

Report to Cabinet

24 November 2022

By the Cabinet Member for Finance and Parking

DECISION REQUIRED



**Horsham
District
Council**

Partially exempt

**Appendix 1 exempt under Paragraph 3 of Part 1 of
the Schedule 12A to the Local Government Act
1972**

Residential Management Tender Award

Executive Summary

The purpose of this report is to advise on the need to renew the Council's arrangement for Residential Management of flats within The Forum and Lintot Square with a new Contract to replace the old one expiring on 31 December 2022.

This Contract is subject to the requirements of Section 20 of the Landlord and Tenant Act.

Recommendations

That the Cabinet is recommended:

- i) To approve the award of the contract for Residential Management of Flats at the Forum and Lintot Square to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- ii) To delegate authority to the Director of Place in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into a contract with the highest scoring bidder for the Residential Management Contract.

Reasons for Recommendations

Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT).

While at face value the contract is based on a concession model (service users pay the Supplier for services rendered directly) this does not fall under the definition of a contract governed by the Concession Contracts Regulations (2016) as the Contract Value is largely guaranteed for the supplier (it is a mandatory requirement for service users to pay for the service) so the Public Contracts Regulations (2015) still apply to this contract.

Background Papers

- None

Wards affected: Denne & Southwater

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Background Information

Introduction and Background

- 1.1 The Finance and Parking Policy Development Advisory Group (9 May 2022) supported an open tender process to select a management company for carrying out the residential management of Lintot Square and The Forum residential flats.
- 1.2 Tenders were received from 3 companies and evaluated on a 60% Price/ 40% Quality basis. Responses to Clarification Questions have contributed to the identification of a preferred bidder.
- 1.3 A local management presence is desirable and each of the tenderers provided options for this to occur.
- 1.4 The proposed contract term is 5 years with a 2 year extension

2 Relevant Council policy

- 2.1 An open tender process aligns with the Council's procurement policy.

3 Details

- 3.1 Council has a freehold interest in The Forum, Horsham and Lintot Square, Southwater.
- 3.2 There are 150 flats in total, consisting of 1, 2 and 3 bedrooms with an ownership mixture of leaseholder occupied and rented, along with a bulk letting of 64 flats to a social housing provider.
- 3.3 The current management contract is held by Residential Management Group who are holding over until 31 December 2022
- 3.4 The residential management function includes managing repairs and maintenance, rental collection, statutory compliance and managing leaseholder sales.
- 3.5 Tenderers were assessed on a 40% basis for quality with questions based on service delivery, social value, contract management, repair and maintenance management, financial management, compliance and current knowledge and implementation plans.

4 Next Steps

- 4.1 To enter into a management contract with the winning bidder.

5 Views of the Policy Development Advisory Group (PDAG) and Outcome of Consultations

- 5.1 Finance and Parking PDAG approval was given to the open tender process on 9 May 2022.
- 5.2 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity and their comments incorporated into the report.

6 Other Courses of Action Considered but Rejected

- 6.1 The utilisation of Framework Agreements setup by other Public Bodies was considered but rejected on the grounds it would not fulfil the specific requirements of the Council and the process of calling off from a Framework Agreement would limit the number of suppliers capable of tendering for the contract.

7 Resource Consequences

- 7.1 Contract payment is met directly by the leaseholders as part of their service charge. There is no revenue impact on the Council as payments / income do not go through the Council.

8 Legal Considerations and Implications

- 8.1 The approaches are compliant with the council's Procurement Code and the Public Contract Regulations and were undertaken by the council's Shared Procurement Service.

9 Risk Assessment

- 9.1 A Risk assessment is not required to let this contract however questions on Health and Safety competence formed part of the tender. A risk assessment of the buildings will be carried out as part of the contract mobilisation.

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes have been overseen by the Council's Procurement Senior Procurement Officer, supported by the Senior Solicitor ensuring compliance.

11 Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Equality analysis will need to be undertaken to ascertain the potential impact on staff, service users, vulnerable groups and wider communities groups that share

protected characteristics and take actions to mitigate any negative impact as each project is developed and implemented.

- 11.2 Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality in relation to Race, Disability, Gender including gender reassignment, Age, Sexual Orientation, Pregnancy and maternity, Religion or belief. The Council also has a duty to foster good relations, and to consider the impact of its decisions on human rights. The law requires that this duty to pay 'due regard' is demonstrated in the decision making process.
- 11.3 As an open tender process was undertaken there was no adverse impact on any of the above groups and an Equalities Impact Assessment is not required. Assessment was based on competency related questions.

12 Environmental Implications

- 12.1 Tenderers each responded to a quality question regarding sustainability and provided examples of a commitment to recruiting local labour and supporting graduate and apprenticeships, along with being equal opportunities employers. They demonstrated working with local suppliers and contractors on other contracts held by them.
- 12.2 The lead tenderer has an annual environmental review embedded in their culture with achievements over a 5 year period provided including using renewable energy, regular recycling, waste avoidance and promotion biodiversity on buildings by installing bug hotels and bird boxes.
- 12.3 Quarterly meetings based on green initiatives are undertaken to improve and develop further.

13 Other Considerations

- 13.1 Clauses relating to GDPR and Data Protection are included within the management contract. This is essential as personal details are kept and used on a daily basis.