

## EXECUTIVE DECISION RECORD SHEET

**Name of decision maker:** Cllr Margaret Griffiths and Cllr Nicholas Tilley

**Portfolios:** Housing and Regeneration and Finance and Resources

**Date of Portfolio Holder Decision:** 26/03/2014

**Title of Decision:** Extension of Communal boiler gas servicing  
Contract, including Legionella Testing

**Decision made and reasons:** That the Communal boiler Gas Servicing Contract be extended, to maintain the servicing and repair cover for communal boiler installations pending the completion of the procurement of new Mechanical and Electrical specialist contracts.

**Reports considered:**

Procurement Project Update 2014

**Has budget been approved?**

The contract covers the servicing and maintenance of communal boilers and water storage tanks to a number of the community buildings and housing sheltered schemes.

The budget for 2013-14 has been approved and the provisional budgets for 2014-15 include this element of work within the budget, which are subject to formal approval at the February Cabinet meeting. Therefore it is contained within the relevant budget provision to cover the period of contract extension.

**Officers/Councillors/Ward Councillors/Stakeholders Consulted:**

Mark Gaynor, Director Housing and Regeneration  
Elliott Brooks, Assistant Director Housing  
Mike Evans, Group Manager Commercial Assets and Property Development  
Tony Moore, Team Leader Building Services  
Andrew Vincent Group Manager Tenants and Leaseholders

**Monitoring Officer comments:**

No comments to add to the report.

**Deputy Section 151 Officer comments:**

The extension of this contract will be funded through existing budgets.

**Implications:** The procurement of this contract would be undertaken concurrently with the other specialist Mechanical and Electrical maintenance and servicing contracts and result in economies of scale in terms of the project management input. The Gas Safety (Installations and use) Regulations 1998 require continuity of service delivery to comply with the statutory requirements of the council as a landlord.

**Risk:** The risk to the Council of failing to undertake the cyclical servicing program and treatment of the water storage tanks could have serious Health and Safety implications and it is essential that the Council continue to manage these risks.

There is a potential procurement risk associated with extending the existing contract, from a

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challenge from competitors in the sector but this will be mitigated by commencing the procurement exercise as soon as possible and ensuring the spend is below the revised OJEU threshold.

**Value for Money:** Orion has agreed to work within the existing contract rates, which allow for an annual indexation up-lift for servicing and break downs. By combining the entire specialist Mechanical and Electrical contracts into one procurement project will enable economies of scale to be realised in the project management of the process.

The original Gas Servicing and water treatment contract was awarded following an open market tendering and evaluation process and the Value for money assessment was undertaken at that stage.

**Options Considered and reasons for rejection:**

Fast track the procurement of this in isolation from the other contracts so that a new provider is identified and the contract awarded prior to the scheduled completion of the existing contract. There would be a reduction in economies of scale and the timing of the procurement would coincide with the commencement of the new TAM contract, which could impact adversely upon the successful delivery of the mobilisation.

**Portfolio Holders Signature:**

**Date:**

**Details of any interests declared and any dispensations given by the Standards Committee:**

**For Member Support Officer use only**

Date Decision Record Sheet received from portfolio holder: 26/03/2014

Date Decision Published: 26/03/2014

Decision No: PH/014/14

Date of Expiry of Call-In Period: 02/04/2014

Date any Call-In received or decision implemented:

### BACKGROUND

The majority of the specialist mechanical and electrical contracts are due to complete in March 2015, but the gas servicing and maintenance contract for communal boilers has a finish date of the 30<sup>th</sup> June 2014. The contract includes the provision of water treatment of

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any water tanks on sites where there is a risk of legionella and is delivered across a number of commercial properties as well as the housing flat blocks and sheltered schemes.

The current contract is being delivered by Orion Heating Services and is being delivered in accordance with the original contract provisions and provides a good level of service, which includes out of hours standby to attend to any heating issues to the communal schemes.

The water treatment is undertaken at periodic intervals and the test certificates produced electronically for ease of storage and audit.

The service is of a good standard and the supported housing officers for each of the sheltered schemes monitor the performance and advise of any issues with the heating installations and no concerns have been raised in respect of the performance or response times.