

Report to:	CABINET
Report of:	ACTING STRATEGIC DIRECTOR OF PLACE
Date of Decision:	17th NOVEMBER 2015
SUBJECT:	TENDER STRATEGY FOR THE REPAIR AND MAINTENANCE OF LIFTS TO COUNCIL BUILDINGS AND HOUSING PROPERTIES INCLUDING MAJOR REFURBISHMENT AND NEW INSTALLATIONS (P280)
Key Decision: Yes	Relevant Forward Plan Ref: 000289/2015
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Stewart Stacey, Cabinet Member, Commissioning, Contracting & Improvement
Relevant O&S Chairman:	Cllr Waseem Zaffar, Corporate Resources
Wards affected:	ALL

1. Purpose of report:
<p>1.1 This report provides details of the revised procurement strategy for the re-tender of the repair and maintenance of lifts, disability platform lifts and patient lifting hoists in Council buildings and Housing properties including major refurbishment and new installations in existing buildings. The Private agenda report contains any confidential market information which could impact on the tender process.</p>

2. Decision(s) recommended:
<p>That Cabinet:</p> <p>2.1 Notes the contents of this report.</p>

Lead Contact Officer(s):	Nel Planas
	Category Officer – Procurement, Corporate Procurement Services, Economy Directorate
Telephone No:	0121 303 0032
E-mail address:	nel.a.planas@birmingham.gov.uk

3. Consultation

3.1 Internal

The Deputy Leader and the Cabinet Member for Neighbourhood Management and Homes have been consulted and agree with the content of the report.

The Service Director, Housing Transformation, Place Directorate and the Director of Property, Economy Directorate have been consulted and agree with the contents of this report.

Officers from Contract Management and Performance (CMAP) Team in Corporate Procurement have been consulted and agree with the contents of this report.

Officers from Finance, Legal and Democratic Services and Procurement have been involved in the preparation of this report.

3.2 External

Officers from the Lifts Team in Acivico (Design Construction and Facilities Management) Ltd (Acivico) have been consulted and agree with the content of this report.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

4.1.1 The proposals are consistent with the Council Business Plan 2015+ which includes:

A Prosperous City – Learning skills and local employment

A Fair City - Inclusion

A Democratic City – Modern Services that serve our citizens

The contract will enable the Council to meet both its equality obligations and its statutory duty with regard to scheduled maintenance of lifts. This will minimise downtime resulting from lift breakdowns thereby avoiding disruptions to users and ensure lift safety.

It will also enable users, visitors to and residents in Council buildings and Housing properties freedom of movement to, from and within Council buildings.

The Stakeholder Group comprising officers from Asset Management (HRA) - Housing, Place Directorate, Birmingham Property Services, Economy Directorate and the Lifts Team in Acivico will engage with the Employment Access Team with regard to the inclusion of the Jobs and Skills policy and how best the tender process and the resultant contract can meet the jobs and skills agenda regarding apprenticeships, targeted recruitment and training and engaging the unemployed.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

4.1.2.1 Future Tender

Compliance to the BBC4SR will be a mandatory requirement for tenderers and will also form part of the conditions of contract. Tenderers will submit an action plan with their tender submissions that will be evaluated in accordance with 5.7.1.2. The action plan of the successful tenderer will be implemented and

monitored during the contract period.

4.1.2.2 Single Contractor Negotiations

Due to the time that it will take to procure this contract, single contractor negotiations will be held with the existing provider in order to maintain service delivery. Otis Ltd is an accredited signatory to the BBC4SR and will be required to commit to additional actions proportionate to the value of the proposed contract arising from these negotiations.

4.1.2.3 Pre-Procurement Duty under the Public Services (Social Value) Act 2012

Consideration of how this project might contribute to achieving the Council's priorities and improve the economic, social and environmental well-being of the relevant area was discussed with Asset Management - Housing, Place Directorate and Birmingham Property Services, Economy Directorate and this is reflected in the requirements being relevant and proportionate to the overall contract.

The process for securing social value during this procurement will be through the Birmingham Business Charter for Social Responsibility, as per item 4.1.2.

4.2 Financial Implications

4.2.1 Single Contractor Negotiations

4.2.1.1 Historical spend over a 12 month period is in the region of £2.5m. This does not include spend on major refurbishments and new installations.

