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|  | <b>Decision of Cabinet Member for Housing</b>    |
|   | <b>Report from the Director Housing Services</b> |
| <b>AUTHORITY TO VARY AND EXTEND EXISTING MECHANICAL AND ELECTRICAL CONTRACTS</b>  |  |

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|---|---|
| <b>Wards Affected:</b>  | All   |
| <b>Key or Non-Key Decision:</b>   | Key Decision  |
| <b>Open or Part/Fully Exempt:</b><br><small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open  |
| <b>No. of Appendices:</b>   | None  |
| <b>Background Papers<sup>1</sup>:</b>   | None  |
| <b>Contact Officer(s):</b><br>(Name, Title, Contact Details)  | Name: Jai Patrick<br>Job Title: Strategic Compliance Manager<br>Email: jai.patrick@brent.gov.uk |

## 1.0 Executive Summary

- 1.1 This report concerns the extension of the Mechanical and Electrical (“M&E”) contracts referred to in paragraph 3.3 of this Report. The M&E contracts have previously been extended using Officer delegated powers and individual Cabinet Member approval. This report requests the approval of the Cabinet Member for Housing to permit the further variation and extension of the M&E contracts in accordance with paragraph 13 of Part 3 of the Constitution.

## 2.0 Recommendation(s)

That the Cabinet Member for Housing.

- 2.1 Approves the variation of the Mechanical and Electrical contracts referred to in paragraph 3.3 below to enable a further extension of up to twelve months to such contracts in accordance with paragraph 13 of Part 3 of the Constitution.

### 3.0 Detail

#### Contribution to Borough Plan Priorities & Strategic Context

- 3.1 The Borough Plan includes two priorities specific to Housing, that are:

- Strategic Priority 1 – Prosperity and Stability in Brent
- Strategic Priority 2 – A Cleaner, Greener Future

- 3.2 These two priorities re-affirm the Council's ambition to maintain and improve the quality of housing across the Council's own housing stock. Ensuring the continued delivery of M&E services as provided for in the M&E contracts is intrinsic to such priorities. The link to Council policies can be found here:

<https://www.brent.gov.uk/the-council-and-democracy/strategies-priorities-and-policies>

#### Background

- 3.3 The Council entered into various long-term M&E contracts for M&E Services. Details of the M&E contracts subject to the proposed variations and extensions are set out in the table below:

| Contractor   | Service                                   | Contract Start Date | Previous Extensions                         | Contract Expiry Date | Extension Terms |
|--------------|---|---------------------|---|----------------------|-----------------|
| Thyssenkrupp | Lift Maintenance                          | 30 July 2012        | 5 year/1 year/ 8 months/9 months/ 9 months  | 31 September 2025    | 5 + 5           |
| Equans       | Communal Electrical and electrical safety | 1 April 2013        | 5 years/1 year/9 months/ 9 months/ 9 months | 31 September 2025    | 5 + 5           |
| Jaylec       | Communal Electrical                       | 1 April 2013        | 5 years/1 year/9 months/ 9 months/ 9 months | 31 September 2025    | 5 + 5           |
| Openview     | Door Entry and CCTV                       | 29 May 2013         | 5 years/1 year/9 months/ 9 months           | 31 September 2025    | 5 + 5           |

|           |                           |              |   |                              |       |
|-----------|---------------------------|--------------|---|------------------------------|-------|
|           |                           |              | Months/ 9 months                            |                              |       |
| Oakray    | Domestic and Communal Gas | 1 April 2013 | 5 years/1 year/9 months/ 9 months/ 9 months | 31 September 2025            | 5 + 5 |
| Ductclean | Asbestos Removal          | 03/04/2017   | Extensions on a rolling basis/9 months      | 2 <sup>nd</sup> October 2025 | 4 + 2 |
| Socotech  | Asbestos Consultancy      | 03/04/2017   | Extensions on a rolling basis/9 months      | 2 <sup>nd</sup> October 2025 | 4 + 2 |

