



London Borough of Hammersmith & Fulham

CABINET MEMBER DECISION

8 DECEMBER 2014

PROCUREMENT OF A TERM CONTRACT TO CARRY OUT TESTING AND INSPECTION OF EXISTING FIRE ALARMS & EMERGENCY LIGHTING SYSTEMS WITHIN HOUSING PROPERTIES - BOROUGH-WIDE

Report of the Cabinet Member for Housing – Councillor Lisa Homan

Open Report

For Decision: Yes

Key Decision: No

Wards Affected: All

Accountable Executive Director: Melbourne Barrett – Housing & Regeneration

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AUTHORISED BY:

The Cabinet Member has signed this report.

DATE: 8 December 2014.

1. EXECUTIVE SUMMARY

1.1. This report establishes the need for the procurement of a Term Contract to undertake testing and inspection of fire alarms, and emergency lighting systems within sheltered Accommodation, high rise blocks of flats with communal areas, hostels and HRA – funded community centres across the Council’s housing portfolio. In addition the report identifies the various procurement options considered, together with (financial & non-financial) benefits/disbenefits of adopting each option.

1.2. On the basis of the options considered and the evidence gathered, the recommendation is to procure a 5 year Term Contract with an option of annual extension for a maximum period of 3 years, making a total contract period of up to 8 years. The contract would be procured in compliance with the Public Procurement Regulations.

- 1.3 The Council has a responsibility under the Regulatory Reform (Fire Safety) Order 2005 to maintain the fire alarm and emergency lighting installations within its premises. The works to be carried out under this contract will discharge the Council's duties under this aspect of the regulations.
- 1.4 The works will be carried out in accordance with the requirements of BS 5839-1:2002 with respect to fire alarm systems and BS 5266-1:1999 with respect to emergency lighting installations. The works include quarterly testing and inspection of each fire alarm system and the testing of emergency lighting systems on a monthly basis. The fire alarm systems installed within the properties are all Gent Vigilon systems, and the works are to be undertaken by a contractor who is a suitable Gent System Integrator.
- 1.5 The contract also includes for attending to reactive breakdown repairs to fire alarm systems. In respect of the emergency lighting installations, reactive breakdown repairs will be carried out under the existing TPC (Term Partnering Contract) Repairs Contract with MITIE.
- 1.6 The contract management and pricing mechanism will be designed to align with the property services new lean staffing structure, ensuring that adequate Contract management controls are put in place by the Council, and that contractual remedies are robust

2. RECOMMENDATIONS

- 2.1. That approval be given to procure a 5 year Term Contract with an option to extend annually for a further 3 years in accordance with procurement legislation via the restricted procedure, any such further extension being subject to satisfactory performance by the successful contractor, during the original contract term of 5 years, at an anticipated annual cost of £300k and a total contract value of up to £2,400,000.
- 2.2. To note that funding for the proposed works is contained within the Housing Revenue Account.

3. REASONS FOR DECISION

- 3.1. The Council has a responsibility under the Regulatory Reform (Fire Safety) Order 2005 to maintain the fire alarm and emergency lighting installations within its premises. The works to be carried out under this contract will discharge the Council's duties under this aspect of the regulations. The existing contract for the testing and inspection of fire alarm and emergency lighting installations expires on 14th August 2015, and the proposed new contract is required in order that the Council continues to discharge its statutory obligations.

4. INTRODUCTION AND BACKGROUND

- 4.1 The Council has a responsibility under the Regulatory Reform (Fire Safety) Order 2005 to maintain the fire alarm and emergency lighting installations within its properties. The works to be carried out under this contract will discharge the Council's duties under this aspect of the regulations. Testing of fire alarms and

emergency lighting systems also forms part of the Housing Revenue Account for which the Cabinet Member for Housing has responsibility.

