

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Umeh (Cabinet Member for Housing and Homelessness)

Date: 16 May 2025

Subject: Lift Servicing and Installation Contract Extension

Report of: Richard Buckley, Assistant Director of Building and Resident Safety

Report author: Mara Akrivlelli, Commissioning and Contracts Lead

SUMMARY

This Procurement Strategy and contract award report recommends the extension of a 24-month contract to Liftec Express Limited (Liftec) for the provision of reactive repair and scheduled servicing and repair to lift installations within housing properties owned by London Borough of Hammersmith and Fulham Council (the "Council"). The value of the extension is £866,503.04, (£433,251.52 per annum).

The current 5-year contract awarded to Liftec, which commenced on Wednesday, 20 May 2020, includes a provision for annual extensions up to a maximum period of two years.

RECOMMENDATIONS

1. To approve the extension of the Liftec contract for 24 months from Tuesday, 20 May 2025 until Wednesday, 19 May 2027 to provide suitable qualified, skilled labour, and materials necessary in providing a comprehensive service in maintaining the lift installations and day to day reactive break down repairs, planned servicing, associated repairs, and improvement works within Housing owned properties located in the London Borough of Hammersmith and Fulham (LBHF).
 2. To note that the existing contract allows for this extension provision.
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Wards Affected: All

| Our Values | Summary of how this report aligns to the H&F Corporate Plan and the H&F Values |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Building shared prosperity | The contractor is committed to social value outcomes such as local employment, community engagement and local supply chain spend which will |

| Our Values | Summary of how this report aligns to the H&F Corporate Plan and the H&F Values |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| | stimulate the local economy and build shared prosperity for the local community. |
| Creating a compassionate and inclusive council | Maintenance of lifts in multi-level buildings and sheltered housing for older and vulnerable residents is essential to ensure their safety and wellbeing. |
| Doing things with local residents, not to them | The contract will stipulate high standards of communication with residents in its duration. |
| Being ruthlessly financially efficient | The contract with Liftec has been procured in 2020 on favourable terms for the Council. It is anticipated that there won't be any significant variations. |
| Taking pride in H&F | The Council is committed to a continuous effort to provide tenants with homes that are safe and well managed. |
| Rising to the challenge of the climate and ecological emergency | Energy efficient equipment used in lifts will contribute to the council's aim to create a cleaner, greener borough. |

Financial Impact

The report seeks approval to extend the existing approved contract with Liftec Express Limited, for a period of 24 months from May 2025, to carry out lift repair and maintenance works, and lift upgrade works. The estimated total cost of up to £866,503.04 for the period of extension will cross financial years 2025/26, 2026/27 and 2027/28.

Approximately £50,000 per annum (£100,000 in total) is expected to be spent on lift upgrade works, including replacement of parts, within Housing Revenue Account (HRA) properties across the borough. However, this is an estimate, and analysis of the actual spend during the extension will determine the value of capitalisable works. The HRA Asset Management 4-Year Capital Programme and Q3 2024/25 budget variations report was approved by Cabinet in February 2025 and contained a budget provision for responsive capital works of £5.395m across financial years 2025/26, 2026/27 and 2027/28. This is sufficient to cover the estimated capital component of the procurement cost in this report.

The remaining £383,251.52 per annum (£766,503.04 in total) is expected to be funded from the approved revenue budget within the HRA which for 2025/26 is £677,500.

Leaseholders will be recharged for the cost of any works and services carried out under this contract up to the statutory thresholds and the Council will reserve the right to procure any high value repairs outside this agreement (see section on Leasehold Consultation).

A Credit Safe Report run on 16 April 2025 on the supplier Liftec Express Limited provided a credit score of 66 (low risk and above the Council's minimum threshold score of 51), and a suggested contract limit of £3,450,000, which is above the value of the procurement in this report.

Once the contract is in place, Finance officers will work closely with the service to ensure that costs are closely monitored and work commissioned to remain within the available budget envelope.

