



**Reading**  
Borough Council  
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## DECISION BOOK

**Issue: 596      Date: 28 MAY 2020**

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - [www.reading.gov.uk/decisionbooks](http://www.reading.gov.uk/decisionbooks).

The officer reports accompanying the decisions are attached.

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## DECISION BOOK - ISSUE 596 - 28 MAY 2020

### 1. CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL REPAIRS & REWIRING EXTENSION OF CONTRACT - ELECTRICAL TESTING

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
1. CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL REPAIRS & REWIRING EXTENSION OF CONTRACT - ELECTRICAL TESTING	COUNCILLOR ENNIS	BOROUGHWIDE	1

This report sets out the decision for the award of a new 'Measured Term Contract' (MTC) for the provision of Electrical Repairs & Rewiring.

In addition, the report sets out the decision for the extension of the current MTC for Electrical Testing for a further 2 years in line with the contract conditions.

These contracts relate to the repair and maintenance of the Council's Housing stock.

No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the year. However, based on expenditure records, typically the total expenditure on each contract is estimated to be circa £300,000 and £70,000 respectively per annum.

It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Housing, to award a new Measured Term Contract (MTC) for Electrical Repairs and Rewiring for a period of 3 years from 1 July 2020 till 30 June 2023 with a possible 2-year extension to Shield Electrical Services Ltd, using the JCT Measured Term Contract 2016.

It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Housing, to extend the current contract with Pilon Ltd for Electrical Testing for a further term of 2 years from 1 April 2020 till 31 March 2022 as provided within the original contract.

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

LEAD COUNCILLOR:	COUNCILLOR JOHN ENNIS		
DATE:	28 MAY 2020		
TITLE:	CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL REPAIRS & REWIRING EXTENSION OF CONTRACT - ELECTRICAL TESTING		
SERVICE:	HOUSING PROPERTY SERVICES	WARDS:	BOROUGHWIDE
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#### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision for the award of a new 'Measured Term Contract' (MTC) for the provision of Electrical Repairs & Rewiring.
- 1.2 In addition, the report sets out the decision for the extension of the current MTC for Electrical Testing for a further 2 years in line with the contract conditions.
- 1.3 These contracts relate to the repair and maintenance of the Council's Housing stock.
- 1.4 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the year. However, based on expenditure records, typically the total expenditure on each contract is estimated to be circa £300,000 and £70,000 respectively per annum.

#### 2. DECISION

- 2.1 It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Housing, to award a new Measured Term Contract (MTC) for Electrical Repairs and Rewiring for a period of 3 years from 1 July 2020 till 30 June 2023 with a possible 2-year extension to Shield Electrical Services Ltd, using the JCT Measured Term Contract 2016.
- 2.2 It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Housing, to extend the current contract with Pilon Ltd for Electrical Testing for a further term of 2 years from 1 April 2020 till 31 March 2022 as provided within the original contract.

### 3. POLICY CONTEXT

- 3.1 Reading Borough Council's Housing Property Services manage the day to day repairs, planned maintenance and voids repair works to approximately 5,600 Council properties which are let throughout the borough. Elements of this work are sometimes sub-contracted out through the use of MTCs which are put in place to manage peaks in workload at times when there is not enough capacity within the in-house teams or to provide specialist services.
- 3.2 Where it is feasible to do so, work is allocated to other RBC internal teams. Internal teams will always be offered relevant work before approaches are made to specialist framework contractors.
- 3.3 In each case the ability to carry out the work covered in the MTCs using existing resources, or employment of RBC operatives to carry out the work, has been examined and found to be either uneconomical, due to the level of spend or the capacity/specialist skills not being available internally. Therefore, it is more efficient and cost effective for the service to sub contract work in this way rather than employing additional staff who would be surplus to requirements outside of peak times.

### 4. THE DECISION

- 4.1 Housing Property Services recently concluded a new tender for the 'Measured Term' Contract (MTC) covering Electrical Repairs & Rewiring. The current MTC for the Electrical Repairs and Rewiring expired on the 31st of March 2020.
- 4.2 The new MTC covering Electrical Repairs and Wiring was tendered against Housing Property Services Schedules of Rates. Tenderers were invited to submit their price in the form of a percentage increase or decrease against the published rates for work items. Six returns were received from this tender. Shield Electrical Services Ltd submitted the tender with the best value after evaluation of all tenders and is therefore to be awarded the new contract.
- 4.3 The existing 'Measured Term' Contract (MTC) with Pilon Ltd, covering Electrical Testing has an option to extend by 2 years. As this contractor has performed well over the life of the contract, it has been decided to extend the contract in line with the terms of the current contract.
- 4.4 The existing Electrical Testing contract will continue to be paid on the existing Schedule of Rates incorporating any agreed uplift in line with the contract terms.

### 5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The contracts will support the achievement of the Council's strategic aims of 'providing homes for those in most need' and 'remaining financially sustainable to deliver service priorities' by using a cost-effective means of delivering improvements to the Council's Housing Stock.

### 6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 By maintaining and inspecting our stock on a regular basis, we can ensure that the best and most efficient electrical fittings are maintained.

6.2 Our average SAP rating, measure of energy efficiency, of the Council's housing stock is currently 74.14, Reading is in the top quartile when compared to our peer group.

## 7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 It is intended, as far as possible, to ensure that the successful tenderers pay the Living Wage to all employees working on Reading Borough Council's properties. Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All providers appointed are expected to pay a Living Wage in accordance with this policy to all staff working on Reading Borough Council's contracts.

## 8. EQUALITY IMPACT ASSESSMENT

8.1 There is no Equalities Impact Assessment required for these contracts.

## 9. LEGAL IMPLICATIONS

9.1 For the Electrical Repairs and Rewiring services the tender process has been undertaken in accordance with Public Contract Regulations 2015 and the Council's Contract Procedure Rules. The Contract to be used for this service is the JCT Measured Term Contract - 2016.

9.2 It will be necessary to enter into a contract with Shield Electrical Services Limited (the successful tenderers) for this Electrical Repairs and Rewiring Services.

9.3 With regards to the extension of the Electrical Testing services contract with Pilon Limited, the Council's Contract Procedure Rule 28 permits a contract to be extended where its terms permit and where it is reasonable to do so and best value will be achieved.

9.4 It will be necessary to enter into a Supplemental contract for the Extension of the Electrical Testing Services with Pilon Limited.

## 10. FINANCIAL IMPLICATIONS

10.1 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub contracted during the year. However, based on expenditure records, typically the total expenditure on the Electrical Repair & Rewiring contract across its 5-year lifespan and the Electrical Testing Contract for the remaining 2 years is expected to be as follows:

- Electrical Repairs and Rewiring £1,500,000 (£300,000 per annum)
- Electrical Testing £140,000 (£70,000 per annum) for the remaining 2 years

10.2 The budget for these contracts is included within the existing Housing Revenue Account Repairs and Maintenance budgets as agreed in the Council's annual budget setting process.

## 11. BACKGROUND PAPERS

11.1 None applicable.