

10 July 2019		ITEM: 14
Decision: 110515		
Cabinet		
Procurement of the Water Mains Replacement Programme and Specialist Drainage and Plumbing Works		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Barry Johnson, Portfolio Holder for Housing		
Accountable Assistant Director: Carol Hinvest, Assistant Director for Housing		
Accountable Director: Roger Harris, Corporate Director for Adults, Housing and Health		
This report is Public		

Executive Summary

This report sets out the proposals for the re-procurement of the water main replacement programme and specialist drainage and plumbing repairs.

The proposed procurement would put in place a contract for three years with an option to extend for up to two years in any combination to replace the current contract which will expire 1 November 2019.

The programme allows for the replacement of lead water mains through a planned programme and also the ability to respond reactively to underground bursts if they occur on Council owned land.

The annual current budget for these services is £200k which over the full five year period would be around £1 million.

1. Recommendation(s) to Cabinet:

- 1.1 Agree the proposed process to commence procurement of the contract for a period of up to five years for the water main replacement programme and specialist drainage and plumbing repairs (three years with an option to extend for up to two years in any combination subject to performance, programme and funding).**
- 1.2 Agree delegated authority to award the contract to the Corporate Director of Adults, Housing and Health in consultation with the Portfolio Holder.**

2. Introduction and Background

- 2.1 The current contract for water main replacements is delivered by Besure Building and Maintenance Services. The initial term of the contract was three years and expired on 31st May 2019. A five months extension has been approved and the contract will now expire on 1 November 2019. The service provided by Besure Building and Maintenance Services is regularly monitored and the level of service is to a high standard. As the contract is due to expire a new procurement process will ensure that the future service provision complies with the Council's Contract Procedure Rules.
- 2.2 Additionally this procurement provides the facility to undertake specialist drainage works such as replacement of communal pipework, soakaways and drainage. These works are minimal in terms of number of repairs required but are costly when required.
- 2.3 In accordance with the EU directive and The Local Water Authority Regulation you must if you discover lead pipework as a result of a burst or building works, replace the pipework to current standards. All Pre 1970`s underground pipe work is either lead or black iron barrel and as required by the Directive and Regulation it must be replaced.
- 2.4 Thurrock Council`s older estates i.e. Grays, Aveley and South Ockendon are mainly iron barrel and are of an age which can corrode causing underground bursts. This procurement would enable a programme of replacement of these mains over the next three years.
- 2.5 Completing these works ensures the Council's housing stock is maintained, and the living conditions for our residents are maintained through minimizing disruption to fresh drinking water supply and ensuring drainage issues are resolved in a timely manner. The specification for these works ensures we have a robust service to respond quickly to these repairs and required replacements. A robust set of key performance indicators will be introduced as part of any contractual arrangement.
- 2.6 In addition the processes of upgrading our water mains ensures adequate working pressure to maintain the effective performance of our central heating systems in resident's homes.
- 2.7 The total estimated value for this contract over the maximum 5 year period of delivery is c. £1,000,000. This covers a planned programme for replacement of water mains and repairs required reactively to water mains and drainage systems across all council housing stock and housing assets.

3. Issues, Options and Analysis of Options

- 3.1 There are no known issues with the current service or the intending re-procurement process.
- 3.2 In terms of options and their analysis it is not seen that there would be any particular advantage in advertising the procurement in specific lots. The current service provision was tendered and awarded to one contractor and this approach ensured the service was effectively implemented and managed seamlessly ensuring a positive experience for our residents.
- 3.3 The tender process will be a sub-EU procurement procedure as the whole life cost of the contract falls under the EU Works threshold of £4,551,413. The procurement will not therefore be subject to full compliance with the Public Contracts Regulations 2015, although the procurement principles of transparency, integrity, openness, non-discrimination and fairness will still apply. The procurement opportunity will be advertised on Contracts Finder <https://www.gov.uk/contracts-finder>.

Timeline for Procurement and Award

Action	Date
Leaseholder consultation	22 July 2019
Issue Tender through Oracle (the Council's e-procurement tendering portal)	2 September 2019
Tender Return	4 October 2019
Evaluation Period Ends	18 October 2019
Second stage of consultation- Notice of Proposal	22 October 2019
Voluntary Standstill Period Concludes	26 November 2019
Award of Contract	29 November 2019
Contract Start Date	1 December 2019

4. Reasons for Recommendation

- 4.1 This report is submitted to Cabinet for approval to proceed to tender for a contract with a whole life cost valued above £750K. The total estimated value for this contract over the maximum five year contract period is c. £1,000, 000.
- 4.2 Approval of delegated authority to award the contract on 31 October 2019, will allow an implementation period of two weeks for a 1 November 2019 contract start date.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 This report covers only a standard re-tender and it is not considered that the report needs to be presented to Overview and Scrutiny prior to Cabinet.

5.2 The proposed procurement will include leaseholder consultation post-cabinet approval and the Excellence panel will be included in the tender evaluation process.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The contract aims to meet corporate priorities through the delivery of high quality services ensuring the maintenance of Thurrock Housing Stock.

6.2 The Council's Social Value Framework will be set out in the tender documents and bidders will be asked to propose added value initiatives that will enhance their bid and which will be subsequently incorporated into the contractual requirements. Typically with this type of service provision apprenticeships and using local suppliers would feature in the evaluation criteria.

7. Implications

7.1 Financial

Implications verified by: **Julie Curtis**
HRA Management Accountant

This report sets out the procurement proposals to re-tender the replacement water main programme and specialist drainage works contract. It is difficult to predict whether there will be any savings associated with this procurement, however it is thought that there will be a number of organisations that will register an interest in the procurement opportunity which indicates that bid submissions will be competitive.

7.2 Legal

Implications verified by: **Kevin Molloy**
Solicitor

This report is seeking approval from Cabinet to agree to tender the contract noted in the report. The tender process will be a sub-EU procurement procedure as the whole life cost of the contract falls under the EU Works threshold of £4,551,413. The procurement will not therefore fall under the Public Contracts Regulations 2015 Regulations although the procurement

principles of transparency, integrity, openness, non-discrimination and fairness will still apply.

Taking the above into account, on the basis of the information in this report, the proposed procurement strategy will comply with the Council's Contract Procedure Rules.

The report's author and responsible directorate are requested to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

This contract will deliver a service specifically intended to maintain the living environment of residents and council owned buildings. Contractors will be required to ensure they meet all requirements set out in the Equality Act 2010 and have the technical skills to deliver the necessary elements with a strong customer focus making adjustments where required to support individuals with protected characteristics.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None specific

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- None

Report Author:

Wendy White

Contract Manager

Adults, Housing and Health