

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 10th OCTOBER 2023
REPORT OF THE EXECUTIVE DIRECTOR (PLACE)

ESTATE MANAGEMENT SERVICES

1 Executive Summary

- 1.1 The current contract for Estate Management Services has expired and this report provides details of the procurement process to establish new contracts.

2 Recommendation(s)

- 2.1 Lot 1 (Professional Services for Estates) is awarded to Brasier Freeth LLP for a three year period, with a possible one year extension, at an estimated contract value of £540,000.
- 2.2 That in accordance with section 31.2 (f) of the Contract Procedure Rules, Cabinet agree:
- 2.2.1 that it is to the advantage of the Council that Contract Procedure Rules be waived to allow the award of a contract for Lot 2 (Block Management) to Brasier Freeth LLP for a contract period of 6 months; and
- 2.2.2 to waive Contract Procedure Rules, accordingly and to approve the award of a 6-month contract to Brasier Freeth LLP for Lot 2 (Block Management) at an estimated contract value of £30,000

3 Explanation

- 3.1 The Council previously had a contract in place for Estate Management Services. This expired 31st March 2023.
- 3.2 A successful procurement was carried out prior to expiry, however the only bidder withdrew prior to entering into the contract due to changes in the market. There were no back up bidders.
- 3.3 The work was therefore split into two lots to increase the number of potential bidders and re-tendered. The two lots are:
- Lot 1 (Professional Services) This includes: Rent Reviews and Lease Renewals, Commercial Lettings, and miscellaneous commercial property matters.
 - Lot 2 (Block Management). This includes the collection of the service charge, arranging insurance and collecting insurance premiums, day to day maintenance covered by the service charge, debt management and the service and management of legal notices. This relates to residential blocks owned by the council.

Lot 1 – Professional Services

- 3.4 Only one bid was received for this Lot (from Brasier Freeth). An evaluation has been undertaken and it has been ascertained that the bid meets all of the council's minimum requirements.

Lot 2- Block Management

- 3.3 Two bids were received for this Lot, but neither met the minimum criteria (including ensuring there is a local operational base and minimum professional qualifications). Therefore, a contract cannot be awarded to one of these two bidders for this Lot.
- 3.4 Brasier Freeth are currently supplying block management services, although they did not bid for the services. They have since offered to provide these services for an interim 6-month period.
- 3.5 Section 31f of the Contract Procedure Rules provides that 'Contracts can also be entered into by an appropriate officer in the following circumstances (subject to compliance at all times with the Public Contracts Regulations 2015): Where the Cabinet agrees a report from a Corporate Director or Chief Executive detailing a case where it is to the advantage of the Council that these rules should be waived.'
- 3.6 It is considered that awarding a contract would be an advantage to the council and the risks of not doing so are included in section 6.
- 3.7 During the next six months, the minimum criteria will be reviewed and a new procurement will take place for Lot 2 only.

Implications

4 Legal Implication(s)

- 4.1 The procurement recommendations within this report are in accordance with the Public Contracts Regulations 2015. This includes the requested waiver as the value of the 6-month contract is below the threshold where the full extent of the Public Contracts Regulations 2015 applies.
- 4.2 Any award of a block management contract may be subject to review under Section 20 of the Landlord and Tenant Act 1985. It is therefore anticipated that six months will be required for re-procurement.
- 4.3 The form of contract will be the councils standard form of contract.

5 Financial Implication(s)

- 5.1 The contract is based on a schedule of rates that are included in the Part 2 report. The exact value of the contract will be subject to demand.

- 5.2 The vast majority of costs will be recharged to the tenants and, therefore, the ultimate cost to the Council will be minimal. However, as the council will be responsible for payment to Brazier Freeth, under the contract, it is the overall value of the contract which requires cabinet approval.

6 Risk Management Implications

- 6.1 *Procurement Challenge* – this is considered low as only one bidder bid for Lot 1 and the two bidders for Lot 2 did not meet the minimum criteria.
- 6.2 *Legal Risk* – Contained in the Part 2 report.
- 6.3 *Operational Risk* – it is essential that the council has a method of collecting the service charge from residents. There are major financial implications of not doing this. A contractor will have all the systems and procedures in place to undertake this service.
- 6.4 *Operational Risk* – the block management contract includes essential services such as fire safety inspections, alarm testing and repairs and maintenance. Failure to put a contract in place exposes the Council and tenants to unacceptable levels of risk.

7 Security and Terrorism Implication(s)

- 7.1 There are not considered to be any additional Security and Terrorism implications as a result of this recommendation.

8 Procurement Implication(s)

- 8.1 See legal implications.

9 Climate Change Implication(s)

- 9.1 There are not considered to be any direct additional Climate Change implications as a result of this recommendation.

10 Human Resources Implication(s)

- 10.1 There are not considered to be any direct additional Human Resources implications as a result of this recommendation.

11 Link to Corporate Priorities

- 11.1 The subject of this report is linked to the Council's Corporate Priority 'A well-run council which puts our customers first'.

12 Equality and Diversity

- 12.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of authors

Andrew Harper

Title

Procurement Manager

Date

14th September 2023