

**CABINET
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Report title: Housing Repair and Maintenance Contracts 2021

Wards: All

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APPENDIX B

Open Tender and Affordability Report

Housing Repairs and Maintenance Contracts 2021

March 2021

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1. Executive Summary

1.1 A contract notice was published in the Official Journal of the European Union (OJEU) in December 2019 for 'London Borough of Lambeth's Housing Repairs and Maintenance Service'. The competition process was the Competitive Procedure with Negotiation in accordance with Regulation 29 of the Public Contracts Regulations 2015, and the Contract was divided into ten (10) Lots as follows:

- Lot 1 – Repairs and Voids geographical area North;
- Lot 2 – Repairs and Voids geographical area South;
- Lot 3 – Communal Gas and Water Systems area North;
- Lot 4 - Communal Gas and Water Systems area South;
- Lot 5 – Domestic Gas Works geographical area North;
- Lot 6 – Domestic Gas Works geographical area South;
- Lot 7 – Electrical Works geographical area North;
- Lot 8 – Electrical Works geographical area South;
- Lot 9 – Lifts geographical area North; and
- Lot 10 – Lifts geographical area South.

1.2 Evaluation of SQ submissions provided in response to the contract notice resulted in the following Applicants being Invited to Submit an Initial tenders for each Lot.

Table redacted - this information is included in full in the exempt Part II Report.

1.3 Of the original 31 Bidders, 6 did not submit tenders. The 25 Bidders who did submit Initial Tenders were:

Table redacted - this information is included in full in the exempt Part II Report.

- 1.4 The Volume 1 Invitation to Submit Initial Tender (ISIT) document details the number of Bidders following the ISIT quality and price evaluation that would be taken forward to the negotiation and Invitation to Submit Final Tenders (ISFT) stages.
- 1.5 The evaluation criteria described in the Volume 1 ISIT was implemented to generate weighted scores for each tender received. Therefore the following Bidders were excluded at ISIT stage:

Table redacted - this information is included in full in the exempt Part II Report.

- 1.6 As a result, the following Bidders were therefore invited to Negotiate across all Lots:

Table redacted - this information is included in full in the exempt Part II Report.

- 1.7 Following the negotiation stage, the same Bidders at 1.6 were given the opportunity to submit Final Tenders through the ISFT stage.

Table redacted - this information is included in full in the exempt Part II Report.

- 1.8 The same evaluation criteria described in the Volume 1 ISIT was implemented in the ISFT stage to generate weighted scores for each tender received. The results of the ISFT evaluation are as follows:

Tables redacted - this information is included in full in the exempt Part II Report.

- 1.9 The Volume1 ISFT stated that in respect of Lots 1 and 2 (Repairs & Voids North and South areas) only, the Council reserved the right to appoint reserve Contractors for each of these Lots.
- 1.10 The Volume 1 ISFT stated that the Council would add each Bidder's weighted price score to the weighted quality score which shall be the total bid score for that Bidder for that Lot (the "Total Bid Score"). The Council ranked all of the Total Bid Scores, highest score first. The Council shall award the Contract to the Bidder with the highest Total Bid Score.

1.11 After calculation of the weighted Total Bid Scores as noted above, the results indicate that:

- **Fortem** have the highest overall scores for Lots 1 and 2
- **T Brown** have the highest overall scores for Lots 3 and 4
- **MPS** have the highest overall scores for Lots 5 and 6
- **NRT** have the highest overall scores for Lots 7 and 8
- **RJ Lifts** have the highest overall scores for Lots 9 and 10

1.12 After applying the rules for awarding Contracts at Part 1 and the Lot Award Strategy a section 33 of the Volume 1 ISIT, It is therefore recommended by the evaluation panel that:

- **Fortem** are awarded the Contract for Lot 1 – Repairs and Voids geographical area North;
- **Wates** are awarded the Contract for Lot 2 – Repairs and Voids geographical area South;
- **T Brown** are awarded the Contract for Lot 3 – Communal Gas and Water Systems area North;
- **OCO** are awarded the Contract for Lot 4 - Communal Gas and Water Systems area South;
- **MPS** are awarded the Contract for Lot 5 – Domestic Gas Works geographical area North;
- **T Brown** are awarded the Contract for Lot 6 – Domestic Gas Works geographical area South;
- **NRT** are awarded the Contract for Lot 7 – Electrical Works geographical area North;
- **Open View** are awarded the Contract for Lot 8 – Electrical Works geographical area South;
- **RJ Lifts** are awarded the Contract for Lot 9 – Lifts geographical area North; and
- **Amalgamated** are awarded the Contract for Lot 10 – Lifts geographical area South.
- **Breyer** are awarded the **reserve** Contract for Lot 1 – Repairs and Voids geographical area North;
- **Morgan Sindall** are awarded the **reserve** Contract for Lot 2 – Repairs and Voids geographical area South;

2. Introduction

2.1 Introduction to report

2.1.1 This report sets out the tender evaluation and process for the 'London Borough of Lambeth Housing Repairs and Maintenance Service' procurement, which consists of 10 Lots:

- Lot 1 – Repairs and Voids geographical area North;
- Lot 2 – Repairs and Voids geographical area South;
- Lot 3 – Communal Gas and Water Systems area North;
- Lot 4 - Communal Gas and Water Systems area South;
- Lot 5 – Domestic Gas Works geographical area North;
- Lot 6 – Domestic Gas Works geographical area South;
- Lot 7 – Electrical Works geographical area North;
- Lot 8 – Electrical Works geographical area South;
- Lot 9 – Lifts geographical area North; and
- Lot 10 – Lifts geographical area South.

2.1.2 The report describes the tender process from issue of the contract notice through to Invitation to Submit Final Tenders (ISFT) in a chronological process, and also provides a recommendation for the appointment of Contractors to provide the works and services.

2.1.3 In addition there is a further section covering 'Affordability' that the Council need to consider prior to entering into Contracts with the recommended Contractors.

2.2 Background

2.2.1 The Council carries out some 60,000 repairs annually and undertakes works to approximately 500 voids. Technical services also form part of this procurement exercise. The Council are moving to a model that incentivises the ethos of quality and first time fix across all service areas.

2.2.2 Following a recent reorganisation, the Borough has been split into North and South for the management of its housing services. This split forms the basis for the delivery of repairs and technical services.

2.2.3 The Council is seeking, in its future repairs solution, the most efficient service; it must be both cost effective and financially viable. It wants to maximise the use of digital technology; moreover, the service should embody the Council's social value principles and commitments on climate change.

2.2.4 In response various current specialist Contracts were disaggregated, while still organising delivery on a North/South basis. This should mean more Contractors and greater transparency around cost and performance; in theory, there will be less sub-Contracting and the main Contractors will not be able to charge margin on margin.

- 2.2.5 The Council is committed to modernising services and to innovating in the way they are delivered. Its residents are an important part of the process and delivering the best possible customer journey is seen as a core priority.
- 2.2.6 Residents have been closely involved in developing the Council's approach to repairs and this will continue through the evaluation process and into the future monitoring of the service.
- 2.2.7 The safety and quality of housing stock is a key issue for the Council and residents alike. The Council have already allocated funding to improve fire safety; further investment strategies will help to ensure that our asset is robust and future proof.
- 2.2.8 As procurement processes in this sector are rigidly regulated by legislation and case law (European and UK), the procedures adopted have been referred for legal advice at every stage and clarity and transparency of the evaluation process has been paramount.

2.3 Procurement Approach

- 2.3.1 On 6th December 2019 the London Borough of Lambeth published an OJEU Contract notice inviting expressions of interest in relation to 'Housing Repairs and Maintenance Works and Services' for the Council.
- 2.3.2 As set out in the OJEU contract notice, Applicants were entitled to express interest in bidding for more than one Lot and, if invited to submit an Initial Tender could bid for any number or combination of Lots for which they had been shortlisted. However, to ensure a suitable split of the work and to ensure the Council is not overly reliant on one Contractor, the Council stated it intended (subject to there being sufficient Bidders for each Lot):
- 2.3.2.1 not to award Contracts to any one Bidder for more than two Lots;
 - 2.3.2.2 not to award a Contract to any one Bidder for more than one geographical Lot in respect of the same Works discipline i.e. no Bidder will be awarded both Lots 1 and 2, both Lots 3 and 4, both Lots 5 and 6, both Lots 7 and 8 or both Lots 9 and 10. This is to ensure that no single Contractor will be supplying both the North and the South areas of the borough in any one Works discipline.
- 2.3.3 Following evaluation of the Final Tenders the Council stated it will award the Contracts for each Lot in accordance with the following principles:
- 2.3.3.1 All Tenders for each Lot will be ranked in order, highest scoring first.
 - 2.3.3.2 Without prejudice to the rules about award of reserve Contracts, all awards are subject to the overriding principles that:
 - 2.3.3.2.1 no Bidder may be awarded more than two main Contracts;

2.3.3.2.2 no Bidder may be awarded main Contracts for two geographical Lots (i.e. North and South area) for the same Works discipline.