4.2.2 Future Contract

4.2.2.1 Based on historical spend patterns, spend is expected to be in the region of £4m per annum. This is made up of repair and maintenance spend and major refurbishments and new installations.

4.2.3 The result of Single Contractor Negotiations and the future tender will not commit the Council to any particular level of spend.

4.2.4 Spend for both the single contractor negotiations and future tender will be funded from the following:

- Housing related revenue costs are funded through the Housing Revenue Account
- Housing capital works lift replacement/refurbishment will be funded through the Public Sector Housing Capital Investment Programme
- Non-Housing costs are funded through the appropriate service directorate budget
- Schools costs are funded through schools devolved budgets

4.2.5 For the future tender, prices will be fixed for the first 18 months of the framework agreement. Thereafter, any price movements will be subject to the Lift and Escalator Industry Association (LEIA) indices. These indices are published every October. In comparison to the Consumer Price Index (CPI) which measures the prices households pay for goods and services such as food and non-alcoholic beverages, hotels and restaurants and household goods, the LEIA indices measures the labour index and electrical materials index. The table shows a comparison of the two indices for the periods October 2014 and October 2015:

Index	October 2014	October 2015
CPI	1.3%	0.1%
LEIA	1.45	-24.65%

4.2.6 For the future tender, a rebate of 1.25% for Council spend and 2% for other local authority or public sector body spend will be levied against the expenditure on this contract. This will be payable by the successful contractor(s) to Corporate Procurement Services for the cost of the on-going contract management of the framework. This fee will be value-based and payable, retrospectively, on a quarterly basis by the contractor(s) to the Council.

4.3 Legal Implications

4.3.1 The contract will ensure that the Council is compliant with the following legislation:

- The Lifts Regulations 1987
- The Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)
- The Health and Safety at Work etc. Act 1974
- The Supply of Machinery (Safety) Regulations 2008 (as amended)
- Building Regulations 2010 (as amended)
- Local Democracy, Economic Development and Construction Act 2009

4.3.2 TUPE

TUPE is likely to apply between the current contractor and the new contractor(s) in the event of the incumbent provider not being successful. The Council's role in any TUPE process is limited to the distribution of information between parties, with no responsibility on the part of the Council for the information provided.

4.3.3 Information Management

There are no significant information management issues associated with this contract.

4.4 Public Sector Equality Duty

The relevance test to decide whether the planned procurement had any relevance to the equality duty contained in Section 149 of the Equality Act 2010 for eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 4th October 2013. The screening identified there was a requirement to assess it further and a Stage 1 Equality Assessment form was completed (refer to Appendix 2 Reference number 490451/2013). This did not identify a requirement to progress to Stage 2.

5. **Relevant background / chronology of key events:**

5.1 Background

5.1.1 The tender strategy report for the repair and maintenance of lifts to Council buildings to include major refurbishment and installations to existing buildings was approved by Cabinet on 16th December 2013. The report recommended the commencement of the procurement process for the repair and maintenance of lifts including major refurbishments and new installations for a period of 5 years.

- 5.1.2 During the pre-qualification stage it was identified that a more appropriate approach than that adopted would be to align this procurement with the model being used for the current Housing Repair, Maintenance and Capital Investment tender process with regard to partnership working and to synchronise the end dates of both contract. This would allow the lifts framework agreement to be incorporated into any successor contract if it were identified that this would offer better value for money to the Council.
- 5.1.3 As the resultant changes required to the tender strategy were substantial, it was considered that it was not advisable to introduce changes mid tender as the resultant framework award may leave the Council open to challenge and that it would be more prudent to cancel the process and re-commence it. Advice from Legal and Democratic Services in November 2014 was to cancel the tender process and re-commence it.
- 5.1.4 The changes requested were alignment to the Housing Repair and Maintenance tender process regarding:
- Partnership working
 - Contract duration of 4 years plus 2 options to extend for 2 years
 - Award by quadrant.
- 5.1.5 Concerns were expressed by the Principal Lift Engineer, Acivico that this may 'water down' the value of any subsequent contracts and may not show the Council value for money and may also lead to increased contract management if awarding to more than 2 providers.
- 5.1.6 The overall consensus was to split the City into North and South offering two lots to the market.
- 5.1.7 The Cabinet Member for Commissioning, Contracting and Improvement was consulted on the proposed changes to the procurement and supported the proposals.
- 5.1.8 Correspondence was issued to all the companies that expressed an interest in the opportunity to advise them that the tender process was being cancelled and would be re-advertised in due course.

