

## INDIVIDUAL CABINET MEMBER DECISION

### URGENT DECISION – EXEMPT FROM CALL-IN

Decision by Councillor Mason - Housing, Planning and Transformation

**Subject** Interim Contracts – Responsive Repairs and Minor Voids

**Portfolio** Housing, Planning and Transformation

**Authority** Constitution Part 3 Section 3

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**Decision:** That the Portfolio Holder:

- I. **Authorised the extension of the Council's current Contract with MNM Property Services Ltd for Housing Responsive Repairs and Maintenance (East) for a further six month period. The extension period to run from the 1st April 2019 to the 30th September 2019.**
- II. **Authorised the extension of the Council's current Contract with Mead Building Services Ltd for Housing Responsive Repairs and Maintenance (West) for a further six month period. The extension period to run from the 1st April 2019 to the 30th September 2019.**
- III. **Authorised the award of an interim contract to T Gilmartin Ltd for the provision of a Housing Minor Voids Service for a period of six months from the 1st April 2019 to the 30th September 2019.**
- IV. **Noted that the above contracts are funded by the approved 2019-20 HRA Budget at 11 December Cabinet.**

**Reason for decision and Options Considered:**

The current contracts for Responsive Repairs and Minor Voids commenced on 1st September 2013. The contract for Housing Responsive Repairs and Maintenance Service (East area) was awarded to MNM Property Service Ltd and the contract for Housing Responsive Repairs and Maintenance Service (West area) was awarded to Mead Building Service Ltd. The contract for the Minor Voids Service was awarded to Mountjoy Ltd.

All the contract terms were for four years with an

option to extend by an additional 1 year meaning a potential maximum contract term for each of five years expiring in August 2018.

Cabinet gave authority to commence a re-procurement of the Responsive Repairs and Minor Voids contracts in September 2017 and on 20th March 2018, Cllr Jasbir Anand authorised an extension of all three contracts for a period of six months from the 1st September 2018 to the 31st March 2019, pending the outcome of the new procurement exercise.

Tenders were received from bidders on the 30th July 2018. However, following a rigorous evaluation process, it became apparent that no permissible combination of the bids received could deliver the desired level of service within a cost envelope affordable to the Council.

Following a review of options, a decision was made to discontinue the procurement and to review the commercial approach. A new procurement commenced on the 29th November 2018 with a deadline for new tender submissions to be returned by 3rd January 2019. A Key Officer Decision Report has been scheduled for May 2019 seeking authority to award the new Responsive Repairs and Minor Voids contracts. In view of the decision to undertake a new procurement process and the lengthy period required to mobilise the contracts, the proposed contract start date for all three contracts is now 1st October 2019.

The current Responsive Repairs Contractors, Mead and MNM have agreed to extend the current arrangements. The Council has been unable to agree terms on a value for money extension with Mountjoy Ltd and so the Council is proposing that a new short term contract with T Gilmartin Ltd be entered into, pending the award of the new long term contracts.

In the light of the above, authorisation is now sought to extend the current Responsive Repairs Contracts and enter a new contract for the Minor Voids Service.

Extending the existing Responsive Repairs and Maintenance contract will ensure the service to residents is maintained (enabling the Council to continue to fulfil its legal and regulatory obligations as landlord).

Entering into an interim Minor Voids Contract will enable the Council to continue to ensure that new tenants are afforded accommodation which complies with the Council adopted minimal lettable standards.

Maintaining the existing contract arrangements with respect to Responsive Repairs and Maintenance avoids a difficult, technically challenging and ultimately expensive handover with service levels potentially impacted for a limited 6 month contract period. Taking into account the mobilisation resource required for this type of service, a contract of this duration would not be that commercially attractive and would attract a cost premium. Contract rates were competitively tendered at the outset and have been subject to an indexation mechanism for the duration of the contract to ensure their sustainability.

The new, interim contract arrangement with T Gilmartin Ltd for Minor Voids will be entered into based upon their tender submission for the new long term contract. Contract rates can, therefore, be considered to have been subject to a competitive exercise and provide value for money. The mobilisation resource required for this service is less than with responsive repairs due to the nature of the works undertaken and so service levels will not be impacted by a quick implementation, nor will the Council face any cost premium for entering into this arrangement.

While the evaluation process for the new tender submissions has not yet formally concluded an initial assessment of the rates tendered suggest a reduction in spend of well in excess of £0.50m per annum could be achieved longer-term (based on 2017-18 work volumes). The delay in the procurement, and therefore the contract extensions recommended in this report, was necessary in order to achieve those longer term savings which otherwise the Council would not have achieved.

#### **Date of Implementation 12 March 2019**

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**Report published 4 March 2019**

**Shadow consulted 4 March 2019**

**Decision recorded 12 March 2019**

**Decision published 12 March 2019**

**Call-in deadline**

**Exempt from Call-In**

**Cabinet member's  
signature.....**

**Councillor Peter Mason**

**Housing, Planning and Transformation**

**Officer recording  
decision.....**

**Janine Jenkinson**

**Designation**

**Democratic Services Officer**



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