Anjeli Chadha, Principal Accountant – Housing Capital, 16th April 2025

Verified by: Danny Rochford, Head of Finance (Housing), 28th April 2025

Legal Implications

The Council has a duty to keep lifts in repair as part of its obligations as a landlord under the Landlord and Tenant Act 1985.

The value of the contract means that it is below the threshold for the Public Contracts Regulations 2015 to apply. (The contract was let before the Procurement Act 2023 came into force, so the 2015 regulations still apply). There are therefore no statutory requirements in relation to the extension.

This is a high value under the Council's Contract Standing Orders. The provision for extension is contained in the existing contract and was mentioned in the original award report. The extension can therefore be approved under CSO 28.1.

This is a key decision under the Council's Constitution and needs to be placed on the key decision list on the Council's website.

John Sharland, Special Projects Lawyer, 10th April 2024

Procurement Comments

The contract has the option to extend built into the original agreement at paragraph 3 of the Contract Period (page 7), which confirms:

(Article 1, clause 7.1 and clause 7.4)

Subject to clause 7.1, the Contract Period will be five years (with the option of extending the Contract Period up to two additional years in accordance with Clause 7.4) from 11th May 2020.

The Contract Manager must upload all associated documents and records (e.g., the extension, acknowledgement etc.) to the Council's [capitalEsourcing](#) eProcurement portal.

Chris Everett, Category Lead – Procurement and Commercial, 10th April 2025

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Background

1. The Council has a commitment to its residents to ensure that its housing stock is safe and fit for purpose. As such the Council has an obligation to meet Health and Safety regulations. To support this commitment, the Council's Mechanical and Electrical team needs to have compliant service contracts in place which will ensure that lifts are maintained in all its properties.
2. The lifts maintenance service needs to continue to ensure compliance with regulations and enable access to the properties, especially for those who due to age and/or health conditions would not be able to access their homes.

Reasons for Decision

3. The initial term of this contract will expire on Tuesday 20 of May 2025. The contract allows for a two-year extension. Liftec has delivered a good level of service to date for the Council. On this basis, this report seeks approval to extend the contract by 24 months to Wednesday, 19 May 2027.
4. The Council, as a landlord, has an obligation to comply with health and safety regulations under the Landlord and Tenant Act 1985.
5. Attendance to lift breakdowns and lift entrapments during out of hours periods has been and continues to be a priority and obligation in ensuring safety, optimal performance and resident satisfaction.

Contract Specifications Summary

6. The lift maintenance contract is a comprehensive contract for providing servicing, planned preventative maintenance, and day to day breakdown call out repair service to maintain the existing installations in borough-wide Council properties throughout the year. The contract also includes provision for lift

upgrade works to be carried out by the contractor and includes all electrical services associated with the lift, including parts. It should be noted that 216 lifts are contained within the Council's housing portfolio which also includes sheltered housing blocks for vulnerable residents. The value of the contract is £433,251.52 per annum.

7. The planned preventative maintenance provision comprises of regular servicing and inspection of each lift in accordance with statutory regulations such as supplementary inspections, together with the execution, rectification of all remedial works identified. The breakdown call-out service consists of providing reactive repairs to day-to-day breakdown call outs, including lift trappings 24 hours a day, 7 days a week, 365 days per year. In addition to the above, the contract includes provision for planned improvement works to be carried out on a schedule of rates basis as and when instructed by the Engineer.

Proposals and Analysis of Options

8. **Option 1: Allowing the contract to lapse without extending it – Not recommended**

This is not a viable option as we require a contractor in place to deliver on our statutory health and safety obligations. Such inaction could potentially have adverse consequences by increasing the risk of injury and resulting in financial and reputational damage to the council.