5.2 Service Requirements

- 5.2.1 There is a requirement for the Council's portfolio of lifts, disability platform lifts and patient lifting hoists to be repaired and maintained. There is also a requirement for major refurbishments and installations of new lifts in existing buildings. The proposed framework agreement will assist the Council with meeting its statutory duty and legal obligations as regards lift safety and availability which in turn allows freedom of movement within Council buildings by employees, service users and the wider community.
- 5.2.2 There are two contracts in place for repair and maintenance of lifts, disability platform lifts and patient lifting hoists. One is for Housing properties and the other for Non-Housing properties:
- Lift Maintenance for Housing Properties - This contract was awarded to Otis Ltd and expired on 31st March 2015. Otis Ltd has continued to provide the service on the existing terms and conditions of contract.
 - Lift Maintenance for Non-Housing properties (this includes the repair and maintenance of platform lifts and patient lifting hoists) – This contract was

awarded to Otis Ltd and expired on 31st March 2015. Otis Ltd has continued to provide the service on the existing terms and conditions of contract.

5.2.3 Major refurbishment and new installations of lifts into existing buildings is currently procured by 'calling off' the Constructing West Midlands framework agreement. Better value may be realised by the Council having its own comprehensive arrangement in place that combines repair and maintenance, major refurbishments and new installations to existing buildings.

5.2.4 Single Contractor Negotiations

5.2.5 There is a requirement to enter into single contractor negotiations with Otis Ltd for the provision of lift maintenance for Housing and Non-Housing properties for a period of up to 15 months to allow continuity of service and sufficient time for the replacement framework agreement to be in place.

- The following alternative options to entering into single contractor negotiations have been considered:
 - **To undertake a procurement process.** This was discounted due to the timescales involved in awarding a replacement contract and would not allow for the updated specification to be included in the requirement.
 - **To opt into a collaborative framework agreement.** This option was discounted for the reasons as stated in paragraph 5.5.1.5
 - **Not having a service in place.** This was discounted as the Lifting Operations and Lifting Equipment Regulations 1998 places duties on people and companies, who own, operate or have control over lifting equipment to ensure the equipment is inspected and maintained by the use of a competent person.
- Otis has performed satisfactorily during the contract period and their performance will continue to be managed by the Principal Lift Engineer, Acivico.

5.3 Outcomes Expected

5.3.1 The outcomes expected from this procurement process are:

- Consistently reliable lifts
- Improved availability of lifts
- Accessibility to, from and freedom of movement within Council buildings
- Opportunity to align contracts with other contractual arrangements
- Value for money outcomes

5.4 Market Analysis

5.4.1 There are a number of providers in the market who could provide repair and maintenance, major refurbishment and new installation of lifts. The LEIA database contains around 45 lift service providers and manufacturers who potentially may express an interest in this framework.

5.5 Procurement Options

5.5.1 The following options have been considered:

5.5.1.1 Undertake the activity in-house

Whilst this has not been formally costed, this option was rejected as the start-up and on-going costs are likely to be financially prohibitive. Also, the Council would not be in a position to keep up with any technological advances regarding the lift industry.

5.5.1.2 Tender a Birmingham only Framework Agreement

This option was rejected as other local authorities, public bodies and housing associations would not be in a position to utilise the framework agreement. Also, the Council may lose any opportunity for rebates from other organisations using the framework.

5.5.1.3 Tender as a Birmingham Framework Agreement available for use by other public sector bodies

This is the preferred option for the Council as this would allow other local authorities, public bodies and housing associations etc access to a framework agreement. The Council would be in a position to benefit from rebates. Also, in utilising this option the Council's core costs would not increase.

5.5.1.4 Use of the Constructing West Midlands Framework Agreement

This option was rejected as the Constructing West Midlands contractors are not specialist lift maintainers and if this option was selected they would sub-contract to a lift company thereby adding an additional layer of on-cost. The risk of challenge by the contractors on the CWM framework has been assessed as low as the CWM contractors are not specialists in the lift market place.

