

London Borough of Hammersmith and Fulham Record of Leader's Urgent Decision

The call-in has now expired and the decision below can be implemented.

- ❖ Draft Decision List published on: 21 May 2020
- ❖ Confirmed Decision List published on: 27 May 2020

1. **TITLE: Contract Award Report: Responsive Repairs and Voids**
2. **DECISION MADE BY:** Leader of the Council
3. **DECISION:**

It is recommended that the Leader:

1. Notes that Appendix A is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. Agrees the award of the following repairs and maintenance contractors to the following contractors:
 - a) Contract for Lot 1, Housing Repairs and Maintenance Contract, for the North of the borough (NW10, W12, W10 and W3) for five years to 31st July 2025 with a provision to extend for up to two 12 month periods, to Morgan Sindall Property Services, for the value of £12,863,000 (consisting of a fixed fee of £9,246,000 representing a Price Per Property, Contract Overheads and first year Mobilisation costs, plus an estimated £3,617,000 of out of scope works priced against bespoke rates and a discounted Schedule of Rates),.
 - b) Contract for Lot 2, Housing Repairs and Maintenance Contract, for the Centre of the borough (W11, W6, W4 and W14) for five years to 31st July 2025 with a provision to extend for up to two 12 month periods, to DW contractors, for the value of £15,445,000 (consisting of a fixed fee of £10,990,000 representing a Price Per Property, Contract Overheads and first year Mobilisation costs, plus an estimated £4,455,000 of out of scope works priced against bespoke rates and a discounted Schedule of Rates),.
 - c) Contract for Lot 3, Housing Repairs and Maintenance Contract, for the South of the borough (SW6 and SW10) for five years to 31st July 2025 with a provision to extend for up to two 12 month periods, to Mears, for

the value of £14,732,000 (consisting of a fixed fee of £10,096,000 representing a Price Per Property, Contract Overheads and first year Mobilisation costs, plus an estimated £4,636,000 of out of scope works priced against bespoke rates and a discounted Schedule of Rates),.

- d) The award of a reserve contract to Mears for Lot 1, Housing Repairs and Maintenance Contract, for the North of the borough (NW10, W12, W10 and W3)
 - e) The award of a reserve contract to Morgan Sindall for Lot 2, Housing Repairs and Maintenance Contract, for the Centre of the borough (W11, W6, W4 and W14)
 - f) The award of a reserve contract to DW contractors for Lot 3, Housing Repairs and Maintenance Contract, for the South of the borough (SW6 and SW10)
3. Notes that the award of contract cannot be made until the conclusion of the S.20 consultation referred to in section 5 of the report
 4. Agrees that for 2020/21, the part-year costs of these contracts of £5.699m plus one-off mobilisation costs of £0.295m are funded from the following sources:
 - the Housing Revenue Account General Reserve for the one-off mobilisation costs (£0.295m) and part-year contract costs (£0.068m)
 - existing revenue budgets within the Housing Revenue Account (£4.315m),
 - the capitalised repairs budget within the housing capital programme (£0.133m),
 - additional revenue savings of £1.183m from a savings plan to mitigate the additional contract costs which is currently being developed.
 5. Agrees that from 2021/22 onwards, the full-year costs of these contracts of £8.549m are funded from the following sources:
 - existing revenue budgets within the Housing Revenue Account (£6.472m),
 - the capitalised repairs budget within the housing capital programme (£0.200m),
 - additional annual revenue savings of £1.877m from a savings plan which is currently being developed.
 6. Agrees that if the required level of compensating savings cannot be delivered for either or both 2020/21 and 2021/22 onwards, that the HRA General Reserves are used to fund any shortfall up to £1.183m for 2020/21 (in addition to the £0.068m required for part-year contract costs) and up to £1.877m for 2021/22 onwards for the term of the contract.

4. **REASON FOR DECISION:**

Hammersmith and Fulham Council has a legal obligation to ensure its properties are maintained and as a landlord it needs to deliver repair and maintenance services to its tenants.

The recommendations outlined are required to appoint contractors to carry out these works as the interim Repairs and Voids contracts expire on 31st July 2020.

The recommendations outlined are the most effective way to ensure continuity of repairs and maintenance services and legal compliance.

The recommendations outlined are based on a competitive tendering process in line with the Public Contracts Regulations 2015. The Final Tenders received were evaluated by the Council's evaluation team against published evaluation criteria. The Contractors recommended for appointment were identified as the most economically advantageous tenderers having applied the evaluation criteria

5. **ALTERNATIVE OPTIONS CONSIDERED:**

As described in the report.

6. **CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**

None

Date of Decision
20 May 2020