

**Briefing note**

**From:** Clive Chamberlain, Temporary Project Manager

**To:** Tenant Services Management Board, Monday 24<sup>th</sup> October 2011

**Subject:** **Re-procurement of the Heating contract.**

**Background.**

A project is now underway to re-procure the contract for servicing and maintenance of domestic heating systems and associated works.

This briefing provides information on the project plan, progress to date and raises for discussion a number of issues on the new service.

**The existing contract**

The existing service has been provided by local contractor MJT Mechanical since 2005. Originally a 3 year contract, this has been extended annually by agreement but must now be re-procured through an open tendering method by first placing a notice in the official journal of the European Union (OJEU) because the value exceeds the threshold.

**Scope**

The current contract provides for:

- Annual servicing of gas appliances, oil fired boilers and open fires,
- Annual safety checks of electric storage heaters and smoke detectors, and
- 24 hour breakdown cover and response maintenance.

The contract covers most Council homes, containing the following equipment:

Combination Boilers  
Wall Mounted appliances  
Back Boiler Units  
Floor standing appliances  
Tenant Owned appliances  
Solid Fuel appliances  
Oil Fired appliances

## Outcomes

Subject to consultation this month, the specified outcome of the project is to procure an enhanced service which commences on 1<sup>st</sup> April 2012 and provides the following:

- A measurable improvement in first time access for servicing and repairs,
- A reduced call out rate for breakdowns,
- 100% compliance with annual servicing consistently,
- A reduction in tenant failure to meet appointments,
- Improved reporting on performance,
- Increased exchange of intelligence on performance of equipment to inform the stock reinvestment plan, and
- Reducing costs through the life of the contract.

## Project plan

The project timetable is as follows:

<b>Activity</b>	<b>Date</b>
Issue of Pre qualification questionnaires	15.09.11
Last Date to submit Questions	14.10.11
PQQ Return Deadline	24.10.11
Notify Participants of PQQ Outcome	27.10.11
Issue tenders to successful applicants	27.10.11
Tender submission deadline	06.12.11
Evaluation of tenders	19.12.11
Issue tender evaluation outcome	06.01.12
Recommendations and approval	06-08.01.12
Mobilisation period	Feb and March 2012
Service Commencement	01.04.12

## Specification of services

The existing specification has been thoroughly reviewed and re drafted and is now ready for internal consultation.

Colleagues in Housing services are being engaged to seek their input to the specification.

The existing contract is a 'three star' service including servicing and 24-7 call out to breakdowns and heating loss within the contract price.

To meet the aims for an improved service identified above and to meet with accepted good practice, the new specification will expect contractors to demonstrate how they will meet the following elements within their proposal:

- Enhanced resident engagement through text messaging for appointments,

- Imaginative use of technology and communications to engage the widest possible range of residents in a fully inclusive way in gas safety and maintaining equipment in their homes,
- Calls to arrange appointments made out of hours by the service provider,
- Engineers use personal digital equipment to record technical information during their visits, linking to a live reporting system, giving TDBC access to real time data through a portal access,
- Monthly reporting and detailed analysis of trends in performance of equipment, rogue units and breakdowns etc,
- Feedback on dangers from tenant damage or interference with equipment,
- Provision of an environmentally sustainable service and providing benefits from recycling scrap materials, and
- Engage with the community by investing in apprenticeships, community events or regeneration projects as a way of demonstrating their commitment to social enterprise.

Performance against the targets will be measured through a range of key performance indicators (KPI's). The following targets are currently proposed:

Item	Priority	Target
Any health, safety or welfare Issue with potential danger to life or property	1	Emergency – (H & S Issue) make safe within 2 hours repair within 24 Hours.
Fumes	1	(H & S Issue) make safe within 2 hours repair within 24 Hours
Gas Escape	1	Emergency – (H & S Issue) make safe within 2 hours and repair within 24 Hours Normally reported to Transco
Water leak (major)	1	Emergency – (H & S Issue) make safe within 2 hours repair within 24 Hours
Total Heating Failure	1	Emergency – make safe within 2 hours repair within 24 Hours
Partial loss of heating	2	Urgent – complete within 5 working days
Re-commissioning system	2	Urgent – complete within 5 working days
Faulty heating controls	2	Urgent – complete within 5 working days