9. **Option 2: Re-procure for a long-term contractor via a competitive procurement process, at the initial contract end date – Not recommended**

This option is not recommended as there is insufficient time to undertake a full procurement exercise as a competitive procurement exercise could take over nine months to complete. Consequently, there is not enough time for demobilisation/mobilisation which will negatively impact quality provision and would leave the Council without a permanent contractor to maintain lifts. A new contractor lacking borough specific experience could potentially lead to a reduction of the overall performance.

10. **Option 3: Extend the existing contract for the remaining 24 months allowed under the contract extension provision**

This is the recommended option to ensure continuity and high standards in service provision to residents, compliance with health and safety obligations and value for money. This option would allow sufficient time to plan the commissioning and re-procurement of the service beyond 2027 and alleviate pressure.

11. Liftec has delivered a good level of service to date for the Council. Since the commencement of the lift maintenance contract in May 2020, Liftec's performance has maintained high Key Performance Indicator (KPI) standards of 99.45%. There is no hesitation therefore in recommending the extension of their contract for a further 24 months.

Equality and Inclusion Implications

12. The maintenance of passenger lifts within the Council's housing portfolio is important, particularly for residents who are older, Disabled, or those with

young children. Failure to renew the contract for servicing and maintaining lifts in multi-level buildings and sheltered housing properties will negatively impact the residents' access to and from their homes, limit their freedom to move and may cause injuries and inconvenience.

Verified by Strategic Lead for EDI, Yvonne Okiyo, 28.04.25

Risk Management Implications

13. There are no significant risks associated to this contract extension.

Jules Binney, Risk and Assurance Manager, 8th April 2025

Climate and Ecological Emergency Implications

14. The service will liaise with the climate and ecological emergency team to discuss requirements and to ensure the contract meets the required carbon recommendation.

Verified by Hinesh Mehta, Assistant Director Climate and Transport, 08/04/2025

Local Economy and Social Value Implications

15. This report indicates that the original tendering exercise factored in Social Value within the evaluation weighting.
16. Social Value will also be applicable to the contract extension and additional measures should be sought in proportion to the increased value and duration of the contract.
17. It is recommended that the contract manager works with the Social Value Officer to ensure that existing commitments are being delivered and are added to as part of this extension.
18. It is recommended that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to remedies if social value commitments are not delivered.

Harry Buck, Social Value Officer (Procurement), 15th April 2025

General Consultation

19. No consultation has been carried out. The contract will stipulate high standards of resident communication throughout its duration.

Leasehold Consultation

20. *Contributions towards servicing costs will continue to be recovered through the day-to-day service charge accounts up to £100 per leasehold household per annum. Contributions towards repairs will continue to be recovered through the day-to-day service charge account up to £250 per leasehold household. Any costs that are expected to exceed this may be procured through a separate procurement vehicle to ensure the Council can recover its full proportion of costs.*

Ciaran Maguire, Head of Leasehold Services, 30 April 2025

Digital Services and Information Management Implications

21. Maintenance of lifts is an important part of the council's ability to monitor and proactively manage repairs required to its housing portfolio, and this contract is required for service continuity. Digital services should be engaged with respect to any remote monitoring and maintenance activities to ensure that IT requirements are met, that all necessary safeguards, permissions and budgets are in place. Digital Services should also be engaged on any future renewal and/or procurement for a new supplier.
22. No mention is made of any predictive maintenance or use of AI functionality. However, the service should engage with DS prior to enabling any generative AI functionality, to ensure compliance with corporate AI strategy, governance, security, and privacy requirements. The AI Governance Framework form must be completed for any enhancements to existing solutions, as well as all new projects and contracts deploying AI capabilities. If colleagues are unsure as to whether a new function falls within the AI framework, they should discuss with DS.
23. IM implications: Liftec will be expected to have an up to date Data Protection policy in place and staff will be expected to have received Data Protection training. The service will need to complete a Data Privacy Impact Assessment.
24. The contract with Liftec will need to include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.

DS Implications completed by Cinar Altun, Strategy Lead – Digital Services 23 April 2025

LIST OF APPENDICES

None