



**RECORD OF DELEGATED DECISION (OFFICER)**

**CONTRACT AWARD**

<b>1. Decision Reference No.</b>	<b>CEX175(a)</b>
<b>2. Name/Title of Officer</b>	<b>Michelle Howard Deputy Chief Executive</b>
<b>3. Email address of Officer</b>	<b>mhoward@melton.gov.uk</b>
<b>4. Title / Subject Matter:</b>	<b>Award of Contract – Westworks Building Maintenance and Compliance DPS</b>
<b>5. Type of Decision:</b> (The decision will be published in its entirety unless it contains exempt information as described in Section 1.4 of the <a href="#">Council's Access to Information Rules</a> )	<b>Public</b>
<b>6. Key Decision?</b>	<b>Yes</b>
<b>7. Decision Taken:</b>  1. To award the contract for Housing Improvement Works (Housing Capital Programme) to the preferred supplier.  2. To enter into any necessary documentation to effect the award	
<b>8. Reasons for Decision:</b>  In June 2021, Cabinet approved a recommendation to award contracts on a rolling basis from a Dynamic Purchasing System (DPS) via the Westworks Building Maintenance and Compliance DPS. This included the procurement of future contracts from this DPS to support continued implementation of the HRA Capital Programme.  A series of workstreams that are required to deliver the capital programme were identified. These workstreams are:  <ul style="list-style-type: none"><li>- Aids &amp; Adaptations</li><li>- Electrical Installation and Heating</li><li>- Kitchen Installation</li><li>- Bathroom Installation</li><li>- Asbestos Removal and Remedial works</li><li>- Roofing Installation</li></ul>	

- General and external works

Expressions of interest were sought through the DPS prior to the procurement exercise going live. Fifteen companies were eligible and seven of these expressed an interest in submitting a tender. The main reason for opting out was due to lack of resource at the time of tendering.

Tender invitations were sent out on 11<sup>th</sup> February 2022 with a final deadline of 25<sup>th</sup> March 2022. Four responses were submitted by the deadline.

The tender evaluation was split between price and quality at a ratio of 60% quality and 40% price. The quality questions addressed a range of issues including quality, contract management, tenant engagement, social value and health and safety. Moderation of the quality questions took place on 6<sup>th</sup> May 2022, no submissions failed to meet the minimum criteria for inclusion.

The prices submitted all exceeded the anticipated budget for the project. Owing to the current economic climate including on-going worldwide supply chain challenges, the excessive rise in energy prices, material shortages and inflation, due to the war in Ukraine and its wider impacts, bids over budget were not wholly unexpected. A focus on affordability was kept at all times during the evaluation process.

The overall combined scores for quality and price are as follows:

- 1<sup>st</sup> – 83.32%
- 2<sup>nd</sup> – 79.18%
- 3<sup>rd</sup> – 76.05%
- 4<sup>th</sup> – 54.75%

The first placed contractor submitted the lowest average price and had the second highest quality score.

The lowest priced tender rates are at a similar level to the figures used in the HRA Business Plan. Some elements of work were priced on a scenario basis (kitchens, bathrooms, electrical work and asbestos) and estimated numbers of properties were included in the pricing document. As an example the HR Business Plan uses £5500 for the average kitchen; the tendered rates for a kitchen range from £5400 to £6700 with an average figure of £5900.

The contract prices will be used to produce the accurate financial forecast that will be included in the Housing Asset Management Plan and the annual capital programme, for the duration of the contract.

The supplier has been procured in compliance with the contract procedure rules, and all necessary due diligence has been carried out by the Council Officer.

**9. Authority / Legal Power:**

Legal – See below

**10. Background Papers attached?**

(Background papers are to be attached (unless exempt))

**No**

## 11. Alternative options available / rejected:

1. To re-procure to attempt to achieve better value for money – This was discounted due to the recent tender date and low likelihood that any additional contractors would price. The prices received also reflect the current trend in the market for increased costs.

### Implications:

Legal	<p>The Council has the power to enter into contracts in order to discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1).</p> <p>The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts. In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations.</p> <p>[Legal approval 10 June 2022]</p>
Finance	<p>The contract also allows for a CPI inflation uplift after year 1. It will be important that the council seeks to identify efficiency savings within the Housing Revenue Account and adjust both the business plan and asset management plan to take account of these contract rates and ensure continued affordability of the business plan. The Asset Management Plan will be critical to ensuring the affordability and delivery of both revenue and capital programmes. Subject to savings being made in the asset management plan, and taking account of the headroom available, the contract is affordable.</p> <p>[Finance approval 9 June 2022]</p>
HR	N/A
Procurement	<p>A compliant procurement process via the Westworks Building Maintenance and Compliance Dynamic Purchasing System (DPS) was undertaken as per the Public Contract Regulations 2015:</p> <p>Regulation 34 regarding use of a DPS process Regulation 86 for the Award Decision</p> <p>The award decision was made by the Lead Officer with full knowledge of the credit risk report provided by Westworks on the preferred provider.</p>

	[Procurement approval 6 June 2022]
Other	The following checks have been carried out in relation to the contract provider: - Financial credit checks - Insurance certificates - Health and safety policies
<b>12. Signature of Decision Maker with authority to sign (See Section 9):</b> Please do no 'pp' for a Senior Officer	<b>Michelle Howard</b> <b>Director for Housing and Communities</b> <b>14 June 2022</b>
<b>13. Consultation with:</b>	<b>Councillor Ronan Browne</b> <b>Portfolio Holder for Housing and Landlord Services</b>
<b>14. Date:</b>	<b>17 June 2022</b>
<b>15. Officer Responsible for Procurement</b>	<b>I confirm compliance with the Contract Procedure Rules</b> <b>Chris Flannery</b> <b>Housing Asset Manager</b>

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