

Portfolio Holder decision record sheet

Name of decision maker:

Cllr Margaret Griffiths

Portfolio:

Housing Property Services

Date of Portfolio Holder decision:

Title of decision: To award a contract to Arran Services to undertake electrical works and testing for Dacorum Borough Council stock

Part II: N/A

Part II reason:

Decision made and reasons:

To award a contract to Arran Services to undertake electrical works and testing for Dacorum Borough Council (DBC) Housing stock following a direct award via the South East Consortium (SEC) Framework Agreement.

The contract is for an initial 12 months with the option to extend annually up to a full term of four years based on satisfactory performance.

Background:

Electrical testing is a key compliance area and the Council have a five-year rolling programme to ensure our properties are tested and safe. When an Electrical Installation Condition Report (EICR) is undertaken the operative will test the property and complete any remedial actions to ensure the property is left with a "satisfactory" certificate.

In 2023 we have 4,026 properties where an EICR is required. Some of these will be captured via the Osborne Property Services Ltd (OPSL) contract, but due to the large volume we need to increase our supply chain at short notice to ensure this number is achieved. Currently we have some alternative electrical contractors assisting with our EICR requirement, but we need to undertake a tender exercise to satisfy our procurement requirements.

EICR's have to be completed by an NICEIC registered contractor to demonstrate competency and we are keen to work with a local SME to deliver and conclude this programme of works. Whilst OPSL will be able to satisfy some of the EICR requirements, it is crucial we appoint an additional or alternative contractor to ensure our properties remain compliant.

Procurement process:

The Council approached the South East Consortium (SEC) Framework to understand what procurement options we have when carrying out EICR's. Within the Framework, there is a dedicated "electrical works" lot with eight pre-procured contractors. In November 2022 we issued an expression of interest to the eight contractors to ascertain what the capacity and appetite is within the framework and four of the contractors informed us they could complete 2,000 EICR's in a 6-month period; subject to access. This figure and timeframe was used as a benchmark and to also demonstrate whether the contractors could address any backlog swiftly.

One of the contractors who responded is Arran Services, who are ranked number one on the framework. To achieve that ranking they demonstrated quality in their delivery and also value for money through competitive pricing. The SEC Tender Report confirms Arran Services scored highest for both price and quality.

Due to the urgency to get a contractor in place and to ensure we are compliant with EICR

Portfolio Holder decision record sheet

requirements a direct award to Arran Services has been identified as the best contract option. This allows us to expedite the contract award period and undertake EICR's within a four-week mobilisation period. Due to the number of properties that need addressing this year a quick route to market is essential if the programme is going to be successful.

Arran Services are based in Welwyn Garden City and have fully qualified operatives available to undertake this work. In addition to the EICR programme Arran Services have also confirmed they have capacity to complete other electrical works whilst they are in the borough and a full tendered schedule of rates will be available should we wish to engage them further.

Finance:

The value of the 12-month contract for EICR's would be up to £500,000 if Arran are issued all 4,000 properties. This would be funded through the KB125 DBC Commissioned Responsive Works budget and monitored monthly by the budget holder the Head of Compliance.

Contract Management:

A JCT Measured Term Contract will be the form of contract awarded and Fairthorn Farrell & Timms (FFT) will assist us as our CDM co-ordinator. The initial contract is for 12-months however, there is the possibility to extend the contract for another three years with an annual break clause. The option to extend allows us to review our options periodically and align with other procurement exercises if necessary.

Regular contract meetings will monitor contractor performance and will be led by the Lead Surveyor – Electrical Works. Monthly valuations will be put forward by the contractor for completed works and payment will only be made once the Council are satisfied works are completed on time to a satisfactory standard and all relevant paperwork has been received.

Reports considered: (here reference can be made to specific documents)

Commercial Delivery Board – Electrical Testing Report (07/02/23)

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Commercial Delivery Board
Mark Pinnell – Assistant Director (Compliance)
Ricky Lang – Head of Compliance
Andrew Linden – Head of Commercial Development

Financial comments:

The 2023/24 draft budget includes the total value of £780,000 within the HRA for electrical testing.

Monitoring Officer comments:

Subject to an appropriate JCT contract being agreed prior to commencement of the works I have no further comments to add to the report.

Chief Financial Officer comments:

The HRA base budget in 22/23 and draft 23/24 proposed budget incorporates funding to support the delivery of these works.

Portfolio Holder decision record sheet

Implications:

Finance: The value of the 12-month contract for EICR's would be up to £500,000 if Arran are issued all 4,000 properties. This would be funded through the KB125 DBC Commissioned Responsive Works budget and monitored monthly by budget holder the Head of Compliance.

Risk: Electrical testing is a key compliance area and the Council have a five-year rolling programme to ensure our properties are tested and safe. In 2023 we have 4,026 properties where an EICR is required. Some of these will be captured via the Osborne Property Services Ltd contract, but due to the large volume we need to increase our supply chain at short notice to ensure this number is achieved.

Value for money: Arran Services are the number one contractor on the SEC Framework. To achieve that ranking they demonstrated quality in their delivery and also value for money through competitive pricing and are number one ranked for cost and quality.

Options considered and reasons for rejection:

Portfolio Holder's signature:



Date:

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

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Date decision record sheet received from portfolio holder:

Date decision published:

Decision no:

Date of expiry of call-in period:

Date any call-in received or decision implemented: