

Committee(s):	Date(s):	Item
Barbican Residents' Consultation Committee	26 th November 2012	8
Subject: Comprehensive Lift Maintenance Contract		For information
Report of: Director of Community & Children's Services		Public
<p style="text-align: center;"><u>Summary</u></p> <ol style="list-style-type: none"> 1. The Lift Maintenance Service is currently carried out by Guideline Lift Services Ltd. who were appointed in 2005. The contract was for a period of 5 years with the option to extend a further 2 years. The option to extend was exercised and the contract was due to expire on 31st January 2012. 2. Lift Maintenance Services across the City of London Corporation were to be included as one lot in the Strategic Review of Procurement and Procurement to Pay Project (PP2P). However, it became evident that as the lifts are within residential blocks, there was a requirement under the Landlord and Tenant Act (1985) to carry out Statutory Consultation. 3. To avoid a delay in the overall project and potential savings, the Lift Maintenance Services for Barbican and Housing were excluded from the PP2P Project. 4. In September 2011 your committee approved a waiver of Standing Order 53(3) and Standing Order 52 (8) obviating the need for tenders and permitting the variation of the existing Lift Maintenance Services Contract for a period of 11 months. 5. The tender was advertised to Europe through the London Tenders Portal. 30 companies downloaded the tender documents and on the closing date of 9th October 2012, 9 companies submitted a tender. 6. The tenders were evaluated using a price quality matrix with 40% attributable to price and 60% attributable to quality. The evaluation was carried out by a panel of officers and a specialist lift consultant Butler and Young Lift Consultants Limited. 7. Tenderers were asked to submit 3 prices. One for the Barbican Estate, one for the Housing Estates and a combined price detailing any 		

discounts they would offer should they be awarded both contracts.

8. The recommended tender is from Guideline Lift Services Limited and at the time of this report Statutory Consultation is being carried out with Long Leaseholders recommending the acceptance of the tender from Guideline Lift Services Limited.

Recommendation

9. It is recommended that, subject to the results of Statutory Consultation, the tender from Guideline Lift Services Limited is accepted and that the City Solicitor is instructed to draw up a contract for a 5 year term with the option to extend a further 2 years.

Main Report

Background

10. Guideline Lift Services Ltd. were appointed in 2005 to carry out comprehensive lift maintenance services to all lifts managed by the Barbican Estate Office. The contract was for a period of 5 years with the option to extend a further 2 years. The option to extend was exercised and the contract was due to expire on 31st January 2012. A similar contract was awarded to Guideline to provide lift maintenance services to the City's social housing estates.
11. Lift Maintenance Services across the City of London Corporation were to be included as one lot in the Strategic Review of Procurement and Procurement to Pay Project (PP2P). However, it became evident that as the lifts are within residential blocks, there was a requirement under the Landlord and Tenant Act (1985) to carry out Statutory Consultation.
12. To avoid a delay in the overall project and potential savings, the Lift Maintenance Services for Barbican and Housing were excluded from the PP2P Project.
13. The timing of this decision meant that there was insufficient time to go through a full procurement process and to award a new contract before the existing contract ended on 31st January 2012. Therefore, in September 2011 your committee approved a waiver of Standing Order 53(3) and Standing Order 52 (8) obviating the need for tenders and permitting a variation to the existing Lift Maintenance Services Contract for a period of 11 months to end on 31st December 2012. Guideline agreed to the extension and further

agreed to provide the services at the same price they had charged throughout 2011.

14. A specialist lift consultant, Butler and Young Lift Consultants Limited (B&Y), was engaged to review the current lift specification to ensure the content met current regulations and to provide recommendations for additional items that may be included. There were 2 notable changes to the specification:

- The new contract specification will include the provision and maintenance of the lift monitoring software. This is currently procured outside of the lift maintenance contract and it was felt that a lift company would be able to secure a more economically advantageous price
- The current contract allows the contractor to charge for items not contained in the specification e.g. resetting the lift following mis-use. The new contract specification states that any call-outs not covered in the specification and up to the value of £350.00 are deemed to be included in the contract.

15. Prior to the contract being advertised, a panel made up of officers and B&Y was formed to determine the tender process and the evaluation matrix that would be used for the tender returns. It was agreed that the invitation to tender would be split into 3 lots. One for the Barbican Estate, one for the City's Social Housing Estates and a 3rd lot for a combination of lots 1&2. It was envisaged that the latter would attract a discount on lots 1&2.

16. The quality element of the evaluation was determined by scoring the various method statements that would be submitted by tenderers. The total score would then represent 60% of the total attainable score. From this the pricing score could be determined and would represent 40% of the total attainable score.

17. The quality submission was broken down into sections that were scored and sections that would result in the submission being a pass or fail. The pass fail sections included items that required tenderers to submit various company details and to confirm their status. The scored elements included sections that covered areas such as:

- Technical capability
- Experience of working with the types of lifts currently installed
- Strategy for obtaining spares
- Contract and resource management

- Customer care
- Health and Safety
- Equal opportunities

18. Prior to the invitation to tender, a benchmark price for both Barbican and Housing was calculated by B&Y. The strategy was to ensure procurement of a contractor that has provided a tender that covers all the requirements of the specification and who can accommodate all the duties that are required.

19. With quality of service delivery being a paramount consideration especially for the residents of the Barbican Estate, the calculations are based upon published labour rates available from the Lift and Escalator Industry Association which is a benchmark for all member companies. These rates include wages, expenses, overhead and profit. Individual companies may use different rates in competition. There are several factors that dictate the level of rates and in some cases the larger companies require a greater overhead contribution.

20. To achieve the correct balance, it is the opinion of Butler and Young Lift Consultants, that a medium to large sized independent company would suit this type of maintenance contract. This would ideally provide a good balance between cost and the availability of resources including labour, access to spares, flexibility and reactive performance within established operational process systems.

21. The time allowance for duties is clearly specified within the specification and the duties clearly defined. Sub-contractor costs are known and the 'comprehensive materials and breakdown risks' may be assessed using industry knowledge.

22. The calculations have also been measured against the historical charges for lift maintenance contract. This is used as a crude check against the benchmark.

Current Position

23. Tenders were received from 9 companies by the closing date of 9th October 2012 and the evaluation panel met on 15th October to review the tender submissions. The first stage of the process was to score the total annual price against the benchmark price.

24. The next stage of the evaluation process was to score the quality submissions. The panel agreed that those companies that achieved a score in the pricing stage of the process would be evaluated first to determine whether the remaining tenders could achieve a sufficient score and remain competitive.
25. It became evident from scoring the top 3 quality submissions and adding these to the price scoring that the remaining companies would not be able to achieve a quality score that would be sufficient enough to make their overall score competitive. The panel then decided not to score these submissions but agreed to review them at a later date in order to provide feedback to the unsuccessful companies. The panel did, however, score the submission made by Jackson Lift Group. This was done prior to seeking clarification on the pricing schedules.
26. The final stage of the evaluation process was to add the price scores to the quality scores to give an overall score for the tender submission.
27. The Guideline Lift Services Ltd tender return is compliant with the requirements of the Contract Documentation and the projected sum over the five year contract period offers value for money to the Barbican Estate and Housing Estates, reinforced by their experience as the current maintenance Contractor.

Financial Implications

28. Lift maintenance costs are recoverable through service charges in accordance with the lease. Tender submissions were broken down on a lift by lift basis. This will enable accurate calculations to be made on a block by block basis.
29. The award of this contract is subject to statutory consultation under the Landlord & Tenant Act 1985 Section 20 (as amended). This is currently being carried out and the recommendation to accept the tender submitted by Guideline Lift Services Ltd will be subject to the outcome of the statutory consultation process

Consultees

30. The Comptroller & City Solicitor and The Chamberlain have been consulted in the preparation of this report and their comments have been included.

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