

Report to Cabinet

Monday 24 May 2021

Subject:	Supply of Gas Appliance Parts and Heating Spares
Cabinet Member:	Cabinet Member for Homes, Keith Allcock
Director:	David Stevens Chief Executive
Key Decision:	Yes Above £250,000.00 threshold.
Contact Officers:	Jonathan Rawlins, Business Manager 0121 569 5045. Jonathan_rawlins@sandwell.gov.uk Wendy Jones, Procurement Officer 0121 569 6098. Wendy_jones@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to award a contract for the supply of gas appliance parts and heating spares to PHC Parts, for the sum of £3,400,000, for a period of 3 years, from 1st July 2021 to 30th June 2024.
- 1.2 That the Director of Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts for Supply of Gas Appliance Parts and Heating Spares with PHC Parts.

2 Reasons for Recommendations

- 2.1 This report is a recommendation to renew an existing contract to supply gas appliance parts and heating spares to the Roway Lane Supplies Section.



3 How does this deliver objectives of the Corporate Plan?



Quality homes in thriving neighbourhoods:

this contract is required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required.

4 Context and Key Issues

- 4.1 The Council is seeking to appoint one supplier to supply Gas spare parts to Roway Lane Supplies Section, to enable the Gas Section to maintain and repair the gas appliances installed in Council Properties, for a contract period of three years, from 1 July 2021 to 30 June 2024.
- 4.2 There is no option to further extend existing contractual arrangements as the current framework arrangement expires on 30 June 2021.
- 4.3 A mini-competition was carried out by The Procurement for Housing (PFH) Materials Framework – Lot 2 Gas Spares and three tenders were received and evaluated in accordance with the criteria stipulated within the tender documentation.
- 4.4 The three compliant tenders received have been evaluated in accordance with the criteria stipulated within the tender documentation, 60% Price and 40% Quality.
- 4.5 PHC Parts submitted the best value tender.
- 4.6 The anticipated value of the contract is in the region of £3,400,000, (£1.133,333 per annum) for a period of three years from 1st July 2021 to 30th June 2024.
- 4.7 Due to the very specialist nature of this service it was deemed not possible to include direct Social Value elements such as apprenticeships and work experience in to the contract documentation. However, it should be noted that PHC Parts, are based in Smethwick and are the incumbent contractor. Due to their proximity they employ local people.



5 Alternative Options

5.1 There are no other options available, this contract is required in order for Sandwell MBC to be able to maintain its current housing stock.

6 Implications

Resources:	The proposed contract £3,400,000 (£1,133,333 per annum) for provision of Supplying Gas Appliance Parts and Heating Spares is included within approved Housing Revenue Account.
Legal and Governance:	The contract will be awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
Equality:	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.
Health and Wellbeing:	This Contract is required for Sandwell MBC to quickly renew or repair any broken gas appliances in the properties. Thus, reducing the time, a property has no heating or hot water.
Social Value	<p>Due to the speciality of this contract it isn't reasonable to request the contractors take on work experience students. The following was inserted into the contract Document.</p> <p>There is no formal social value scoring allocated to this tender exercise, however, the Council is strongly committed to supporting the provisions of the Public Services (Social Value) Act 2012. This requires due regard to be given to economic, social and environmental wellbeing factors in public contracts. Tenderers are required to take this in to consideration when preparing their bid. During the lifetime of this contract, the successful contractor may be required to work with the Council in promotion of this policy and may be called upon to work with the Council in the development of community initiatives that may be implemented.</p>



7. Appendices

Tender results: -

	Price Score	Quality Score	Total	Rank
PHC Parts	60.00	40.00	100.00	1st
Contractor B	54.99	36.00	90.99	2nd
Contractor C	56.77	30.23	87.00	3rd