- 3.4 All of the above contracts have already been extended for the maximum permitted extension term in accordance with their respective terms and conditions. In accordance with their delegated powers under paragraph 9.5 of Part 3 of the Council's constitution, the relevant Chief Officer approved further extensions to the contracts for a maximum term of 1 year until 31 March 2024, a further extension of 9 months to December 2024 and a further extension of 9 months to September 2025. In accordance with Paragraph 13, Part 3 of the Council's constitution, the Corporate Director, Residents & Housing Services having consulted with the Cabinet Member for Housing agreed a further 9 month extension. Due to issues relating to resources, the procurement processes for the new contracts could not be completed within the extended period.
- 3.5 The report to Cabinet on 13<sup>th</sup> March 2023 titled: Procurement of Mechanical and Electrical Services Works Contracts for Council Housing provided the background information regarding the re-procurement of the M&E services. Given that procurement of replacement contracts remains outstanding, Officers consider that the existing Contracts should be varied and extended for a further period of up to 12 months to enable the conclusion of the procurement of new contracts and Mobilisation.
- 3.6 Officers have determined that extending the Contracts by up to 12 months will be cost-effective for the Council (as opposed to procuring a short-term contract whilst arrangements are made to procure a longer-term contract via a framework) and is reasonable in all the circumstances.
- 3.7 These contracts provide important services linked to health and safety compliance, regulatory requirements and also services delivered to vulnerable residents. It is imperative to maintain an uninterrupted service for all residents, but the health and wellbeing of vulnerable residents is of the utmost importance. The Council does not have any viable alternatives to cover short term contracts

of the above nature, to be in place prior to the current Contract expiry dates. The existing contractors are familiar with the Council's stock and continue to provide excellent services, as they have done so throughout the term of the M&E contracts.

- 3.8 The Contracts do not currently contain provision enabling the proposed extensions for the reasons specified in paragraph 3.4 above and therefore Officers seek authority to first vary the Contracts to allow for their further extensions and also authority for the extensions of the Contracts by 12 months to be approved.
- 3.9 The contractors have signalled their agreement for the various M&E contracts to be varied and extended. The M&E contracts are subject to uplifts in line with the contractual terms.
- 3.10 The Council does not have the technical expertise to provide the services in-house. The Council considered options to procure short-term contracts whilst arrangements were made to procure longer term contracts but concluded that it may not be feasible to let contracts of such a nature on a short-term basis and in any event, extending the contracts would be a more cost-effective approach whilst longer term procurement options are explored.
- 3.11 Cabinet Member for Housing has delegated powers to agree the proposed variation and extension of the Contract.

#### **4.0 Stakeholder and ward member consultation and engagement**

The Cabinet Member for Housing has been consulted in regard to this report.

#### **5.0 Financial Considerations**

- 5.1 The proposed contract extensions in this report does not change the costing structure between the Council and relevant contractors, therefore the extension will not directly result in additional budget requirements.
- 5.2 Estimated total value of contract extension is £6.2m and will be funded within existing approved budgets for repairs and maintenance from Housing Revenue Account (HRA).
- 5.3 As the works are mainly regulatory requirements failure to carry out these works could bring the council into disrepute, be fined and must report to the regulator, therefore it is imperative that the extensions are put in place to mitigate the risks.

#### **6.0 Legal Considerations**

- 6.1 In accordance with paragraph 13 of Part 3 of Brent's Constitution, the Leader has delegated certain functions to Cabinet members to be exercised within their

portfolio area in consultation with the Leader. This delegation includes the authority to agree variations and extensions where these are excluded from Officer delegated powers because the extension goes beyond the period of extension provided for in the contract and the contract has a life of more than one year (including any possible extension provided for in the contract) and the extension exceeds a period of one year.

- 6.2 In reaching any decision to approve the proposed variation the Cabinet Member for Housing should have regard to the reasons Officers have set out in Section 3 of the report.
- 6.3 The values of the original contracts are such that it is subject to full application of the Public Contract Regulation 2015 (PCR 2015). Recommendation 2.1 is to agree a variation to extend the Contract for the reasons detailed in Section 3.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 7.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 7.4 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 The extension of contracts and subsequent procurement of M&E contracts will help the Council’s environmental objectives and climate emergency strategy. Helping ensure all mechanical and electrical equipment is running efficiently.

## **9.0 Human Resources/Property Considerations (if appropriate)**

- 9.1 The variation and extension of existing M&E contracts do not have any human resource implications for the council.
- 9.2 The variation and extension of existing M&E contracts will assist the Council in maintaining its housing stock in a safe and habitable condition.

## **10.0 Communication Considerations**

- 10.1 There are not direct communication considerations arising from the variation and extension of M&E contracts.

### **Related Documents:**

Cabinet Report dated 13 March 2023 for the Procurement of Mechanical and Electrical Services Works Contracts for Council Housing

Individual Cabinet Member Report dated 29<sup>th</sup> November 2024 Authority to Vary and Extend Existing Mechanical and Electrical Contract

### **Report sign off:**

**Spencer Randolph**  
Director Housing Services