- 4.2 On 21st July 2014 the Cabinet Member for Housing approved the award of a one year contract of notional value £131,394 to carry out testing and inspection of fire alarm and emergency lighting systems within sheltered Accommodation, High rise blocks of flats with internal corridors, Hostels and HRA –funded community centres as an interim measure while a new Term contract is procured to include all Housing properties.
- 4.3 The interim contract commenced on 4th August 2014 and expires on 3rd August 2015. It is therefore essential that the new contract is operational before expiration of the existing contract in order to enable the Council to continue to discharge its statutory obligations.
- 4.4 This work has not been included in the housing 10 year major repairs and maintenance contract, and therefore the works must be procured separately. This is because the work is of an extremely specialist nature, with the risk of major health and safety consequences in the event of non-compliance. Therefore officers determined that it would be prudent to directly manage the contract, rather than the works being provided via a sub-contract arrangement under the major repairs and maintenance contract.
- 4.5 The procurement of a new Term Contract will enable testing and inspection of existing fire alarm and emergency lighting systems within all housing properties across the borough. Owing to its estimated value, this contract will be above the OJEU threshold for services and as such the contract will be procured via the Restricted Procedure as provided for under The Public Contract Regulations 2006 (as amended). The anticipated commencement date for this contract will 4th August 2015.

5. PROPOSAL AND ISSUES

- 5.1 The works consist of the testing and inspection of fire alarm and emergency lighting systems within buildings in compliance with the requirements of BS 5839 and BS 5266 respectively. This includes quarterly testing and inspection of each fire alarm system whilst for emergency lighting systems testing and inspection is carried out on a monthly basis.
- 5.2 The contract also includes attending to day to day reactive breakdown repairs to existing fire alarm systems as and when required. The buildings included within the proposed contract are those fitted with fire alarm system and emergency lighting systems namely sheltered housing schemes, high-rise blocks with internal corridors, and buildings with enclosed stairwells, hostels and HRA-funded community centres but excludes converted street based properties generally.
- 5.3 In respect of the emergency lighting installations, reactive breakdown repairs will be carried out under the existing TPC (Term Partnering Contract) Repairs Contract with MITIE.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1 Officers considered the following options:

6.1.1 Option 1 – Do Nothing

This option will mean the Council will be out of contract and considering the significance of these services, the option to do nothing is detrimental to the Council's business and would cost a lot to remedy any issue or outcome, as a direct result or consequence of not having a contract in place for the provision of these services. This is not an option to consider, as it is absolutely essential for the Council to provide Fire Alarms and Emergency Lighting & Testing within the borough.

6.1.2 Option 2 – Use an Existing/ National Framework to deliver the contract

We explored this option and no suitable framework was found, which provided contractors with the levels of expertise, knowledge and certification required for this field of work. For the purpose of this procurement, we explored the possibility of using a Framework (Northern Housing Consortium), but this was deemed not to be suitable, because only one of the 12 suppliers on the Framework had the skill set to deliver the specific service. If we had decided to go with that one supplier on the Framework, there would not have been a good justification to do that as there would not have been enough competition to justify value for money. Also since Framework agreements are usually set up for a period of not more than 4 years, it makes this option difficult to consider.

6.1.3 Option 3 – Recommended Option –Go out to full OJEU Tender

This is the preferred option, as the contract would be procured using the terms and conditions specific to London Borough of Hammersmith & Fulham in line with the EU procurement regulations, which has served well in the past. With this option, the Council can enter into a contract with a single contractor working to achieve a pre-determined service that meet the Council's standard of work. This option also give the Council the opportunity to enter into a long term contract with the successful contractor, which in this case is anticipated to be a 5 years contract with option to extend for a further 3 years, making a total of 8 years. (5+1+1+1)

As a specification already exists, tendering should be relatively simple with the advantage of providing transparency throughout the process and value for money would be achieved from competitive tendering.