2.3.4 The restriction on the maximum number of awards that will be made to a single Bidder will be applied at parent company level. For example, in the event of there being two separate Bidders that are in fact part of the same group of companies/share a common parent, the maximum number of awards available to both Bidders combined remains limited to two in total (+ 1 reserve).

2.3.5 The Council will award Contracts for Lots in the following numerical order:

1. Lot 1
2. Lot 2
3. Lot 5
4. Lot 6
5. Lot 3
6. Lot 4
7. Lot 7
8. Lot 8
9. Lot 9
10. Lot 10
11. Lot 1 (reserve)
12. Lot 2 (reserve)

2.3.6 Where the highest scoring Bidder for a Lot has already been awarded two Contracts or the other geographic Lot in the same works discipline, the next highest scoring Bidder will be awarded that Lot. Should the second highest scoring Bidder also be excluded due to the rules at 2.3.3.2.1 and 2.3.3.2.2 the next highest bidder will be considered and so on.

2.3.7 Exceptionally, in the event that the application of the rules set out results in there being insufficient eligible Bidders to whom Contracts can be awarded for each and every Lot and subject to the Regulations, the Council reserves the right (but only to the minimum extent necessary) to award more than 2 main Contracts (and/or more than 1 Reserve Contract if applicable) to the same Bidder.

2.3.8 The Contracts will all be non-exclusive and the Council may appoint alternative providers to carry out any of the works covered by a Contract or carry out the works themselves. In addition, in respect of Lots 1 and 2 (Repairs & Voids North and South areas) only, the Council also reserves the right to appoint reserve Contractors for each of these Lots. If the Council exercises that right, the appointment of reserve Contractors would be subject to the following:

2.3.8.1 The Bidder that is awarded the main Contract for Lot 1 cannot be the reserve Contractor for Lot 2 and vice versa.

2.3.8.2 Award of reserve Contractor status would not prevent a Bidder being awarded up to 2 main Contract awards.

2.3.8.3 For the avoidance of doubt, a Bidder can only become a reserve Contractor for a Lot if it has submitted a bid for that Lot.

2.3.8.4 Any reserve Contractor may, at the Council's discretion, be required to undertake individual pieces of work from time to time which would ordinarily be carried out by the main Contractor for that Lot.

2.3.8.5 If the Contract with the main Contractor for a Lot is terminated, the reserve Contractor for that Lot will be appointed as the main Contractor.

Form of Contract

2.3.9 The term of the Contracts are expected to be six (6) years, with the option at the Council's discretion, to extend by two periods of four (4) years up to a total aggregate extension period of eight (8) years. The maximum term of each Contract is therefore fourteen (14) years.

2.3.10 There are three standard forms of construction Contracts generally used for housing term maintenance services:

- New Engineering Contract (NEC) Term Service Contract;
- The Joint Contracts Tribunal (JCT) Measured Term Contract; and
- The Association of Consulting Architects (ACA) Term Partnering Contract.

2.3.11 The current LPCs and LHS Contracts use the NEC3 standard form of construction Contract - albeit heavily amended.

2.3.12 The NEC form of Contract is very complex and considered to be too administratively burdensome (for both parties - client and Contractor) and poses a big risk in that there are a lot of pre-conditions and time-bars which would prevent the Council from seeking important remedies if a notice wasn't serviced correctly or on time. In this regard the JCT is more forgiving and administratively more straightforward and less likely to preclude the recovery of damages by virtue of a wrongly timed notice.

2.3.13 The ACA Term Partnering Contract, whilst less complex than the NEC Term Service Contract, many of its provisions will require extensive elaboration to achieve a sufficiently certain and defined Contractual mechanism for delivering the services in question.

2.3.14 The Design Steering Group has reviewed the suitability of the three standard forms and therefore identified the JCT Measured Term Contract as the best fit - both in terms of satisfying the Contracting requirements of the services, and the ease with which they can be understood and administered by the parties.

2.3.15 The JCT Measured Term Contract is a flexible term agreement that has been specifically designed for clients who have a regular flow of maintenance - as is the case with this procurement. It will require the least amendments and bespoke drafting, sets out collaborative working requirements as an enforceable condition, embeds a KPI structure, no-fault termination provisions and anticipates the use of pricing structures proposed under this procurement. It is for these reasons that the JCT Measured Term Contract has been selected for this procurement.

2.3.16 The Design Steering Group also agreed to keep as close to the standard form as possible to ensure it can be operated as intended, and Contractors can competitively price a familiar Contract form. It will however still be amended to incorporate the council's standard terms and conditions, where not already covered - all amendments have been drafted by experienced construction and procurement lawyers Sharpe Pritchard, to ensure they are operationally sound and protect the councils interest/position in the event of dispute.

2.3.17 The form of Contract used in the procurement across all Lots was therefore the Joint Contracts Tribunal (JCT) Measured Term Contract 2016 with amendments, as set out in Volume 3. Bidders were provided with:

- 2.3.17.1 A draft Contract for the main Contractors for Lots 1 and 2;
- 2.3.17.2 a draft Contract for the reserve Contractors for Lots 1 and 2; and
- 2.3.17.3 a draft Contract for the Contractors for Lots 3 to 10.

2.3.18 The successful Contractor in each Lot will be required to execute a formal Contract with the Council in the applicable form set out in Volume 3.

2.3.19 The Contracts provide that at any time after the 4th anniversary of the commencement date of the Contract Period, the Council shall be entitled to terminate the Contractor's employment in whole or in part for convenience on the giving of not less than 6 months' written notice. For the avoidance of doubt, such notice may expire at any time not less than 6 months after the 4th anniversary of the commencement date of the Contract Period. Upon exercising its right to terminate, the Council shall have the right at its sole discretion to deliver the works or services itself or appoint a third party to perform the works or services.

Key Performance Indicators, Operational Performance Indicators and Performance Failures

2.3.20 Resident Services recognises that robust Contract management is an essential part of the broader procurement process. Contract and performance management has therefore featured heavily in various officer, resident and member workshops and meetings.

2.3.21 All Contracts feature a suite of Key Performance Indicators (KPIs) and Operational Performance Indicators (OPIs) that were set out in the Appendix to Schedule 2 of the Contract and are to be reported on monthly. These reports will be published monthly and reviewed by the Strategic Director's Management Team. Some KPIs will incur a Deduction if there is a failure to meet them, Deductions are set out further in section 4 of the Contract, and at 2.3.25 below. The KPI schedule is set out at Appendix 1.3 to this report.

2.3.22 The Contract states that a Performance Failure will (without limitation to the definition of that term given in the Contract) be deemed to have occurred where the Contractor fails to meet the requirements of any of the KPIs or OPIs. Failure to comply with the KPIs or OPIs may result in the suspension or termination of all or part of the works or services in accordance with clause 8.4 and clause 8.4A of the Contract (as may any other type of Performance Failure) as more particularly detailed in Schedule 2 of the Contract.

- 2.3.23 The Contract outlines that performance against the KPIs and OPIs will be monitored continuously by the Council in accordance with the General Preliminaries and Service Specific Preliminaries (Schedule 1).
- 2.3.24 Without prejudice to its other obligations, the Contractor shall comply with:
- 2.3.24.1 the annual reporting and review requirements as set out in the General Preliminaries (Schedule 1); and
 - 2.3.24.2 the monthly and quarterly reporting and review requirements as set out in the General Preliminaries (Schedule 1).
- 2.3.25 The Contractor and the Council shall monitor and maintain records of performance against the KPIs and OPIs. The Council also reserves the right to undertake independent monitoring of the Contractor's performance against the KPIs and OPIs at any time and at a frequency that it shall determine.
- 2.3.26 Apart from the first 12 weeks from the Works Commencement Date, Deductions shall be applied in relation to failure to meet a KPI in accordance with the table set out in the Appendix to the Schedule 2 of the Contract. The Deductions shall be made to the next or any subsequent payment or progress payment due to the Contractor under the terms of the Contract.
- 2.3.27 Total Deductions shall be capped each month ("the Deduction Cap") at 10% of one twelfth of the Notional Annual Tender Total. If Deductions go above this level the Council shall be entitled to follow the Improvement Plan and Remedy Notice and Default Notice processes set out in paragraphs 5 and 6 of the Schedule 2 of the Contract.
- 2.3.28 Without prejudice to any non-financial remedy available to the Council, the Deductions calculated and referenced above shall be the Council's sole financial remedy in respect of a Performance Failure relating to a KPI. Notwithstanding the above, where as a result of any such Performance Failure the Contractor is instructed to do work again and fails to do so, the cost to the Council of having the work performed by others shall be recoverable from the Contractor.

3. Qualitative Evaluation

- 3.1 The evaluation model set the qualitative portion of the procurement weighted a 60%, in accordance with the evaluation criteria as set out at Appendix 1.1 to this report and in the Lot specific appendices of the Volume 1 ISIT.
- 3.2 The qualitative evaluation was based upon a series of method statements set by the Council, and set out in Appendix 3 of the Volume 4 Response Documents, as part of the tender pack that was published on the EU Supply Portal. This provided Bidders the opportunity to explain their approach and provide details of how they will operate with the Council and other Stakeholders to maximize value. Bidders were advised that the successful Bidder's method statement will be incorporated into the Contract and will become Contractually binding on both parties.
- 3.3 The evaluation team scored in accordance with the general principles and descriptions shown in the scoring scale below, these were set out in Part 5 Evaluation Model, of the Volume 1 ISIT and ISFT. Each response, excluding price, was marked out of a total possible score of 5.

Score	Rating	Description
0	No response (complete noncompliance)	No response at all or insufficient information provided in the response such that the solution is not capable of assessment and/or is incomprehensible.
1	Unacceptable (potential for some compliance but very major areas of weakness)	Substantially unacceptable submission which fails in several significant areas to set out a solution that addresses and meets the requirements: little or no detail (and, where evidence is required or necessary, no evidence) has been provided to support and demonstrate that the Bidder will be able to provide the Works and/or fundamental reservations as to the deliverability of the Bidder's proposals. Would represent a very high risk solution for the Contracting authority

2	Poor (some compliance with one or more areas of major weakness)	Weak submission which does not set out a solution that largely addresses and meets the requirements: response is basic/minimal with insufficient detail (and, where evidence is required or necessary, with insufficient evidence) provided to support the solution and demonstrate that the Bidder will be able to provide the Works and/or some major reservations as to the deliverability of the Bidder's solution. Would represent a high risk solution for the Contracting authority.
3	Acceptable (substantial compliance with no major concerns)	Submission sets out a solution that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas as to the deliverability of the solution. Medium, acceptable risk solution to the Contracting authority.
4	Good (fully compliant with requirements).	Submission sets out a robust solution that fully addresses and meets the requirements, with full details (and, where evidence is required or necessary, full and relevant evidence) provided to support the solution; no reservations and provides full confidence as to the deliverability of the solution. Low/No risk solution for the Contracting authority.
5	Excellent (fully compliant, with some areas offering added value)	Submission sets out a robust solution (as for a 4 score – above) and, in addition, provides or proposes additional value in substance and outcomes in a manner acceptable to the Contracting authority; no reservations and provides full confidence as to the deliverability of the solution, but also offering added value. Low/No risk solution for the Contracting authority

3.4 In accordance with the published Lot specific evaluation criteria, set out in the Lot specific appendices of the Volume 1 ISIT and ISFT. The quality evaluation awarded scores at Tier 2 or as applicable Tier 3 (whichever is the lower level) by assessing each of the Bidders' method statements using the published scoring scale at 3.3. above. In order to calculate the total weighted score for quality the Council:

- 3.4.1 multiplied the consensus score by the applicable weighting (tier 3);
 - 3.4.2 added together all the Tier 3 weighted scores and multiplied by the relevant tier 2 weighting; and
 - 3.4.3 added together the Tier 2 weighted scores and multiplied by the Tier 1 weighting.
- 3.5 The scores for each method statement were weighted using the evaluation criteria set out originally in the Volume 1 ISIT and subsequently in the ISFT, as set out at Appendix 1.1. of this report.
- 3.6 Evaluation panels were established to score different elements of Bidder's Method Statements. Evaluation panels typically comprised of a variety of Council Officers. The Lambeth Residents Procurement Panel (RPP), were also involved in the evaluation process, and were part of the evaluation team for method statement 10 – the set of questions that were drafted alongside the RPP – along with Council Officers.
- 3.7 Training was provided to evaluators, both Council Officers and any RPP evaluators, at each stage of the process, explaining what was required and informing them of any necessary regulation and process information, to enable them to score submissions.
- 3.8 The process was strictly managed by the Corporate Procurement team; evaluation of the selection questionnaire took place in January 2020 and the ISIT evaluation took place in March 2020. The ISFT evaluation then took place in January 2021, after a pause due to COVID 19 (please see the 'Tender Process' section for more details).

4. Price Evaluation

4.1 The evaluation model set the price element of the procurement weighted a 40%, in accordance with the evaluation criteria as set out at Appendix 1.1 to this report and the Lot specific appendices of the Volume 1 ISIT.

4.2 Commercial models were chosen for this procurement, though data analysis, service feedback and consultation with Council Officers.

Lots 1 and 2 - Repairs and Voids

4.3 With regard to Lots 1 and 2 Repairs and Voids, the Council decided to adopt a Price Per Property (PPP) / Price Per Void (PPV) model on the basis that it will incentivise a first time fix ethos, reduce client and Contractor administration, increase the capacity to focus on quality and encourage Contractors to invest in the asset.

4.4 Housing repair Contracts typically manage high volumes of low value repairs. The internals of a domestic property are relatively simple in nature and limited to a few well understood components, i.e. normally, there is only a certain number of things that can go wrong. This makes it relatively straightforward to predict or estimate how much repairs will cost for an average house. This predictability becomes easier the more properties that are included; the average price is more likely. Therefore, suppliers are confident of offering a repairs service at a fixed price, referred to as a Price per Property (PPP).

4.5 There is risk if higher value works are included. These can have a disproportionate effect on costs and therefore are normally better managed outside the fixed price. This risk was limited by asking Contractors to price for all repairs under a certain value (and cap their risk) as well as exclude some types of work such as wholesale replacement of kitchens.

4.6 The value to limit the repair work at is known as the Inclusive Repair Limit (IRL). Any repairs costs above the IRL are funded by the Council at pre-agreed and tendered rates. The Council are using a well-established schedule of rates, the National Federation of Housing rate (aka NHF rates).

4.7 The PPP provides a fixed annual property cost (paid in 1/12th instalments) for all repair work needed to a property (regardless of the number of visits) up to the agreed financial limit per order, IRL. The optimum IRL for responsive repairs has been modelled and assessed at £2,000 which will catch 95% (57,000) of repair orders – leaving just 5% (3,000) of repairs that will need bespoke scheduling against pre-priced SORs. This will allow surveyors to switch their focus from administering 57,000 orders to physically checking the work.

- 4.8 Having assessed the current repairs ordering data and having contacted social landlords operating this model, it was estimated that Contractors were likely to tender a price per property in the region of £400 – or £9.52m per annum. Factoring in the remaining 5% of repairs, the anticipated annual spend was £12.52m against an existing annual budget of £15.742m for repairs and voids. It is proposed to use the remaining sum to cover some other additional costs and to fund a direct labour organisation that will undertake communal repairs, cyclical maintenance and small packages of planned maintenance – in addition to property adaptations on behalf of the Home Improvement Agency (separately funded).
- 4.9 In summary, the proposed PPP model will allow the Council to deliver a quality-focused repairs service in an efficient way and operate a small DLO within the existing budget envelope. Given that tender prices have increased by 20% since the current Contracts were let, and some of the existing pricing frameworks are extremely competitive (32% below the market), no other model would allow the Council to deliver its repairs service within the existing budget envelope.
- 4.10 A brief overview of the commercial model adopted is set out below:
- Price Per Property (PPP) model with all repair requirements, regardless of volume, being provided for fixed price paid for each Property under management, subject to an inclusive repairs limit of £2,000 and the schedule of inclusions and exclusions;
 - NHF (Version 7) SORs for out of scope/non-PPP repairs;
 - KPIs focusing on satisfaction, keeping appointments, first-time-fixes and timeliness;
 - Further KPI focus on managing work-in-progress to prevent overdue repairs;
 - For low value voids (less than £6,000), applying an average PPV model that enables the Contractor to deliver with increased efficiency and improved timeliness.

Lots 3 – 10

4.11 With regard to Lots 3 – 10, Bidders were asked to price bespoke pricing schedules. A pricing schedule was drafted for each service, covering schedules specific to that service. A summary page then brought together these costs, with the central overheads and profits, calculating a notional tender sum for evaluation purposes. A summary of each set of pricing schedules is provided below:

4.11.1 **Lots 3 and 4** – Bidders were asked to provide a price for the below items, and also their cost for central overheads and profit and Contract prelims, a Notional Annual Tender Total was then calculated for each Bidder:

○ Boiler Rooms	○ Fire Appliance
○ Bulk Gas Cases	○ Air con
○ CW Boosters	○ Heat Recovery
○ Communal CW Tanks	○ Water Management
○ Communal Extract Vents	○ CHP Plant
○ DHW Vessels	○ Washing Machines
○ Plant Room Electrical Testing	○ NHF Rates
○ Flue camera inspections	○ Day Rates
○ Fire Suppression	○ Mobilisation

4.11.2 **Lots 5 and 6** - Bidders were asked to provide a price for the below items, and also their cost for central overheads and profit and Contract prelims, a Notional Annual Tender Total was then calculated for each Bidder:

○ Domestic Servicing and Maintenance
○ Additional Items and Schedule of Rates and Hourly Rates
○ Domestic Installations
○ Gas Carcass Testing
○ Domestic Servicing and Maintenance

4.11.3 **Lots 7 and 8** – Bidders were asked to provide a price for the below items, and also their cost for central overheads and profit and Contract prelims, a Notional Annual Tender Total was then calculated for each Bidder:

○ Domestic Electrical Testing	○ Auto-gates
○ Communal Parts Testing	○ PV Equipment
○ Access Control	○ Estate Lighting
○ Emergency Lighting	○ IRS Spine System
○ Communal Fire Systems	○ NHF SOR
○ PAT Locations	○ Day Rates
○ Lightning Protection	○ Mobilisation
○ Intruder Alarm	
○ CCTV	

4.11.4 **Lots 9 and 10** – Bidders were asked to provide a price for the below items, and also their cost for central over heads and profit and Contract prelims, a Notional Annual Tender Total was then calculated for each Bidder:

○ Mobilisation Period costs
○ Fixed Annual Contract Sums
○ Bespoke Rates
○ Hourly Labour Rates

4.12 The Part 5 evaluation model of the Volume 1 ISIT and then ISFT set out how price would be calculated for this procurement:

4.12.1 Bidders must complete the pricing tables as indicated.

4.12.2 A Notional Tender Sum (shown as the “Notional Annual Tender Total” in the Pricing Tables) based on fictional volumes of work has been calculated as set out in the pricing tables. This Notional Tender Sum is being used for evaluation purposes only. The Council gives no guarantees, representations or warranties as to the number, type or return rate of any Works required under the Contract during the Contract Period.

4.12.3 The Council will rank the Notional Tender Sums for every Bidder, in reverse order, lowest first. The Bidder with the lowest Notional Tender Sum will be awarded the maximum percentage available for this Tier 1 criterion (40%).

4.12.4 All the other Bidders will be awarded percentage points for their Notional Tender Sum based on the relationship between their Notional Tender Sum and the lowest overall tendered Notional Tender Sum. Where:

$$\text{Calculated : Price Score} = 1 - \left[\frac{\text{Tender price - Lowest Priced Technically \& Commercially Compliant Tender}}{\text{Lowest Priced Technically \& Commercially Compliant Tender}} \right] \times 100 \times \text{Price Weighting}$$

5. Tender Compliance

- 5.1 All Tender documents were drafted with the Council's advisors Just Housing Group (JHG) and its solicitors Sharpe Pritchard.
- 5.2 The Council's Corporate Procurement team conducted the compliance checks on submissions at each stage of the process, and all financial checks via the internal Dunn and Bradstreet software.
- 5.3 The Corporate Procurement team also ran the internal evaluation process, and managed the moderation sessions for each stage ensuring compliance with Council processes and standing orders.
- 5.4 The Council's advisors on the project JHG and Sharpe Pritchard also supported the tender process at different stages, with both companies supporting the Council through the clarification and negotiation processes and then in drafting the ISIT feedback letters. Sharpe Pritchard also then supported the Corporate Procurement team in the ISFT moderation and ISFT standstill letter writing.

6. Tender Process

6.1 Bidders Day, OJEU Notice and Selection Questionnaire (SQ)

- 6.1.1 The procedure used for this procurement was the Competitive Procedure with Negotiation (CPN) in accordance with Regulation 29 of the Public Contracts Regulations 2015, as stated in 1.4 of the published Selection Questionnaire (SQ) guidance document.
- 6.1.2 CPN was chosen as it can manage the complexity of the procurement and is a three stage, restricted procedure that allows negotiations to improve the quality of the Contracts while providing value for money.
- 6.1.3 Prospective applicants were invited to a Bidders day at Council offices, for the procurement on 22 November 2019. The Bidder's day was conducted to give suppliers in the market information on the upcoming procurement, inform about the tender process, potential dates and also to introduce the Council's model and key priorities.
- 6.1.4 A Prior Information Notice (PIN) was sent out via Tenders Electronic Daily (TED) and the EU Supply Portal to alert Bidders to this opportunity. The PIN reference 2019/S 202-490031.
- 6.1.5 Following on from the Bidders day, on 6th December 2019 the Council published an OJEU contract notice on the EU Supply Portal, inviting expressions of interest in relation to Housing Repairs and Maintenance works and services for the Council, for the 10 Lots stated at 2.1.1 above. The contract notice reference was 2019/S 238-582764.
- 6.1.6 The SQ guidance document set out the first stage of the procurement. It assessed the economic and financial standing and technical and professional ability of Applicants who wish to be considered for participation in this procurement. The SQ was divided into three separate parts: Part 1 comprises the basic information about the supplier; Part 2 covers exclusion grounds and Part 3 includes the selection criteria for financial standing and technical capacity.
- 6.1.7 The SQ assessed Applicants responses in three stages:
- **Stage 1** - A compliance check will be undertaken to ensure SQ Responses are complete and have been completed and submitted in accordance with the instructions in the SQ Guidance Document; 3 Applicants were rejected at this stage for not meeting this compliance check.

- **Stage 2** - Compliant SQ Responses were then assessed on a pass/fail basis against the Minimum Standards described in the eight sections of the SQ.
- **Stage 3** - SQ Responses to the Part 3 Additional Questions which comprise specific questions set by the Council to assess Technical and Professional Ability were then scored and weighted in accordance with the methodology set out in the SQ Guidance document in Annexes 3 to 6.

6.1.8 The Council's Corporate Procurement team were supported through the Selection Questionnaire (SQ) clarification process by JHG and Sharpe Pritchard. SQ submissions were received on 10th January 2020 via the EU Supply Portal. Below are those that submitted an SQ application per Lot:

Table redacted - this information is included in full in the exempt Part II Report.

6.1.9 The Council's Corporate Procurement team ran initial compliance checks on the SQ submissions received as set out in 11.2 of the SQ Guidance document, and then managed the evaluation and moderation processes.

6.1.10 The SQ Guidance document that was issued to Bidders stated the number of Applicants that would be taken through to the ISIT stage, subject to there being a sufficient number of Applicants expressing an interest.

6.1.11 Those Applicants that were disqualified at SQ stage in accordance with the methodology set out in Annexes 3 to 6, and section 21 Part 3 of the Selection Questionnaire guidance document, were:

Table redacted - this information is included in full in the exempt Part II Report.

6.1.12 The Corporate Procurement team sent out feedback letters to advise Applicants of the SQ outcome on 24th January 2020 via the EU Supply Portal. Those Applicants that were therefore invited to submit an Initial Tender at ISIT stage were:

Table redacted - this information is included in full in the exempt Part II Report.

6.2 Invitation to Submit Initial Tenders

6.2.1 Invitations to Submit Initial Tenders (ISIT) were sent out to Bidders on 24th January 2020 via the EU Supply Portal.

6.2.2 The core ISIT tender documents comprised four volumes and supporting documentation, that are set out below, and together are referred to in this report as “ISIT Documents”:

6.2.2.1 **Volume 1:** Invitation to Submit Initial Tenders, including the Annex (Glossary of Terms) and the following Lot specific details:

- 6.2.2.1.1 Appendix 1 – Lots 1 & 2 (Repairs and Voids - North & South);
- 6.2.2.1.2 Appendix 2 – Lot 3 & 4 (Communal Gas and Water Systems – North & South);
- 6.2.2.1.3 Appendix 3 – Lots 5 & 6 (Domestic Gas Works - North & South);
- 6.2.2.1.4 Appendix 4 – Lots 7 & 8 (Electrical - Works North & South);
- 6.2.2.1.5 Appendix 5 – Lots 9 & 10 (Lifts - North & South).

6.2.2.2 **Volume 2:** Specification documents comprising the General Preliminaries (Part I), the Lot Specific Preliminaries (Part II) and the Lot Specific Specifications which is separated into 5 parts as follows:

- 6.2.2.2.1 Volume 2 Part A – Lots 1 & 2 (Repairs and Voids - North & South);
- 6.2.2.2.2 Volume 2 Part B – Lot 3 & 4 (Communal Gas and Water Systems – North & South);
- 6.2.2.2.3 Volume 2 Part C – Lots 5 & 6 (Domestic Gas Works - North & South);
- 6.2.2.2.4 Volume 2 Part D – Lots 7 & 8 (Electrical Works - North & South);
- 6.2.2.2.5 Volume 2 Part E – Lots 9 & 10 (Lifts - North & South).

6.2.2.3 **Volume 3:** Conditions of Contract

6.2.2.4 **Volume 4:** a separate Response Document – which is split as follows:

- 6.2.2.4.1 Volume 4 Part A – Lots 1 & 2 (Repairs and Voids - North & South);
- 6.2.2.4.2 Volume 4 Part B – Lot 3 & 4 (Communal Gas and Water Systems – North & South);
- 6.2.2.4.3 Volume 4 Part C – Lots 5 & 6 (Domestic Gas Works - North & South);
- 6.2.2.4.4 Volume 4 Part D – Lots 7 & 8 (Electrical Works - North & South);
- 6.2.2.4.5 Volume 4 Part E – Lots 9 & 10 (Lifts - North & South).

- 6.2.3 The Volume 1 ISIT detailed the conditions for tendering, and submitting Initial Tenders. At Part 5 it also sets out the Evaluation Model, which describes how the quality and price elements will be scored. The Lot specific appendices at Appendix 1 – 5 also provided information about each service. These included information about the works and services required, Lot value, pricing and TUPE requirements and also the evaluation criteria specific to that Lot.
- 6.2.4 The Volume 4 Response Documents set out the certificates to be completed and returned on Initial Tender submission, and the method statements that the Bidders needed to submit, per Lot.
- 6.2.5 The Council was supported through the ISIT clarification process by its advisors Just Housing Group (JHG) and Sharpe Pritchard. ISIT submissions were received on 03rd March 2020 through the EU Supply Portal.
- 6.2.6 The following Bidders chose not to submit an Initial Tender at ISIT stage:

Table redacted - this information is included in full in the exempt Part II Report.

- 6.2.7 Below are therefore those Bidders that submitted an Initial Tender per Lot:

Table redacted - this information is included in full in the exempt Part II Report.

- 6.2.8 The Council's Corporate Procurement team ran initial compliance checks on ISIT tender submissions. They were supported by JHG in the evaluation and moderation of tenders.
- 6.2.9 On Friday 27 March 2020, the Council was forced to pause the Housing procurement due to the public health crisis brought about by the Coronavirus pandemic. The pause took effect while the Council were evaluating Initial Tenders and had reached the moderation stage of that phase of the procurement process, for Lots 1 and 2. The procurement was halted, and moderation discontinued for all other Lots 3 – 10.
- 6.2.10 The Council resumed the procurement process in 28 August 2020. It provided staff with updated training, so that the process was able to be picked up from the point that it was paused. The Corporate Procurement team conducted the moderation meetings for Lots 3 – 10, with

support in note taking and feedback letter writing from JHG and Sharpe Pritchard.

6.2.11 As a result of moderation meetings concluding, the outcome of the Initial Tender evaluation were as below:

Tables redacted - this information is included in full in the exempt Part II Report.

6.2.12 The ISIT stated the number of Bidders that would be taken through to Negotiation and ISFT stages, subject to there being a sufficient number of Bidders per Lot. As a result of the ISIT evaluation, those Bidders that were invited to Negotiate were as below:

Table redacted - this information is included in full in the exempt Part II Report.

6.3 Negotiation

- 6.3.1 The negotiation process took place between Monday 23rd November 2020 and Friday 11th December 2020, with the process supported by JHG and Sharpe Pritchard.
- 6.3.2 Part 2 of the Volume 1 ISIT set out the negotiation process for Bidders, detailing the Initial Tender, negotiation and Final Tender stages of the process. Within the negotiation section it included the key themes that the Council outlined would be covered in the negotiation:
- Price Per Property (PPP) inclusions and exclusions;
 - ICT;
 - Mobilisation; and
 - Reserve Contractor status for Lots 1 and 2 (Repairs and Voids)
 - Performance, including KPI's;
 - Innovation, particularly ICT innovation; and
 - Social value.
- 6.3.3 Due to the coronavirus pandemic and remote working across the Council, negotiation meetings were held remotely using the Council's Teams platform. Bidders were advised they had been successful at the ISIT stage, and invited to negotiate. They were given a meeting slot which they had to confirm along with contact details for the attendees. Meeting invites were sent out by the Council.
- 6.3.4 A negotiation team was set up consisting of a Sharpe Pritchard representative, a JHG representative, and led by Andrew Jacques Assistant Director – Repairs and Maintenance. Meetings were also attended by all key Council Officers as were appropriate to each meeting. Sharpe Pritchard provided a note taker for the meetings, which provided an objective and external set of notes that were circulated via the EU Supply Portal after each meeting.
- 6.3.5 There were four meetings scheduled with Lots 1 and 2 Bidders, due to the complexity of the service and the need to discuss a variety of themes, and then two meetings scheduled for all other Lots 3 –10.
- 6.3.6 Bidder's and the evaluation panel were given a negotiation protocol that set out the purpose, expectations and etiquette expected from the meetings. Before each meeting Bidders were also notified of the key themes that were to be discussed.

- 6.3.7 At the start of the process Bidders were also issued with an Issues Log, these were used by the evaluation team to identify and plan any issues arising from the Bidder's submissions that needed to be discussed and developed throughout the negotiation. For example:
- Identifying any assumptions that are incorrect or any areas which require explanation or are unclear; and
 - Identifying any prices that appear under/over what we would expect - this was to only clarify what bidders have presented and further explain how they have reached figures if necessary
- 6.3.8 Bidder's used the Issues Log to identify any areas they wished to clarify/raise with regard to the tender documents provided or the Council's model. The issues log was an iterative live document (as with clarifications) that went between Bidder and the Council through sessions, capturing and facilitating the discussions from both sides.

6.4 Invitation to Submit Final Tender (ISFT)

- 6.4.1 Following the close of negotiations on Friday 18th December 2020. The Council invited Bidders to submit a Final Tender (ISFT) the same day, via the EU Supply portal.
- 6.4.2 The ISFT tender pack comprised the same core documents as stated at 6.2.2 above. Along with detailing the conditions and submission requirements of tendering, the Volume 1 ISFT also set out a further detailed description of the form of Contract and at Part 5 it set out the Evaluation Model, which described how the quality and price elements would be scored.
- 6.4.3 At the ISFT stage the Council also required that each Bidder populate and upload a social value template as set out in the appendices of the Volume 2 Service Specific Preliminaries and Appendix 4 of the Volume 4 Response Document.
- 6.4.4 The objective of the social value template was to capture a summary of Bidder's social value and innovation proposals. These will be used post Contract award to show the total impact of the new Contracts and to allow consistent monitoring across the various work streams. It will also be used to encourage collaboration between successful Contractors during the term of the Contract. The populated social value template was not evaluated. Bidders were advised that:
- The contents of the spreadsheet should be a summary of the proposals within the appropriate method statements; and
 - They ensure that they include the full details of their proposals within the appropriate method statements as it is only the detail within the same that will be evaluated.
- 6.4.5 Bidders were also advised that the spreadsheet they submitted would not be provided to anyone on the evaluation panel. Please see Appendix 1.2 for the social value template spreadsheet that was provided to Bidders.
- 6.4.6 The Form of Contract was also updated at the ISFT stage. The Contract remained as the Joint Contracts Tribunal (JCT) Measured Term Contract 2016 with amendments as set out in Volume 3. However Bidders were provided with updated Contracts:
- 6.4.6.1 A draft Contract for the main Contractors for Lots 1 and 2;
 - 6.4.6.2 a draft Contract for the reserve Contractors for Lots 1 and 2; and
 - 6.4.6.3 a draft Contract for the Contractors for Lots 3 to 10.

6.4.7 The Council was supported through the ISFT clarification process by its advisors JHG and Sharpe Pritchard. ISFT submissions were received on 18th January 2021. Below are those Bidders that submitted a Final Tender per Lot:

Table redacted - this information is included in full in the exempt Part II Report.

6.4.8 The Council's Corporate Procurement team ran initial compliance checks on ISFT tender submissions. They were supported by Sharpe Pritchard in the evaluation, moderation and in drafting standstill letters for Final Tenders.

6.4.9 The Volume 1 ISFT stated that the Council will add each Bidder's Weighted Price Score to the Weighted Quality Score which shall be the total bid score for that Bidder for that Lot (the "Total Bid Score"). The Council would rank all of the Total Bid Scores, highest score first, and that The Council will award the Contract to the Bidder with the highest Total Bid Score.

6.4.10 As a result of evaluation process and moderation meetings concluding, the outcome of the Final Tender evaluation were as below:

Tables redacted - this information is included in full in the exempt Part II Report.

6.4.11 Standstill letters are due to be issued for this procurement in March 2021, after all relevant internal Council approvals are granted.

7. Recommendation

7.1 Award Criteria

7.1.1 The Volume 1 ISFT at section 32 of the Part 5 Evaluation Model set out how total scores will be calculated:

7.1.1.1 The Council shall add each Bidder's Weighted Price Score to the Weighted Quality Score which shall be the total bid score for that Bidder for that Lot (the "Total Bid Score").

7.1.1.2 The Council shall rank all of the Total Bid Scores, highest score first.

7.1.1.3 The Council shall award the Contract to the Bidder with the highest Total Bid Score.

7.1.2 At section 33 of the ISFT the Lot Award Strategy was set out, stating that following evaluation of the Final Tenders the Council will award the Contracts for each Lot in accordance with the following principles:

7.1.2.1 All Tenders for each Lot will be ranked in order, highest scoring first.

7.1.2.2 Without prejudice to the rules about award of reserve Contracts, all awards are subject to the overriding principles that:

7.1.2.2.1 no Bidder may be awarded more than two main Contracts;
and

7.1.2.2.2 no Bidder may be awarded main Contracts for two geographical Lots (i.e. North and South area) for the same Works discipline.

7.1.3 The restriction on the maximum number of awards that will be made to a single Bidder referred to in paragraph 7.1.2.2 above will be applied at parent company level. For example, in the event of there being two separate Bidders that are in fact part of the same group of companies/share a common parent, the maximum number of awards available to both Bidders combined remains limited to two in total (+ 1 reserve).

7.1.4 The Council will award Contracts for Lots in the following numerical order:

1. Lot 1
2. Lot 2
3. Lot 5
4. Lot 6
5. Lot 3
6. Lot 4
7. Lot 7
8. Lot 8
9. Lot 9
10. Lot 10
11. Lot 1 (reserve)
12. Lot 2 (reserve)

- 7.1.5 Where the highest scoring Bidder for a Lot has already been awarded two Contracts or the other geographic Lot in the same Works discipline, the next highest scoring Bidder will be awarded that Lot. Should the second highest scoring Bidder also be excluded due to the rules at 7.1.2.2.1 and 7.1.2.2.2 the next highest bidder will be considered and so on.
- 7.1.6 Exceptionally, in the event that the application of the rules set out in this section 7.1 results in there being insufficient eligible Bidders to whom Contracts can be awarded for each and every Lot and subject to the Regulations, the Council reserves the right (but only to the minimum extent necessary) to award more than 2 main Contracts (and/or more than 1 Reserve Contract if applicable) to the same Bidder.
- 7.1.7 The Contracts will all be non-exclusive and the Council may appoint alternative providers to carry out any of the works covered by a Contract or carry out the works themselves. In addition, in respect of Lots 1 and 2 (Repairs & Voids North and South areas) only, the Council also reserves the right to appoint reserve Contractors for each of these Lots. If the Council exercises that right, the appointment of reserve Contractors would be subject to the following:
- 7.1.7.1 The Bidder that is awarded the main Contract for Lot 1 cannot be the reserve Contractor for Lot 2 and vice versa.
 - 7.1.7.2 Award of reserve Contractor status would not prevent a Bidder being awarded up to 2 main Contract awards.
 - 7.1.7.3 For the avoidance of doubt, a Bidder can only become a reserve Contractor for a Lot if it has submitted a bid for that Lot.
 - 7.1.7.4 Any reserve Contractor may, at the Council's discretion, be required to undertake individual pieces of work from time to time which would ordinarily be carried out by the main Contractor for that Lot.
 - 7.1.7.5 If the Contract with the main Contractor for a Lot is terminated, the reserve Contractor for that Lot will be appointed as the main Contractor.

7.2 Scores

- 7.2.1 After calculation of the weighted Total Bid Scores as noted above at 7.1.1. The results indicate that:
- **Fortem** have the highest overall scores for Lots 1 and 2
 - **T Brown** have the highest overall scores for Lots 3 and 4
 - **MPS** have the highest overall scores for Lots 5 and 6
 - **NRT** have the highest overall scores for Lots 7 and 8
 - **RJ Lifts** have the highest overall scores for Lots 9 and 10
- 7.2.2 After applying the rules for awarding Contracts at Part 1 and the Lot Award Strategy a section 33 of the Volume 1 ISIT, as also stated above, It is therefore recommended by the evaluation panel that:

- **Fortem** are awarded the Contract for Lot 1 – Repairs and Voids geographical area North;
- **Wates** are awarded the Contract for Lot 2 – Repairs and Voids geographical area South;
- **T Brown** are awarded the Contract for Lot 3 – Communal Gas and Water Systems area North;
- **OCO** are awarded the Contract for Lot 4 - Communal Gas and Water Systems area South;
- **MPS** are awarded the Contract for Lot 5 – Domestic Gas Works geographical area North;
- **T Brown** are awarded the Contract for Lot 6 – Domestic Gas Works geographical area South;
- **NRT** are awarded the Contract for Lot 7 – Electrical Works geographical area North;
- **Open View** are awarded the Contract for Lot 8 – Electrical Works geographical area South;
- **RJ Lifts** are awarded the Contract for Lot 9 – Lifts geographical area North; and
- **Amalgamated** are awarded the Contract for Lot 10 – Lifts geographical area South.
- **Breyer** are awarded the **reserve** Contract for Lot 1 – Repairs and Voids geographical area North;
- **Morgan Sindall** are awarded the **reserve** Contract for Lot 2 – Repairs and Voids geographical area South;

8. Social Value

- 8.1 As stated at 6.4.3 above, at the ISFT stage the Council also required that each Bidder populate and upload a social value template as set out in the appendices of the Volume 2 Service Specific Preliminaries and Appendix 4 of the Volume 4 Response Document.
- 8.2 The objective of the social value template was to capture a summary of Bidder's social value and innovation proposals. These will be used post Contract award to show the total impact of the new Contracts and to allow consistent monitoring across the various work streams. It will also be used to encourage collaboration between successful Contractors during the term of the Contract. The populated social value template was not evaluated. Bidders were advised that:
- The contents of the spreadsheet should be a summary of the proposals within the appropriate method statements; and
 - They ensure that they include the full details of their proposals within the appropriate method statements as it is only the detail within the same that will be evaluated.
- 8.3 Bidders were also advised that the spreadsheet they submitted would not be provided to anyone on the evaluation panel. Please see Appendix 1.2 for the social value template spreadsheet that was provided to Bidders.
- 8.4 Below are those social value commitments that have been submitted for each successful Contractor:

Lot 1 – Fortem - Repairs and Voids geographical area North

Table redacted - this information is included in full in the exempt Part II Report.

Lot 2 - Wates - Repairs and Voids geographical area South

Table redacted - this information is included in full in the exempt Part II Report.

Lot 3 – T Brown - Communal Gas and Water Systems area North

Table redacted - this information is included in full in the exempt Part II Report.

Lot 4 - OCO - Communal Gas and Water Systems area South

Table redacted - this information is included in full in the exempt Part II Report.

Lot 5 – MPS - Domestic Gas Works geographical area North

Table redacted - this information is included in full in the exempt Part II Report.

Lot 6 – T Brown - Domestic Gas Works geographical area South

Table redacted - this information is included in full in the exempt Part II Report.

Lot 7 – NRT - Electrical Works geographical area North

Table redacted - this information is included in full in the exempt Part II Report.

Lot 8 – Open View - Electrical Works geographical area South

Table redacted - this information is included in full in the exempt Part II Report.

Lot 9 - RJ Lifts - Lifts geographical area North

Table redacted - this information is included in full in the exempt Part II Report.

Lot 10 – Amalgamated - Lifts geographical area South

Table redacted - this information is included in full in the exempt Part II Report.

9. Affordability

9.1 The council's budget for all of the services that will be delivered under the proposed contracts is £31.698m (split £24.698m revenue and £7.000m capital).

9.2 The combined sum of all the recommended tenders is £35.068m, of which £25.410m is revenue and £9.658m capital – as set out in the table below:

Lot	Area	Service	Recommended Tenderer	Revenue Sum (£'000)	Capital Sum (£'000)	Annual Contract Sum (£'000)
1.	North	Responsive Repairs and Voids	Fortem Solutions Ltd	5,669	2,040	7,709
2.	South	Responsive Repairs and Voids	Wates Property Services Ltd	6,542	1,416	7,958
3.	North	Communal Gas & Water Systems	T Brown Group Ltd	2,204	62	2,266
4.	South	Communal Gas & Water Systems	OCO Ltd	1,823	36	1,859
5.	North	Domestic Gas Works	MPS Housing Ltd	2,223	2,655	4,878
6.	South	Domestic Gas Works	T Brown Group Ltd	2,245	3,378	5,623
7.	North	Electrical Works	NRT Group	1,329	39	1,368
8.	South	Electrical Works	OpenView Security Solutions Ltd	1,945	32	1,977
9.	North	Lift Maintenance	RJ Lift Services Ltd	701		701
10.	South	Lift Maintenance	Amalgamated Lifts Ltd	729		729
1R.	North	Reserve contract for Lot 1.	Breyer Group			
2R.	South	Reserve contract for Lot 2.	Morgan Sindall Property Services Ltd			
Total				25,410	9,658	35,068

9.3 To cover the £3.370m gap between the current budget and the total contract sum, there will be an additional £2.658m capital borrowing requirement and £712k revenue funding requirement.

Appendix 1.1 Evaluation Criteria

Lots 1 & 2 Evaluation Criteria					
Tier 1 - Evaluation Criteria	Tier 1 Weighting	Tier 2 Criteria	Tier 2 weighting	Tier 3 Criteria	Tier 3 weighting
Commercial	40%				
Quality	60%	Service Improvement	10%	Service improvement plan	50%
				Reducing Demand	50%
		WIP	15%	Strategy for managing	40%
				Commitment to managing	40%
				Meeting Employers requirements	20%
		Mobilisation, Transition and Innovation	15%	Mobilisation plan	25%
				Transition plan	25%
				Innovation plan	25%
				Risks associated	25%
		Managing the Contract	10%	Management approach	40%
				Managing resources	40%
				Quality Completion	20%
		Commercial Model	10%	Understanding of approach	50%
				Risks associated	50%
		Scenarios	5%	Scenario - windows	50%
				Scenario - scaffolding	50%
		ICT	5%	General requirement	25%
				Mobilisation & BAU Resource	25%
				Testing, Business Continuity and Disaster Recovery	25%
				Data, reporting and KPI's	25%

		Sustainability	5%	Driving the green agenda	30%		
				Carbon neutral	30%		
				Action plan	40%		
		Social Value	10%	Core Social Value Objectives	20%		
				Enterprise, Employment and Training	20%		
				Health and Wellbeing	20%		
				Safety and Security	20%		
				Community Cohesion and VCS Support	20%		
				Resident Method Statement	15%	General Service	15%
						Quality in Service	15%
A Service Fit for the Future	15%						
Appointments	15%						
Transparency and Building Confidence in the Service	10%						
Behaviours and Customer Understanding	15%						
Equality and Diversity	15%						

Lots 3 & 4 Evaluation Criteria						
Tier 1 - Evaluation Criteria	Tier 1 Weighting	Tier 2 Criteria	Tier 2 weighting	Tier 3 Criteria	Tier 3 weighting	
Commercial	40%					
Quality	60%	Mobilisation	20%	Mobilisation plan	50%	
				Resource Management	50%	
		Managing the Contract	15%	Meeting Employer's requirements	100%	
		Risks	5%	Risk Register	100%	
		Delivery	20%	Providing the service	100%	
		Scenarios	15%	Scenario – Gas Leak	50%	
				Scenario - Water	50%	
		Performance Management	10%	Dealing with under performance	75%	
				Highest standards of service	25%	
		Social Value	10%	Core Social Value Objectives	50%	
				Enterprise, Employment and Training	50%	
		ICT	5		General requirement	50%
					Mobilisation & BAU Resource	25%
					Testing, Business Continuity and Disaster Recovery	12.5%
					Data, reporting and KPI's	12.5%

Lots 5 & 6 Evaluation Criteria					
Tier 1 - Evaluation Criteria	Tier 1 Weighting	Tier 2 Criteria	Tier 2 weighting	Tier 3 Criteria	Tier 3 weighting
Commercial	40%				
Quality	60%	Mobilisation	20%	Mobilisation plan	50%
				Resource Management	50%
		Managing the Contract	15%	Meeting Employer's requirements	100%
		Risks	5%	Risk Register	100%
		Delivery	20%	Providing the service	100%
		Scenarios	15%	Scenario – Access	50%
				Scenario – Venerable resident	50%
		Performance Management	10%	Dealing with under performance	75%
				Highest standards of service	25%
		Social Value	10%	Core Social Value Objectives	50%
				Enterprise, Employment and Training	50%
		ICT	5	General requirement	50%
				Mobilisation & BAU Resource	25%
				Testing, Business Continuity and Disaster Recovery	12.5%
				Data, reporting and KPI's	12.5%

Lots 7 & 8 Evaluation Criteria					
Tier 1 - Evaluation Criteria	Tier 1 Weighting	Tier 2 Criteria	Tier 2 weighting	Tier 3 Criteria	Tier weighting 3
Commercial	40%				
Quality	60%	Mobilisation	20%	Mobilisation plan	50%
				Resource Management	50%
		Managing the Contract	15%	Meeting Employer's requirements	100%
		Risks	5%	Risk Register	100%
		Delivery	20%	Venerable residents	50%
				Door entry	50%
		Scenarios	15%	Scenario – High rise	50%
				Scenario – Floods	50%
		Performance Management	10%	Dealing with under performance	75%
				Highest standards of service	25%
		Social Value	10%	Core Social Value Objectives	50%
				Enterprise, Employment and Training	50%
		ICT	5	General requirement	50%
				Mobilisation & BAU Resource	25%
				Testing, Business Continuity and Disaster Recovery	12.5%
				Data, reporting and KPI's	12.5%

Lots 9 & 10 Evaluation Criteria					
Tier 1 - Evaluation Criteria	Tier 1 Weighting	Tier 2 Criteria	Tier 2 weighting	Tier 3 Criteria	Tier 3 weighting
Commercial	40%				
Quality	60%	Resources	20%	Resource Management	50%
				Sub-Contractors	50%
		Managing the Contract	15%	Complying with legislation	50%
				Health and Safety	50%
		Risks	5%	Risk Register	100%
		Delivery	20%	Managing the Contract	25%
				Ensuring response times	25%
				Emergency out of hours	25%
				Venerable residents	25%
		Scenarios	15%	Scenario – High rise	50%
				Scenario – Trapped resident	50%
		Performance Management	10%	Performance targets	75%
				continuous improvement	25%
		Social Value	10%	Core Social Value Objectives	50%
				Enterprise, Employment and Training	50%
		ICT	5	General requirement	50%
				Mobilisation & BAU Resource	25%
Testing, Business Continuity and Disaster Recovery	12.5%				
Data, reporting and KPI's	12.5%				

Appendix 1.3 KPI Schedule

Lots 1 and 2 - Repairs and Voids:

Name	Description	Required Performance Level	How Calculated	KPI/OPI	Financial Effect of Failure
P0 - Emergency Reactive	Respond within 2 hours	100%	Number of emergency jobs attended within 2 hours / Number of emergency jobs in month	OPI	
P1 - Critical Reactive	Rectify within 24 hours	97%	Number of critical jobs rectified within 24 Hours / Number of urgent jobs in month	OPI	
P2 - Urgent Reactive	Respond and rectify within 7 Standard Working days	97%	Number of urgent jobs rectified within 7 Standard Working days/ Number of urgent jobs in month	OPI	
P3 - Routine Reactive	Respond and rectify within 28 Standard Working days	97%	Number of routine jobs rectified within 28 Standard Working days / Number of routine jobs in month	OPI	
Customer Satisfaction	Results of Customer Satisfaction Survey	90%	% score in Customer Satisfaction Survey	OPI	
Complaints	Reducing number of complaints	Below threshold and improving	% of complaints received relative to number of repairs WO	OPI	
First time fix	The number of appointments a job has had before its completed	90%	Number of jobs completed in 1 appointment / Number of jobs completed in month	OPI	
Recalls	Number of jobs where a recall has been necessary	<5	Number of recalls in month	OPI	
Repair Quality	Number of failed post inspections	<2%	Number of failed post inspections / Number of post inspections completed year to date	OPI	
Call handling	Performance for Contractor contact centre's to meet when answering calls from Residents or the Council	80% within 20s	Number of calls answered by a person within 20 seconds in a month / Total number of calls made to the Contractor Contact Centre in that month	OPI	
Appointments Met	Meeting appointments made with residents	95%	Number of appointments met or appointments not met for a valid reason / Number of appointments made in month	KPI	£50 for each appointment missed
Void Delivery	Delivery voids to the agreed time frame	100%	Sum of the number of days late each void is in month	KPI	£200 for each day a void is late to its agreed delivery time
Disrepair Delivery	Delivery of disrepair works to the agreed time frame	100%	Sum of the number of days late each disrepair is in month	KPI	£200 for each day a disrepair is late to its agreed delivery time
Average time to complete repairs	Delivering continuous improvement to reduce waiting time for residents	Improvement against baseline target	Total time (days) taken for all Urgent and Routine repairs completed in the last month / Total number of Urgent and Routine repairs completed in the last month	KPI	10% PPP sum * % delta between target & average repair time
Major Safety or RIDDOR reportable incident	An unsafe act or incident that occurs under SP management	0 incidents	Measured and reported	KPI	Nullifies any positive incentive in month
Percentage of repairs that are overdue	Measure of effective workload management	<5%	Number of open works orders with a target date before the date of the report/ Total number of open works orders	KPI	1% of PPP sum for each % delta between target and % of overdue repairs.

Lots 3 and 4 - Communal Gas and Water Systems:

Name	Description	Required Performance Level	How Calculated	KPI/OPI	Financial Effect of Failure
P0 - Emergency Reactive	Respond within 2 hours	100%	Number of emergency jobs attended within 2 hours / Number of emergency jobs in month	OPI	
P1 - Critical Reactive	Rectify within 24 hours	97%	Number of critical jobs rectified within 24 hours / Number of urgent jobs in month	OPI	
P2 - Urgent Reactive	Respond and rectify within 7 Standard Working days	97%	Number of urgent jobs rectified within 7 Standard Working days/ Number of urgent jobs in month	OPI	
P3 - Routine Reactive	Respond and rectify within 28 Standard Working days	97%	Number of routine jobs rectified within 28 Standard Working days/ Number of routine jobs in month	OPI	
Complaints	Reducing number of complaints	Below threshold and improving	% of complaints received relative to number of repairs WO	OPI	
Recalls	Number of jobs where a recall has been necessary	<5	Number of recalls in month	OPI	
Repair Quality	Number of failed post inspections	<2%	Number of failed post inspections / Number of post inspections completed year to date	OPI	
PPM Programme Compliance	Ensuring all PPM tasks completed to time and quality	95%	Measurement of programme against tasks completed	OPI	
Average time to complete repairs	Delivering continuous improvement to reduce waiting time for residents	Improvement against baseline target	Total time (days) taken for all Urgent and Routine repairs completed in the last month / Total number of Urgent and Routine repairs completed in the last month	KPI	10% PPP sum * % delta between target & average repair time
Major Safety or RIDDOR reportable incident	An unsafe act or incident that occurs under SP management	0 incidents	Measured and reported	KPI	Nullifies any positive incentive in month
Percentage of repairs that are overdue	Measure of effective workload management	<5%	Number of open works orders with a target date before the date of the report/ Total number of open works orders	KPI	1% of PPP sum for each % delta between target and % of overdue repairs.

Lots 5 and 6 - Domestic Gas Works:

Name	Description	Required Performance Level	How Calculated	KPI/OPI	Financial Effect of Failure
P0 - Emergency Reactive	Respond within 2 hours	100%	Number of emergency jobs attended within 2 hours / Number of emergency jobs in month	OPI	
P1 - Critical Reactive	Rectify within 24 hours	97%	Number of critical jobs rectified within 24 hours / Number of urgent jobs in month		
P2 - Urgent Reactive	Respond and rectify within 7 Standard Working days	97%	Number of urgent jobs rectified within 7 Standard Working days / Number of urgent jobs in month	OPI	
P3 - Routine Reactive	Respond and rectify within 28 Standard Working days	97%	Number of routine jobs rectified within 28 Standard Working days / Number of routine jobs in month	OPI	
Customer Satisfaction	Results of Customer Satisfaction Survey	90%	% score in Customer Satisfaction Survey	OPI	
Complaints	Reducing number of complaints	Below threshold and improving	% of complaints received relative to number of repairs WO	OPI	
First time fix	The number of appointments a job has had before its completed	92%	Number of jobs completed in 1 appointment / Number of jobs completed in month	OPI	
Recalls	Number of jobs where a recall has been necessary	<5	Number of recalls in month	OPI	
Repair Quality	Number of failed post inspections	<2%	Number of failed post inspections / Number of post inspections completed year to date	OPI	
Call handling	Performance for Contractor contact centre's to meet when answering calls from Residents or the Council	80% within 20s	Number of calls answered by a person within 20 seconds in a month / Total number of calls made to the Contractor Contact Centre in that month	OPI	
Appointments Met	Meeting appointments made with residents	97%	Number of appointments met or appointments not met for a valid reason / Number of appointments made in month	KPI	£50 for each appointment missed
LGSR Compliance	Ensuring all LGSRs completed to time and quality	100%	Number of overdue LGSR	KPI	£2000 per LGSR per month
Average time to complete repairs	Delivering continuous improvement to reduce waiting time for residents	Improvement against baseline target	Total time (days) taken for all Urgent and Routine repairs completed in the last month / Total number of Urgent and Routine repairs completed in the last month	KPI	10% PPP sum * % delta between target & average repair time
Major Safety or RIDDOR reportable incident	An unsafe act or incident that occurs under SP management	0 incidents	Measured and reported	KPI	Nullifies any positive incentive in month
Percentage of repairs that are overdue	Measure of effective workload management	<5%	Number of open works orders with a target date before the date of the report/ Total number of open works orders	KPI	1% of PPP sum for each % delta between target and % of overdue repairs.

Lots 7 and 8 - Electrical Works:

Name	Description	Required Performance Level	How Calculated	KPI/OPI	Financial Effect of Failure
P0 - Emergency Reactive	Respond within 2 hours	100%	Number of emergency jobs attended within 2 hours / Number of emergency jobs in month	OPI	
P1 - Critical Reactive	Rectify within 24 hours	97%	Number of critical jobs rectified within 24 hours / Number of urgent jobs in month		
P2 - Urgent Reactive	Respond and rectify within 7 Standard Working days	97%	Number of urgent jobs rectified within 7 Standard Working days / Number of urgent jobs in month	OPI	
P3 - Routine Reactive	Respond and rectify within 28 Standard Working days	97%	Number of routine jobs rectified within 28 Standard Working days / Number of routine jobs in month	OPI	
Customer Satisfaction	Results of Customer Satisfaction Survey	90%	% score in Customer Satisfaction Survey	OPI	
Complaints	Reducing number of complaints	Below threshold and improving	% of complaints received relative to number of repairs WO	OPI	
First time fix	The number of appointments a job has had before its completed	92%	Number of jobs completed in 1 appointment / Number of jobs completed in month	OPI	
Recalls	Number of jobs where a recall has been necessary	<5	Number of recalls in month	OPI	
Repair Quality	Number of failed post inspections	<2%	Number of failed post inspections / Number of post inspections completed year to date	OPI	
Call handling	Performance for Contractor contact centre's to meet when answering calls from Residents or the Council	80% within 20s	Number of calls answered by a person within 20 seconds in a month / Total number of calls made to the Contractor Contact Centre in that month	OPI	
Testing Programme Compliance	Ensuring testing and certification tasks completed to time and quality	95%	Measurement of programme against tasks completed	OPI	
Appointments Met	Meeting appointments made with residents	97%	Number of appointments met or appointments not met for a valid reason / Number of appointments made in month	KPI	£50 for each appointment missed
Average time to complete repairs	Delivering continuous improvement to reduce waiting time for residents	Improvement against baseline target	Total time (days) taken for all Urgent and Routine repairs completed in the last month / Total number of Urgent and Routine repairs completed in the last month	KPI	10% PPP sum * % delta between target & average repair time
Major Safety or RIDDOR reportable incident	An unsafe act or incident that occurs under SP management	0 incidents	Measured and reported	KPI	Nullifies any positive incentive in month
Percentage of repairs that are overdue	Measure of effective workload management	<5%	Number of open works orders with a target date before the date of the report / Total number of open works orders	KPI	1% of PPP sum for each % delta between target and % of overdue repairs.

Lots 9 and 10 - Lifts:

Name	Description	Required Performance Level	How Calculated	KPI/OPI	Financial Effect of Failure
PR0 - Critical repair	Respond within 1 hours and rectify within 4 hours	100%	Number of critical repair jobs attended within 1 hours and rectified within 4 hours / Number of critical jobs in month	OPI	
PR1 - Emergency repair	Respond within 1 hours and rectify within 1 Standard Working Day	97%	Number of emergency repair jobs attended within 1 hours and rectified within 1 Standard Working Day / Number of emergency jobs in month	OPI	
PR2 - Urgent repair	Respond and rectify within 3 Standard Working Days	97%	Number of urgent repair jobs rectified within 3 Standard Working Days / Number of urgent jobs in month	OPI	
PR3 - Non-urgent repair	Respond and rectify within 7 Standard Working Days	97%	Number of non - urgent repair jobs rectified within 7 Standard Working Days / Number of routine jobs in month	OPI	
PRFRA - Urgent Repair following Fire Risk Assessment (FRA) inspection	Respond and rectify within 7 Standard Working Days	97%	Number of urgent repair following FRA jobs rectified within 7 Standard Working Days / Number of routine jobs in month	OPI	
PR4 - Routine repair	Respond and rectify within 28 Standard Working Days	97%	Number of routine jobs rectified within 28 Standard Working Days / Number of routine jobs in month	OPI	
PR5 - Planned repair	Respond and rectify within 90 Standard Working Days	97%	Number of planned jobs rectified within 90 Standard Working Days / Number of routine jobs in month	OPI	
Customer Satisfaction	Results of Customer Satisfaction Survey	90%	% score in Customer Satisfaction Survey	OPI	
Complaints	Reducing number of complaints	Below threshold and improving	% of complaints received relative to number of repairs WO	OPI	
First time fix	The number of appointments a job has had before its completed	90%	Number of jobs completed in 1 appointment / Number of jobs completed in month	OPI	
Recalls	Number of jobs where a recall has been necessary	<5	Number of recalls in month	OPI	
Average time to complete repairs	Delivering continuous improvement to reduce waiting time for residents	Improvement against baseline target	Total time (days) taken for all Urgent and Routine repairs completed in the last month / Total number of Urgent and Routine repairs completed in the last month	KPI	10% PPP sum * % delta between target & average repair time
Major Safety or RIDDOR reportable incident	An unsafe act or incident that occurs under SP management	0 incidents	Measured and reported	KPI	Nullifies any positive incentive in month
Percentage of repairs that are overdue	Measure of effective workload management	<5%	Number of open works orders with a target date before the date of the report/ Total number of open works orders	KPI	1% of PPP sum for each % delta between target and % of overdue repairs.