitie Group. MPS Housing Ltd will be separate from Mears Ltd our current responsive repairs provider.

16. The Head of Service, Portfolio Holder for Housing and Project Team were assured of the commitment to deliver the contract promises and the autonomy of MPS.
17. The legal advice and post project review demonstrated that the procurement process was correctly followed. Extensive financial checks were conducted on all contractors involved in the bid process, there were no findings that would have justified not awarding to Mitie.
18. Further legal and financial advice about the contract and parent company guarantees has been considered and the contract will be mobilised as planned.

Conclusion

19. The procurement process was successfully completed in time and according to the procurement rules and regulations. Waverley have held introductory meetings with all contractors and commenced mobilisation. A second windows and doors procurement project is planned for Spring 2019.
20. Mobilisation is in progress with joint teams developing processes and training. A pilot kitchen and bathroom replacement programme is due to commence shortly to fine tune processes. A tenant drop in event to meet MPS is booked for 15 February and a tenants newsletter to introduce the new contractors and services will be sent at the end of March.
21. I am pleased to introduce Vicky Fordam-Lewis MD of MPS to introduce her team and the responsive repairs and voids contract promises.

Recommendation

The Committee are asked to:

1. comment on the progress against the project plan and make any observations to the Executive,
2. thank the tenant volunteers for time taken to complete evaluations and assessments,
3. support mobilisation of contracts, and
4. request future post implementation progress reports on all contracts.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

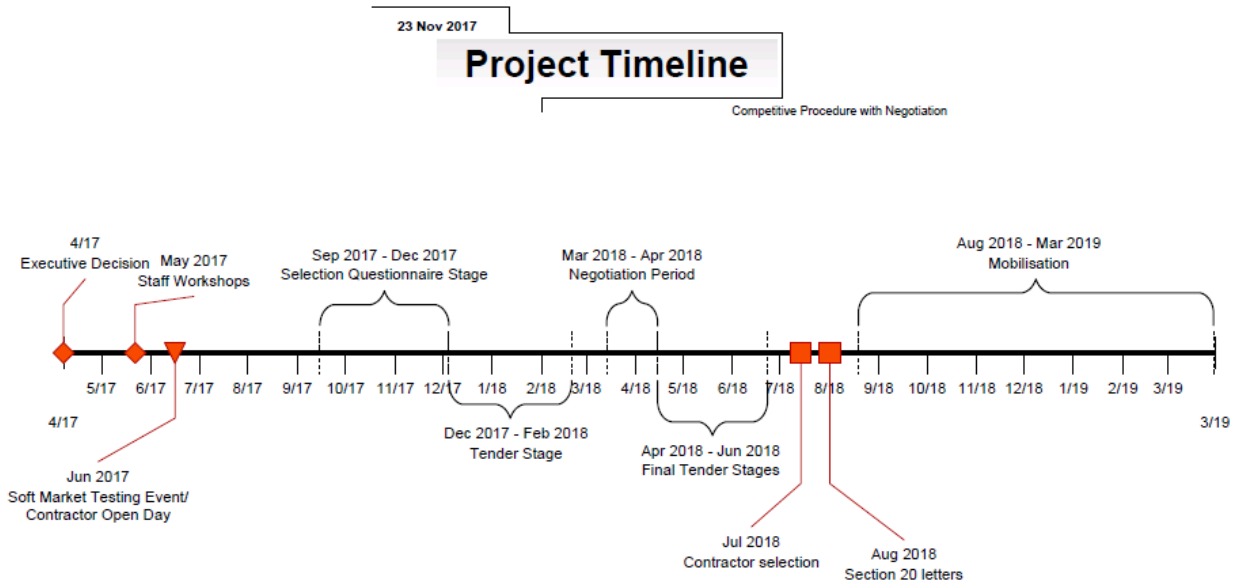
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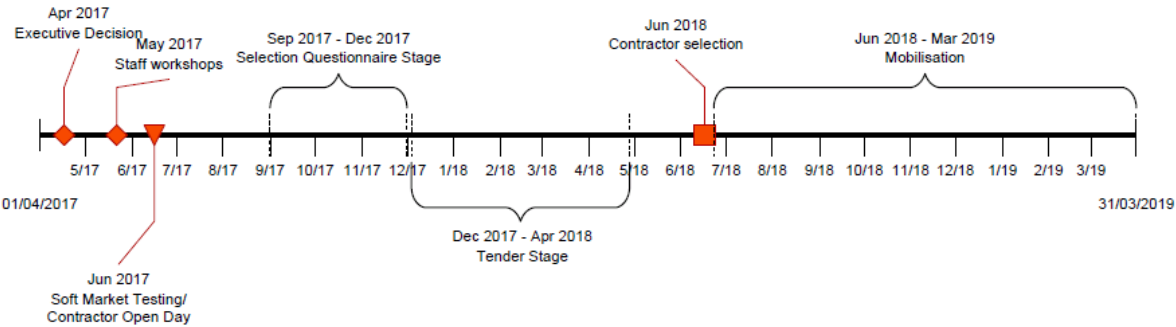
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Internal timeline





New Contractors Announcement



Over the last eighteen months we have been looking for new repairs and maintenance contractors as our current contracts are due to end on 31 March 2019.

After completing a robust assessment and selection process to find the best contractors based on quality and price, the council can announce our new contractors:

- Mitie Property Services (UK) Limited for day to day repairs on your homes
- Gilmartins Limited for kitchen and bathroom replacements
- 12 different contractors for range of redecorations, roofing, draining and general building works.

Your participation has been a key part of the process. Thank you to members of the Tenants Panel and Waverley Scrutiny Group who assisted in assessing the submissions. We also used your views from the Tenants Panel All Tenants Open Meeting in April 2017 to inform the contracts, including the importance of the competence and qualifications of the operatives and communications on the progress of repairs.

We were unable to find contractors who could deliver window and doors in line with our budgets so we will be reviewing the programme to find a new contractor for this next year.



Day to day repairs

Some of you may remember that we worked with Mitie before the current contract with Mears. We are pleased to be working with Mitie again for this new contract, with a new team and new focus to provide an excellent repairs service.

When will the change happen?

The new contracts will start April 2019.

How do I report repairs? In exactly the same way through our Housing Customer Service Team:

www.waverley.gov.uk/housing
housingcustomerservices@waverley.gov.uk
 0330 119 3000

How can I get involved?

We will be looking for interested tenants to help make sure the contractors deliver on the contract promises. Get in touch with our tenant involvement officer:

www.waverley.gov.uk/tenantparticipation
tenantinvolvement@waverley.gov.uk
 01483 523196

How can I find out more?

We will be giving further information and updates as we get nearer to the go live date in April.

Gas contract

We have just renewed our contract with CHS for a further seven years. **Freephone 0800 917 9306**

Sausage dogs (draught excluders) prevent draughts from the bottom of doors. You can make your own with an old pair of tights stuffed with old socks, dry rice, lentils or gravel.

Do you have any more tips to share? Send us your top tips and photos. The best sausage dog will feature in the next edition!