7. CONSULTATION

7.1 The works consist of the testing and inspection of fire alarm and emergency lighting installations within buildings the majority of which are sheltered accommodation and communal areas within buildings and there is no intention to carry out any formal consultation directly with residents. There will, however be liaison with building managers to ensure that the needs of the residents are accounted for when programming and undertaking the work. For those buildings where the service is a new provision (for example where emergency lighting has only recently been installed) it is the Council's intention to write to each of those tenants and leaseholders, informing them of the proposals. In addition, after the

full procurement exercise, each respective resident will be informed of the successful contractor to whom the contract has been awarded.

- 7.2 The estimated annual cost of the works is below the £250 threshold above which statutory consultation with Leaseholders is necessary, and therefore, there is no requirement to issue Notices under the legislation.

8. EQUALITY IMPLICATIONS

- 8.1. There are no significant equalities issues highlighted, however, should the liaison with building managers highlight any specific needs of protected groups when undertaken the works officers will ensure that these needs are taken into account.
- 8.2. Implications verified/completed by Danny Reynolds – Group Leader, Engineering Services, 020 8753 4780.

9. LEGAL IMPLICATIONS

- 9.1 Legal Services will be available to provide ongoing legal advice throughout the procurement process.
- 9.2 Implications verified/completed by: Kar-Yee Chan, Solicitor (Contracts) Bi-borough Legal Services, 020 8753 2772

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 The proposal to go out to tender is reliant on members giving approval to the recommendation in this report. When approval has been given, the companies that would express an interest to tender will be financially evaluated according to the practices that are undertaken in the Council.
- 10.2 Implications verified/completed by: (Isaac Egberedu, Principal Accountant and 0208 753 2503)
- 10.3 The recommendation in paragraph 2.2 states that the funding for the proposed works is contained within the Housing Revenue Account. On the basis that the proposed contract will commence on 15 August 2015, the value of this contract in 2015/16 is estimated at £200k for the 8 months period to 31st March 2016. Provision for expenditure for this section will be sought in future years' HRA Revenue Budgets.
- 10.4 A more detailed profiling of the costs of the works will be provided once approval to the recommendations in this report has been given and a further report circulated.
- 10.5 Paragraph 7.2 states that the estimated annual cost of the works is below the £250 threshold above which statutory consultation with Leaseholders is necessary, and therefore, there is no requirement to issue Notices under the legislation.

11. RISK MANAGEMENT

- 11.1 A tender appraisal panel consisting of officers within HRD, Procurement and IT Strategy, FD will oversee the procurement process in ensuring compliance with EU regulations.
- 11.2 Implications verified/completed by Danny Reynolds – Group Leader, Engineering Services, 020 8753 4780.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1 The estimated value of the procurement exceeds the value threshold (£172,514) above which EU Procurement Directives are required to be applied.
- 12.2 A schedule of meetings of the tender appraisal panel comprising officers from HRD, Legal, Procurement and IT Strategy and Finance will need to be convened to ensure that the procurement is conducted in accordance with the council's Contract Standing Orders and EU regulations.
- 12.3 Implications verified/completed by: (Robert Hillman, Procurement Consultant, x1538)

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1: Proposed time table for the procurement process.

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Target Date	Activity
1 st December 2014	OJEU Notice Published
3 rd December 2014	PQQ Published to all potential providers
13 th January 2015	Deadline for clarification questions to be submitted by potential suppliers via the CapitalEsourcing Portal
20 th January 2015	PQQ return date
27 th January 2015	Evaluation of PQQ to be completed by
29 th January 2015	Outcome letters sent to all bidders
16 th February 2015	Invitation to tender (ITT) issued to qualifying bidders
27 th March 2015	Tender Clarification Deadline
3 rd April 2015	ITT Tender Return Deadline
3 rd April – 17 th April 2015	Evaluation of Tenders
April –May 2015	Award recommendation Approval (Cabinet) Subject to LBHF cut off time
June 2015	Outcome Letters/Alcatel
June –August 2015	Contract Award