



Total Asset Management Contract Procurement Update

Housing & Community OSC

19 July 23



Scope of the re procurement exercise

- ❑ Dacorum Borough Council (The Council) has a retained stock of approximately 10,200 homes and cares for circa 47,000 residents.
- ❑ To fulfil landlord responsibilities, the Council requires a service provision to undertake Responsive repairs, Capital delivery, Cyclical servicing, inspections and Compliance related works.
- ❑ The current Total Asset Management Contract (TAM) with Osborne Property Services Limited (OPSL) commenced in July 2014 for a 10-year period with an estimated total spend of £235m (£23.5m pa).
- ❑ To allow a comprehensive procurement exercise to be undertaken this contract has recently been extended for a further 12 month taking the contract up to 31st June 2025 (with option for a further 12 months June 2026)
- ❑ The Council have 6 other agreements to cover Mechanical and Electrical Services with a total annual value of circa £6.2m. This includes the Domestic Gas Maintenance contract which has an annual value of circa £3.8m and is due to expire on the 31st March 2024.
- ❑ The Council have a number of additional informal agreements circa £3m, that were procured to cope with demand above the capacity of OPSL or for repairs of a specialist nature. The Council are currently in the process of formalising a number of these agreements to aid the overall procurement process.

The Procurement Strategy

The procurement strategy for the future R&M contracts will be broken down into three phases:

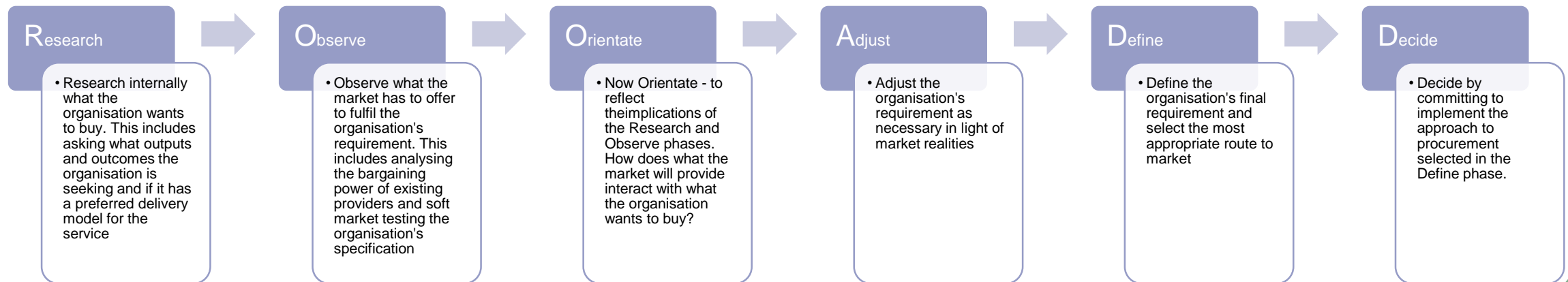
- ❑ **Commissioning Phase** - Identify what the Council wants to buy, whether the market can deliver our requirements and if our requirements are affordable within Council budgets. Timetable - November 22 to November 23.
- ❑ **Tender Phase** - The Council invites bidders to submit proposals based on the Council's requirements using the most appropriate procurement route. Timetable including assessment and award - December 23 to October 24.
- ❑ **Mobilisation Phase** - Post award period through to contract commencement. Timetable - To be determined through the commissioning and tender phase.

The timescales are indicative as there is a number of unknowns at this stage and is subject to change as we progress through the project. The aim is for the new contracts to commence on the 1st July 2025, which is in line with the current term of the TAM contract extension.

Current Progress

Commissioning Phase

- ❑ The Council are currently in the Commissioning Process of the project. This is where the Council decides what we want to buy and what outcomes we want to achieve from the future contract(s).
- ❑ The Process will also include dialogue with the market to confirm what we want to be delivered can be delivered by the market.
- ❑ To support the Commissioning Process, the Council will follow the ROAD approach, a six-phase methodology to help organisations with complex procurement exercises.



Heating Maintenance Contract

- ❑ The Gas Maintenance contract for Domestic Properties currently delivered by Sun Realm is due to expire on the 31st March 2024 and the commercial gas maintenance contract, delivered by Orion Heating is due to end on the 30th June 2025.
- ❑ Both contracts will be procured earlier than the R&M contract under separate lots.
- ❑ The procurement process will again follow the ROAD approach with the programme overview as follows:
 - ❑ Commissioning Process – March 23 to July 23
 - ❑ Tender Process - July 23 to December 24
 - ❑ Mobilisation Period - January 24 to March 24.
- ❑ The key outcome of the commissioning process is to move from separate contracts such as Gas Maintenance, commercial etc. to a Heating Maintenance Contract with embedded flexibility to meet the innovative heating solutions emerging in this area. This approach supports the Council's commitment to achieve net zero by 2050.



Additional points of notice

- The Council have recently agreed a contract extension and an increase in rates to allow Osborne to have better access to the market.
- The Council are implementing a service improvement plan that focusses on a number of areas of the contract including the current delivery model, performance measures in the contract, customer satisfaction etc. This is across both the client side (The Council) and contractor (OPSL) side.
- We have seen improvements, particularly in void repairs where there has been a significant drop in the turnaround timescales associated with our void properties.
- Where there are any specific areas in the contract which are underperforming, we now have the contractual ability to remove full or part workstreams away from the overarching TAM contract to be delivered by others. We are currently working to identify quick access, compliant procurement routes to bring in suitable contractors at short notice.



Thank You