

Report to Cabinet

16 November 2022

Subject:	Gas Safety Inspections 2022 - 2025
Cabinet Member:	Cabinet Member for Housing, Councillor Charn Singh Padda
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Above £1m 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 contracts for the delivery of Gas Safety Inspections within West Bromwich, Oldbury and Smethwick to: -
 - Phoenix Gas Services Limited, for the sum of approximately £1,700,000 and for a period of 2 years and 9 months, from 1st November 2022 to 31st July 2025.
- 1.2 That the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts for Gas Safety Inspections with Phoenix Gas Services Limited.
- 1.3 That approval be given to vary an existing contract currently in place for the delivery of Gas Safety Inspections within Tipton and Wednesbury to also include Rowley Regis to a value of approximately £690,000.



2 Reasons for Recommendations

- 2.1 The Council is obliged by statute to undertake annual gas safety inspections and servicing to its properties as a landlord.
- 2.2 Subsequent to the withdrawal of two incumbent contractors, this report seeks approval to award the contract for the provision of annual gas safety inspections within West Bromwich, Oldbury and Smethwick.
- 2.3 This report also seeks approval in accordance with the Councils Contract Procedure Rule 14 to vary an existing contract with Phoenix Gas Services Limited currently undertaking annual gas safety inspections within Tipton and Wednesbury, to allow gas safety inspections to be undertaken within the Rowley Regis town.

3 How does this deliver objectives of the Corporate Plan?

	<p>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.</p> <p>Ambition 5: Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.</p>
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4 Context and Key Issues

- 4.1 Sandwell Council is responsible for the risk and maintenance of gas appliances under Landlords responsibility which encompasses approximately 26,000 serviceable properties and over 60,000 gas fitments.
- 4.2 At its meeting of 16th June 2021, Cabinet approved the award of contracts to undertake Gas Safety Inspections to Council Properties to: -



- Aaron Services Limited, Area 2 West Bromwich and Smethwick for the sum of approximately £1,700,000 and for a period of 4 years, from 1st August 2021 to 31st July 2025.
- Phoenix Gas Services Limited, Area 1 Tipton and Wednesbury for the sum of approximately £1,700,000 and for a period of 4 years, from 1st August 2021 to 31st July 2025.
- J Tomlinson Limited, Area 3 Oldbury and Rowley Regis for the sum of approximately £1,700,000 and for a period of 4 years, from 1st August 2021 to 31st July 2025.

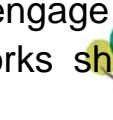
4.3 Since the contracts have been awarded, both Aaron Services Limited and J Tomlinson Limited have stated in writing that they find themselves unable to deliver these lots due to circumstances beyond their control and have both served the Council with a notice of termination.

4.4 Aaron Services Limited's contract duly expired 4th September 2022 and J. Tomlinson Limited's contract expired on 30th September 2022.

4.5 This left the Council in the vulnerable position of not having adequate resources available to provide its statutory requirement for undertaking annual gas safety inspections to Council properties.

4.6 The Procurement Team, in conjunction with Legal Services and Officers subsequently agreed: -

4.6.1 to approach the remaining contractor, Phoenix Gas Services Limited, to establish whether they would be prepared to undertake annual gas safety inspections to an additional town, Rowley Regis, based upon the same terms and conditions as their current contract. This approach is all in accordance with the Councils Contract Procedure Rule 14 (c) unforeseen circumstances have arisen which the authority acting "diligently" could not have foreseen and 14 (d) amendments to deal with a new contractor replacing the original contractor and this is permitted in the contract or procurement documents. The Procurement Team have confirmed that the invitation to tender documents stated that we could engage with and select the other contractors to undertake the works should the



primary contractor have issues being able to fulfil their requirements in their allocated towns.

4.6.2 to re-procure the annual gas safety inspection contract within the remaining towns of West Bromwich, Oldbury and Smethwick.

4.7 During the period of Aaron Services Limited and J. Tomlinson Limited contracts expiring and to maintain the annual gas safety inspection programme until a new contract was procured, the Councils In-house Gas Section has been providing resource to fulfil its obligations as a short-term solution.

4.8 Further to 4.6.1 Phoenix Gas Services Limited have replied indicating that having reviewed their tender submission they confirm they can still deliver on their tendered rates and on the same terms and conditions upon which they tendered.

4.9 It is therefore recommended that a variation be made to Phoenix Gas Services Limited's current contract to allow gas safety inspections to be undertaken within the Rowley Regis town to a value of approximately £690,000 (£230,000 per annum). This contract is currently in place to 31st July 2025.

4.10 As 4.6.2, the Council is seeking to appoint one Contractor to assist the Council's in-house Gas Section to undertake the annual gas safety checks in our Council Properties situated in West Bromwich, Oldbury and Smethwick, for a contract period of 2 years and 9 months, from 1st November 2022 to 31st July 2025.

4.11 In response to the contract notice published on the Government's Find a Tender website in August 2022 three compliant tenders were returned by the deadline of 23rd September 2022.

4.12 The three compliant tenders received have been evaluated in accordance with the criteria stipulated within the tender documentation, 70% Price and 30% Quality.

4.13 The Contractor with the winning submission is Phoenix Gas Services Limited.



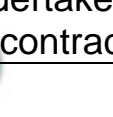
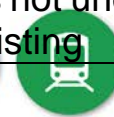
- 4.14 The anticipated value of the contract is in the region of £1,700,000, (£618,000 per annum) for a period of two years and nine months from 1st November 2022 to 31st July 2025.

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 and fulfil its landlord obligations.
- 5.2 The Council is obliged by statute to undertake gas safety inspections and servicing.

6 Implications

Resources:	The proposed contract £1,700,000 (£618,000 per annum) for provision of Annual Gas Safety Inspections within West Bromwich, Oldbury, Smethwick and the variation to an existing contract to a value of approximately £690,000 (£230,000 per annum) is included within approved Housing Revenue Account.
Legal and Governance:	Both the contract and contract variation will be awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
Risk:	There is an element of risk as a result of the recommendations within this report with all annual gas safety checks within the Borough now being delivered via one contractor. However recent events have shown that the market is very limited and price instability has been a major problem, resulting in options being limited. The Council has a good working relationship with the contractor and it is felt that the recommendations of this report are the best option available to maintain the service at an acceptable price.
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 undertake its Landlords Duty in ensuring that gas safety inspection, service and associated repair works for all gas pipework, appliances and fittings owned by Sandwell MBC are carried out within statutory timescale. The carbon monoxide and smoke alarms are also checked and replaced where necessary.
Social Value	<p>Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contract with Phoenix Gas Services Limited. The plan includes contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.</p> <p>Phoenix Gas Services Limited, through their tender submission, is committed to supporting clients and the local communities in which we work. In the current economic climate, they understand that delivering added value is a must and social value is no different. They will endeavour to work with Sandwell MBC on a partnership basis that is customer focused and supports your Vision 2030 policy to make Sandwell a thriving, optimistic & resilient community. They have committed to investing in the Borough of Sandwell over the last 5 years, this includes:</p> <ul style="list-style-type: none"> • Purchasing office accommodation in Oldbury as a long-term investment. • Setting up procurement deals with local suppliers including materials, vans, plant, administration supplies and cleaners. • Having a local branch and suppliers reduces the environmental impact on the area our business would otherwise create. • Providing employment for local labour, both direct and subcontract. • Offering work placements, volunteering and training to local residents. • Employing apprentices from the local area to improve the skill set of young people in the community.



	<ul style="list-style-type: none"> • Working with Sandwell Area Employment officers to advertise jobs and recruit apprentices through the Sandwell Guarantee scheme. • Community support and education initiatives • Charitable work • Ensuring the health of operatives and the tenants we look after is prioritised at all times, having strict codes of conduct and policies for working through COVID 19 has been a testament to this. • Continued investment in the area, the re-secure of this contract would see a second office purchased in the area creating further employment opportunities
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7. Background Papers

Report to Cabinet of 16th June 2021 – Provision of Annual Gas Safety Inspections

8. Appendices

Tender results: -

Area – West Bromwich, Smethwick, Oldbury				
	Price Score	Quality Score	Total	Rank
Phoenix Gas Services Ltd	70.00	29.40	99.40	1 st
Contractor B	57.88	30.00	87.88	2 nd
Contractor C	43.46	22.38	65.84	3 rd