Faulty hot water controls	2	Urgent – complete within 5 working days
Noisy system	2	Urgent – complete within 5 working days
Refitting radiator	2	Urgent – complete within 5 working Days
System pressure loss	2	Urgent – complete within 5 working days
Resident damage / misuse	2	Urgent – complete within 5 working days.
Water leak (minor)	2	Urgent – complete within 5 working days
Partial loss of hot water	3	Routine – to be completed within 28 working days
Replacement of any non-essential part	2	Routine – to be completed within 28 working days
Resetting controls	3	Routine – to be completed within 28 working days
Instruction on use of system	3	Routine – to be completed within 28 working days
Overflow pipe dripping	3	Routine – to be completed within 28 working days

The key performance indicators are currently proposed as follows:-

<u>CONTRACTORS KPIs</u>	TARGET	MONITORED BY
1. The number of heating/hot water systems out of action overnight – not to exceed	0 per month	Contractor
2. The number of heating/hot water systems out of action for longer than 24hrs – not to exceed	0 per month	Contractor
3. All completed gas safety tests to have certificates reach Employer within –	5 days	Employer
4. All properties to receive an annual gas safety check within 12 months of previous test date.	100%	Contractor
5. Provide written quotations to Employer for works outside of contract – within	5 working days	Contractor
6. Provide follow up appointment within 24 hrs where no access has occurred.	100%	Contractor
7. When it has been necessary to put an appliance “at risk” notify Employer immediately	100%	Contractor
8. To attend to emergency repairs within 2hours, Urgent repairs within 3 days and Routine repairs within 28 days.	100%	Contractor
9. Where appointments are made, keep to appointment date & time	100%	Contractor
10. Invoice for non contract works within 28 days of completion.	100%	Contractor

## **EMPLOYERS KPIs**

11. Payment of correctly submitted invoices within 28 days.	100%	Contractor
12. Confirm verbal instruction within 3 working days.	100%	Employer
13. Respond to “requests for information” within 2 working days	100%	Contractor

Input is requested to the proposed specification, targets and KPI’s from colleagues and stakeholders.

### **Evaluation and selection.**

Whilst I am leading the project, I am supported by:

- David Carpenter,
- Amanda Oaten,
- Tim Haynes,
- James Barra

An evaluation and selection team will be established to include representatives of key stakeholders and residents.

The selection process will involve scoring the tender submissions on the basis of 40% cost and 60% quality. References will be taken up at pre-qualification stage and visits to complete reality checks on short-listed bidders before a final interview.

### **Communications**

The project is reviewed and updates issued weekly to senior management team.

Briefings are arranged in October to Housing Management Team and Corporate Management Team.

Clive Chamberlain

## Briefing note

**From:** Clive Chamberlain, Temporary Project Manager

**To:** Tenant Services Management Board, Monday 24th October 2011

**Subject:** **Installation of renewable energy equipment.**

## Background.

A project is now underway to complete the installation of renewable energy heating equipment into 37 bungalows at Stoke St Gregory, Churchinford and Creech St Michael.

This briefing provides information on the project.

## Trial installations

Earlier this year a trial was completed involving the installation of air source heat pumps into 4 bungalows, 2 at Polkesfield, Stoke St Gregory and 2 at Churchinford.

Although a full seasonal heating cycle has yet to be experienced, the initial feedback from residents has been extremely positive. Monitoring of electricity consumption is underway and contact being maintained with the residents to capture their observations on operating and living with the new technology.

Air source heat pumps are well proven technology and have been used in commercial applications for many years. They are now growing in favour for domestic use and are particularly well suited to well insulated homes with lower and more constant heating demand.

## Scope

The trail involved installing new Daikin air source heat pumps at the rear of the properties, together with new water storage vessels and radiators and control systems. Installation took ten days.



## Value

Benefit was gained from the highly competitive rates for purchase of equipment through Advantage South West and installation was completed by a local contractor. It is intended that ASW rates will be used once again for the remainder of the project.

The remaining project is likely to require a budget in the region of £200,000.

## Outcomes

The desired outcome of the project is:

- Reduced heating costs for residents,
- Reduced maintenance of equipment and consequent intrusion,
- Consistent and reliable heating and hot water for elderly residents instead of electric storage heating which is less controllable and more expensive to run, and
- Quieter operation and more flexible control systems.

I am researching the possibility of adding solar Thermal hot water systems to the new installations, however not all properties are suitably orientated to benefit from this.

## Project plan

The project timetable is as follows:

Activity	Date
Completion of specification	07.10.11
Tender	14.10.11
Tender return	28.10.11
Selection	31.10.11
Issue contract	11.11.11
Start on site	01.12.11
Completion	28.02.12

## Communications

The project is reviewed and updates issued weekly to senior management team.

Further update briefings can be provided.

Clive Chamberlain