

WAVERLEY BOROUGH COUNCIL

EXECUTIVE BRIEFING

4 JANUARY 2022

EXECUTIVE

18 JANUARY 2022

Title:

Housing Maintenance Procurement Outcome Report

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

Note pursuant to Section 100B(5) of the Local Government Act 1972

1. Purpose and summary

1.1 To update Executive Members on the outcome of the Housing Maintenance, Responsive Repairs, Void Refurbishment and Disabled Adaptations Contract procurement. The Executive agreed the procurement exercise on 7 January 2020 (*minutes EXE 52/19 52.2.3*). To confirm that following a comprehensive tender evaluation process, Ian Williams Ltd achieved the highest combined scores for price and quality and has been confirmed as the preferred bidder.

2. Recommendation

2.1 It is recommended that the Executive:

- notes the procurement process undertaken for the housing maintenance service, and that following a comprehensive tender evaluation process, Ian Williams Ltd achieved the highest combined scores for price and quality and has been confirmed as the preferred bidder and subject to contract and final due diligence, will be awarded the contract
- requests that officers report to the Landlord Services Advisory Board

within nine months on the outcome of the mobilisation of the new contract and the performance of the contractor.

3. Reason for the recommendation

- 3.1 To share the outcome of the procurement exercise and demonstrate the adherence to procurement rules.

4. Background

4.1 Faithorn Farrell Timms (FFT) were appointed specialist consultants to support Waverley with the procurement exercise. After extensive consultation it was agreed that the contract would be a JCT Measured Term Contract, to be awarded on a five-year term with the ability to extend for a further five-year period and pricing method would be the National Federation of Housing Schedule of Rates version 7.

4.2 Contract documents were published on 7 January 2021 for a period of 4 weeks. 73 organisations registered interest however only 11 submitted an expression of interest selection questionnaire and financial assessment. Following the compliance and financial assessment reviews two contractors failed to meet the required thresholds and were therefore not selected for technical marking.

4.3 Technical marking took place week commencing 1 March 2021, with Officers scoring the nine bidders on their submissions to pre-set questions. FFT completed a moderation and gathered feedback to ensure that the marking was fair and transparent. The bidders were asked to provide examples of three relevant case study examples where they have provided similar service requirements to that stipulated by the Council. They then had to answer a suite of questions on operational delivery, client/resident engagement, social responsibility (including environmental sustainability and carbon reduction), innovation and continuous improvement. From the nine submissions this was reduced to four bidders who received an invitation to tender on 7 April 2021.

4.4 The tender marking period ran from the 7 April 2021 until 7 May 2021, with tender submissions received from all four contractors. From 10 May until 7 June

consultants FFT completed compliance checks and marked the pricing submissions. Technical marking and moderation took place week commencing 7 June with several officers involved and completed on 18 June 2021. The project team met on 21 June to review the combined scoring for costing and technical marking. At this point the contractors who scored lower in the rankings were removed from the process.

4.5 Contract Negotiations were held in September 2021 with two bidders. The subjects covered during negotiations included:

- Profit and Loss information
- Resource
- Sub-contracting & Supply chain
- Data
- Social Value and Environmental Sustainability
- Parent Company Guarantee and Contract Bond
- Key Performance Indicators

4.6 It was determined that full comprehensive negotiations were undertaken, and contractors were invited to submit final tender. Final tender submission evaluation was undertaken in November 2021 this took the form of financial evaluation and technical marking. Housing officers were supported by tenant representatives and colleagues in Procurement, IT and finance.

4.7 FFT undertook independent financial and economic evaluation on behalf of the Council and the outcome was detailed in an Evaluation Outcome report which confirmed that Ian Williams Limited achieved the highest combined score through the tender evaluation process.

4.8 The Project Governance Board met on 7 December to consider the Evaluation Outcome report in detail and approved the conclusion of the evaluation process.

The following next steps were agreed and have now been completed satisfactorily:

- Section 151 Officer would review the financial evaluation undertaken by FFT consultants using the latest accounting information available to ensure that the ratios used were calculated on a comparative basis.

- Waverley's finance team would complete the standard financial standing assurance checks
- Once the financial assurances have been confirmed, the officers would proceed to issue Stage 3 Leaseholder consultation letters (following the statutory section 20 process to consult with leaseholders)
- Officers would issue preferred bidder letters to the contractor (Note: this letter does not constitute a contract or an obligation to award and, as per the tender documents, Waverley reserves the right to cancel this procurement process at any point and may decide not to award part or parts of the contract, or not award a contract, upon completion of the process)
- The standstill period would then commence for a period of 30 days

4.9 The aim is to formally award the contract in February 2022, followed by the mobilisation of the contract, with a contract start date 1 April 2022. Contract terms and final due diligence will be undertaken during January.

5. **Relationship to the Corporate Strategy and Service Plan**

5.1 The procurement links to the Corporate Strategy's priority for "*Good quality housing for all income levels and age groups*" and the Corporate aim "*to be the best council landlord in the South East and to be acknowledged so by our tenants*"

6. **Implications of decision**

6.1 **Resource (Finance, procurement, staffing, IT)**

The financial implications of this report will be reflected in the HRA Business Plan projections from 2022/23 onwards.

6.2 **Risk management**

The project followed strict procurement rules with the support of FFT consultants and regularly reported to the Project Governance Group. Risk were identified and mitigated throughout the project via a project risk register.

6.3 Legal

The procurement of this service has been conducted in accordance with the Public Contract Regulations 2015 and the Council's Contract Procurement Rules. This includes the statutory standstill period referred to at paragraph 4.8. With that being the case the Council can award the contract, subject to those matters referred to within the report.

6.4 Equality, diversity and inclusion

Tender submission included questions and requests for evidence on how contractor met EDI requirements. An Equality Impact Assessment will be completed with the contractor during the mobilisation period.

6.5 Climate emergency declaration

Tender submissions included questions on how to support the Council's commitment to be carbon neutral by 2030. The preferred bidder's response aligned with Waverley's pledge.

7 Consultation and engagement

The former Housing Overview and Scrutiny Committee held a task and finish group to recommend the procurement methodology and contract requirements. The Tenants panel have been key stakeholders and were involved in the evaluation of tenders. During the project regular reports and verbal updates have been shared with Housing O&S and the Tenants Panel. Housing O&S Committee have been involved in a working group.

The Portfolio Holder for Housing is a member of the Governance Board and is updated on progress.

8 Other options considered

As part of the preliminary works undertaken, Officers engaged with other Local Authorities who provide landlord services including Runnymede, Woking and Guildford Borough Councils. Unfortunately due to timing and other ongoing initiatives in these Local Authorities they were not in the position to develop a collaborative approach to the procurement of Housing Maintenance services

9 Governance journey

- 9.1 The Housing O&S Committee were updated on procurement progress on a quarterly basis.
- 9.2 A Governance Board made up of the Portfolio Holder for Housing, Strategic Directors and key officers including the Procurement Officer and Borough Solicitor meet at each significant milestone to review progress and provide oversight and scrutiny.
- 9.3 Report to January Executive for noting.

Annexes: none

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Heather Rigg
Position: Operations Manager, Housing Operations
Telephone: 0148 3523373
Email: heather.rigg@waverley.gov.uk

Agreed and signed off by:

Legal Services: 21 December 2021

Head of Finance: 23 December 2021

Strategic Director: Annie Righton and Graeme Clark

Portfolio Holder: