


REPORT TO CABINET

17 July 2019

Subject:	Annual Gas Safety Inspections and Servicing of Gas Appliances to Council Owned Properties
Presenting Cabinet Member:	Councillor Joanne Hadley - Cabinet Member for Homes
Director:	Executive Director - Neighbourhoods – Alison Knight
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Cabinet Member for Homes - Councillor Joanne Hadley
Director Approval:	Executive Director – Neighbourhoods
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Ward Councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny has not been consulted
Contact Officer(s):	<p>Steve Greenhouse Service Manager Asset Management and Maintenance 0121 569 6441</p> <p>Simon Parry Business Manager – Contract Performance and Improvement Programmes Asset Management and Maintenance 0121 569 2949</p>

DECISION RECOMMENDATIONS

That Cabinet:

1. Authorise the Director – Housing and Communities to award the contract to undertake Annual Gas Safety checks to Council owned properties in Tipton and Wednesbury to Vinshire Plumbing and Heating Limited for a contract period of 23 months, from 1st September 2019 to 31st July 2021.
2. That in connection with 1. above, the Director – Law and Governance be authorised to enter into an appropriate contract with Vinshire Plumbing and Heating Limited.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval to award the contract to undertake Annual Gas Safety Inspections and Servicing of Gas Appliances to Council owned properties in Tipton and Wednesbury Towns.
- 1.2 The Council is obliged by statute to undertake gas safety inspections and servicing to its properties as a Landlord.

2 IMPLICATION FOR VISION 2030

- 2.1 The award of this contract will enable our customers to feel safe within their homes in the knowledge that appropriate inspections and servicing of equipment has been carried out.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 Cabinet at its meeting on 27th June 2018 (Minute No. 95/18) awarded the contract for the provision of Annual Gas Safety checks for a contract period of three years, from 1st August 2018 to 31st July 2021 to 3 contractors. The 3 contractors were Liberty Gas Group, Vinshire Plumbing & Heating Limited and Phoenix Gas Servicing Limited.
- 3.2 The contract was split into 3 areas.
 - 3.2.1 Area 1 – Tipton and Wednesbury – Liberty Gas Group.

- 3.2.2 Area 2 – West Bromwich and Smethwick – Vinshire Plumbing and Heating Limited.
- 3.2.3 Area 3 – Oldbury and Rowley Regis – Phoenix Gas Servicing Limited.
- 3.3 Through the delivery of the contract in Area 1 – Tipton and Wednesbury with Liberty Gas Group, performance was well below the contracted level. Working closely with Liberty Gas Group, Council officers developed an improvement plan, however this was unsuccessful.
- 3.4 Liberty Gas Group approached the Council seeking to end their involvement in the Contract and prepared a deed of variation. The deed of variation set out to conclude the contract between the parties on 29th March 2019.
- 3.5 Legal advice was sought regarding the delivery of the service in Area 1, in the interim period between the cessation of services by Liberty Gas Group and the delivery by the successful contractor through this newly procured contract. This could be achieved by issuing a variation for a limited time and value to the existing contract in order to remain compliant with the Public Contract Regulations 2015.
- 3.6 In order to maintain the provision of the service in Area 1, the Director of Housing and Communities and Executive Director of Resources were authorised to issue a variation to the Contracts with Vinshire Plumbing and Heating Limited and Phoenix Gas Servicing Limited to not exceed £90,000 for each contractor whilst a replacement contractor was procured.
- 3.7 Through the new procurement for services in Area 1, the 10 compliant tenders received have been evaluated in accordance with the criteria stipulated within the tender documentation. The Contractor with the winning submission is Vinshire Plumbing and Heating Limited.

4 THE CURRENT POSITION

- 4.1 The contract for the Provision of Gas Safety Checks was awarded to Liberty Gas Group, Vinshire Plumbing and Heating Limited and Phoenix Gas Servicing commencing on 1st August 2018 with a contract period of 3 years.

- 4.2 From 29th March 2019 Liberty Gas Group have not delivered the services contained within the contract following a deed of variation being agreed.
- 4.3 From 29th March 2019 to the commencement of the contract Vinshire Plumbing and Heating Limited and Phoenix Gas Servicing Limited have been issued with a variation to their existing contract to deliver services in Area 1 – Tipton and Wednesbury.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Consultation was not required with stakeholders.

6 ALTERNATIVE OPTIONS

- 6.1 There are no other options available, this contract is required in order for Sandwell Council to be able to maintain its current housing stock and fulfil its landlord obligations.
- 6.2 The Council is obliged by statute to undertake gas safety inspections and servicing.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The proposed contract £800,000 (£430,000 per annum) for provision of Annual Gas Safety checks is included within approved Capital Housing Revenue Account budgets.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 All contracts will be awarded in accordance with the Council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
- 8.2 The Gas Safety (Installation and Use) Regulations 1998 contain a statutory duty for all landlords to carry out an annual gas safety check of all gas appliances and flues.

9 EQUALITY IMPACT ASSESSMENT.

- 9.1 An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 The sharing of any relevant data for the delivery of this contract will be in compliance with the General Data Protection Regulations.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and disorder issues needed to be considered as part of this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 The properties will be managed and maintained by the Council and all the associated costs will be met from within the Housing Revenue Account.

12.2 The income generated from the rent will also go back into the Housing Revenue Account.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 Vinshire Plumbing and Heating Limited's response in relation to Social Value is summarised as follows:

13.2 Vinshire are committed to have a clear social value strategy that can be monitored through the contract KPI's. Below are details of what they will deliver annually based on the specification and information contained within the tender:

- Recruit an apprentice to the project and train to NVQ Level 2 each year.
- Use of employment hubs for recruitment directly linked to the contract with new opportunities to be advertised/recruited through Sandwell.
- Work with schools and colleges by providing 4 placements and/or support via alternative methods such CV writing/interview techniques.
- Develop Employment and Skills plan and monitor social value to monitor added value. Agree format and monitor as KPI in contract meeting throughout duration to ensure compliance.

- For this contract we will donate 18 pence from every property that we service, over £1,500 annually towards delivering environmental community initiatives. This money will be used to support scheme(s) that have been identified with you that have a positive social value for residents and the local community.
- We will provide 5 days of staff time to support and carry out voluntary activities that deliver benefits to the local community and support any community schemes. We have worked with local authorities on key themes such as community cleans in which a number of Vinshire staff supported volunteers within local communities in cleaning the area in which they lived.

13.3 These outputs/outcomes will be monitored throughout the delivery of the contract to ensure that the commitments made are honoured.

14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 The award of this contract will enable Sandwell Council to fulfil its landlord duties and ensure all properties have a valid gas safety certificate.

15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 One of the contractors previously awarded the contract to deliver annual gas safety checks has withdrawn from the contract.

15.2 An interim arrangement has been agreed to maintain the Council's landlord obligations regarding gas safety inspections.

15.3 The award of this contract will enable Sandwell Council to continue to maintain its housing stock.

15.4 The work comprises of the checking of all gas appliances, and the issuing of a landlord's gas safety certificate. The carbon monoxide and smoke alarms are also checked and replaced where necessary.

15.5 Vinshire Plumbing and Heating Limited are based in Derby.

16 **BACKGROUND PAPERS**

16.1 Cabinet 27th June 2018 – Minute number 95/18

17 **APPENDICES:**

Appendix 1, Tender Return Results

Alan Caddick
Director Housing and Communities

Appendix 1
Tender Return Results

The successful contractors are as follows:

	Price Score	Quality Score	Total	Rank
Vinshire Plumbing and Heating Limited	60.00%	36.80%	96.80%	1 st
Contractor B	52.85%	30.00%	82.85%	2 nd
Contractor C	49.49%	31.20%	80.69%	3 rd
Contractor D	48.69%	24.40%	73.09%	4 th
Contractor E	36.18%	33.60%	69.78%	5 th
Contractor F	40.21%	28.40%	68.61%	6 th
Contractor G	39.03%	24.00%	63.03%	7 th
Contractor H	27.88%	34.80%	62.68%	8 th
Contractor I	36.56%	22.80%	59.36%	9 th
Contractor J	41.37%	10.40%	51.77%	10 th