

Sandwell Metropolitan Borough Council

Authority to renew an existing contract

1 Summary Statement

- 1.1 Sandwell MBC is seeking to re-tender an existing contract for the Provision of Supply of Labour and Materials to undertake repairs to Void Properties.
- 1.2 The existing contract expires on 30 June 2019, and is currently being undertaken by Axis Europe Plc, Tyrer, Ian Williams, Wates and Vinci.
- 1.3 The annual value of the existing contract is £5.5 million.

2 Recommendation

- 2.1 Undertake a competitive tender exercise to renew the contract for the provision of Supply of Labour and Materials to undertake repairs to Void Properties.

In accordance with the authority delegated to Chief Officers to act on matters within the authority delegated to them under Part 3 of the Council's Constitution, I intend to take the action(s) recommended above.

I ~~do~~ do not have an interest to declare in this matter



Alan Caddick
Director of Housing and Communities

Date 22-10-17

Contact Officer

Mr Steve Piddock – Contract Manager

3. Background Details

- 3.1 The Council is responsible for the management, upkeep and repair of Sandwell's housing stock of 28,000 properties. This is currently achieved utilising a combination of in-house resources and external contractors and suppliers.
- 3.2 Sandwell MBC is seeking to re-tender an existing contract for the provision Supply of Labour and Materials to undertake repairs to Void Properties.
- 3.3 The existing contract expires on 30 June 2019, and is currently being undertaken by Axis Europe Plc, Tyrer, Ian Williams, Wates and Vinci.
- 3.4 The annual value of the existing contract is £5.5 million.
- 3.5 Under Item 10 of the Procurement and Contract Procedure Rules 2018/19 there is a requirement for pre-market research, engagement and consultation. This seeks to maximise the benefits possible from the expenditure related to the contract and contribute to the ambitions of Vision 2030.
- 3.6 Hosing Service Providers across the country are reliant on minimising the amount of time that rental income is not received for properties within their portfolio. As such either in house or contracted teams are employed to carry out necessary repairs or replacement works in order to be able to relet properties in a timely manner. In Sandwell, there is a mixed economy approach with approximately a third of all voids delivered through the in-house team and the remaining two thirds delivered through contracted organisations.
- 3.7 In order to deliver the whole works through internal teams would take a significant volume of recruitment and subsequently puts the Council at risk should voids numbers decline either on a monthly or annual basis. The mixed economy approach provides the Council with the flexibility to

absorb any such fluctuations through the contracted organisations.

- 3.8 This service is required to ensure we can repair and let properties that meet people's needs and is therefore a necessity within the Business Model. In order to provide added value a series of Key Performance Indicators are used in order to ensure work placements, apprenticeships and community or school based activities are undertaken.
- 3.9 Employment and training opportunities through this contract will contribute to Ambitions 1 and 3.
- 3.91 This contract provides continuity to ensuring void properties are maintained and relet. Discussions with incumbent contractors are ongoing to assess how the contract may be amended to provide additional benefits to those above