5.5.1.5 Use of other Collaborative Framework Agreements

There are two collaborative framework agreements in place for the repair and maintenance of lifts:

➤ Crown Commercial Service – Facilities Management Services

This framework agreement was awarded on 29th July 2015 for 4 years. The framework is split into 3 lots:

- Lot 1 – Total facilities management
- Lot 2 – Hard facilities management
- Lot 3 – Soft facilities management

Each lot offers public sector bodies and government departments the opportunity to call off a range of facilities management type services. As with 5.5.1.4 there are no specialist lift maintainers on this framework. Use of this framework would mean the successful companies subcontracting to a lift company thereby adding another layer of on-cost and profit to the Council.

➤ **Northern Housing Consortium (NHC) – Passenger Lifts**

The NHC has a framework agreement in place for the installation and refurbishment, maintenance, service and repair of passenger lifts, stair-lifts and escalators in buildings maintained or owned by NHC members. The Council is a member of NHC however this option was rejected as the framework agreement was not considered to be suitable due the companies not being sufficiently large enough to take on the work.

5.6 Procurement Approach

5.6.1 Contract Duration and Advertising Route

5.6.1.1 The contract duration will be for a period of up to 4 years with two options to extend for two further periods of two years, subject to satisfactory performance. This would allow for the requirement to be incorporated into a future Housing Repair and Maintenance contract if that is the most suitable option at the time. The initial contract term takes account of overheads and investment in equipment and buildings for the provider(s) whilst tendering maximises the value of the tender process and its associated costs. The ultimate aim is for the framework to be aligned with the HRM contract.

5.6.1.2 The tender opportunity will be advertised via www.finditinbirmingham.com, Contracts Finder and the Official Journal of the European Union (OJEU).

5.6.2 Procurement Route

The requirement will be tendered using the restricted route on the basis that:

- The service can be clearly defined
- The LEIA website identified 45 companies who provide repair and maintenance services with major refurbishment and new installations who may express an interest in this framework. Therefore, carrying out the pre-qualification process will ensure the shortlisted organisations meet the Council's requirements.

5.6.3 Scope and Specification

5.6.3.1 The Council's lift portfolio (including lifts managed by Acivico on behalf of the Optima Housing Association) is split as follows:

- There is a total of 598 lifts
 - 415 lifts in housing properties (in both high and low rise blocks of dwellings)
 - 182 lifts in properties managed by Birmingham Property Services
 - There is only one dedicated goods lift. This is located in Lancaster Circus

5.6.3.2 There are 115 disability platform lifts and 24 patient lifting hoists which are mostly located in schools or academies. The Council does not have a statutory duty to provide this service to schools nor academies, but they can use the framework to discharge their duties under the Lifting Operations and Lifting Equipment Regulations 1998 which places duties on people and companies who own, operate or have control over lifting equipment to ensure that the equipment is inspected and maintained by the use of a competent person.

The framework agreement will be tendered by lot as follows:

Lot	Description	Volume (as at 4/11/15) *		
		Lifts	Disability Platform Lifts	Patient Lifting Lifts
1	North & West Central Quadrants Properties in Erdington, Ladywood, Perry Barr and Sutton Coldfield Districts	313	65	14
2	East & South Quadrants Properties in Hodge Hill, Yardley Edgbaston, Hall Green, Selly Oak and Northfield Districts	285	50	10

* The number of lifts may vary during the contract period as buildings are built or demolished and schools opt in and out of the service.

Tenderers will be asked to provide a discount if they are awarded both lots.

The city's lift portfolio is to be split across the areas (identified below) so as to allow the lift portfolio to be distributed as evenly as possible taking into account district and ward boundaries.



Repair and Maintenance

The successful contractor(s) will be required to ensure that the Council's lift portfolio is kept in optimum working order. This will be achieved through the following:

- Lift service every 4 weeks
- Detailed examination of the lift every 6 months for disabled access equipment and 12 months for goods lifts
- Periodical testing of passenger and goods lifts annually
- Preventative maintenance with the replacement of worn parts
- Response times for repairs with residents being informed 24hrs in advance of any scheduled repairs to be undertaken
- Response times for emergency call outs

The specification will include the requirement to incentivise the reduction in downtime due to faults through an improved programme of preventative maintenance.

Major Refurbishment

There is a 5 year rolling programme of refurbishment works in existence. During 2014/15, 8 full lift replacements were undertaken. During 2015/16 12 lifts will have their controllers replaced.

Major refurbishment may involve the replacement of the following (amongst others):

- Gearboxes
- Hydraulic units
- Door operators
- Call acceptance buzzers
- Guide rails
- Infra-red door safety edges
- Refurbishment of lift cars

New Installation in an Existing Building

A new installation is where:

- An existing lift has been completely replaced
- Only the existing guide rails and their fixings alone have been retained

Lift installations to new buildings would not be covered under this framework agreement.

5.6.3.3 Dependent on the award, whether to one or two providers, the framework agreement(s) will be made available to the other local authorities, public bodies and Housing Associations based with the UK who will be able to award contracts through use of the framework in the following ways:

- **Direct Award** – If the framework is awarded to one provider, any organisation wishing to utilise the framework may do so through direct award.

- **Mini Competition** – If the framework is awarded to 2 providers, any organisation wishing to utilise the framework will be required to carry out a mini competition utilising Acivico professional / technical services to run the mini-competition in support of the client organisation with the aim of appointing the service provider that better suits their needs.
- **Managed Service** – An external organisation may award a contract to Acivico to provide a full managed service in relation to their lift portfolio (ie project delivery and contract administration services including but not limited to technical assurance, KPI measures, legal and financial advisory services) alongside the base repair and maintenance works contract as a package. This framework agreement will be structured in such a way that Acivico will have access to the Providers to allow them to deliver this managed service to any external organisation as required.

5.6.3.4 The framework agreement will include provisions to allow for novation by the Council of its rights and obligations under the agreement to Acivico, subject to Acivico securing appropriate indemnities from the Council for the period of the framework agreement prior to the novation date and the Council securing equivalent indemnities for the post novation period. Acivico will be named as a contracting authority in the OJEU contract notice inviting tenders for the framework agreement.

5.7 Tender Structure (including Evaluation and Selection Criteria)

5.7.1 The evaluation of tenders will be conducted in two stages:

5.7.1.1 Pre-Qualification Questionnaire (PQQ) Stage

Pass / Fail Section

- Section A – Supplier Information
- Section B – Grounds for Mandatory Exclusion
- Section C – Grounds for Discretionary Exclusion
- Section D – Economic and Financial Standing
- Section E – Technical and Professional Ability
- Section F – Environmental Management
- Section G – Insurances
- Section H – Compliance with Equalities Duties
- Section I – Health and Safety
- Section J – Quality Management
- Section K – Compliance with the BC4SR and the Living Wage
- Section L – Declaration
- Section M- PQQ Template of Appendices

Scored Section

- Section I – Technical Experience and Competence (90%)
- Section J – References (10%)

The Council expects to invite no more than the 5 top ranked organisations to the Invitation to Tender stage, however it may invite more organisations where there is a negligible difference in the scores between the 5th applicant and the next placed applicant(s).

5.7.1.2 Invitation to Tender (ITT) Stage

The organisations successful at PQQ stage will be invited to tender and sent the tender documentation for completion and return.

The ITT will be evaluated using the quality / social value and price criteria below that were established having due regard to the corporate document 'Advice and Guidance on Evaluating Tender on Quality and Price' which considers the complexity of the services to be provided.

Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model using a quality / social value / price split of 30% quality, 10% social value and 60% price.

The evaluation of tenders for each lot will be divided into Assessment A, B and C as detailed below:

Assessment A – Quality (Written Proposals) – 30%

Written Proposals	Overall Weighting	Sub-Weighting
Organisation and Resources	100%	25%
Mobilisation		15%
Contract Management and Customer Care		25%
Managing Risk in Contract Delivery		20%
Use of Information Technology		15%

Tenderers who score more than the total quality score threshold of 60% ie a score of more than 300 out of a maximum quality score of 500 will proceed to assessment B – Social Value Proposals.

Assessment B – Social Value Proposals – 10%

Social Value Proposals	Overall Weighting	Sub-Weighting
Local Employment	100%	30%
Buy Birmingham First		10%
Partners in Communities		25%
Good Employer		15%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score more than the total social value score threshold of 50% ie a score of more than 250 out of a maximum social value score of 500 will proceed to assessment C – Price.

The outcome of this pilot will be compared to our normal method of assessing Social Value and be reported to the Cabinet Member for Commissioning, Contracting and Improvement and the Assistant Director of Procurement. This may be used as a guide to our approach for future Social Value measurement.

5.7.1.3 **Assessment C - Price (60% Weighting)**

Tender prices will be assessed as follows:

Description	Overall Weighting
Repair, Maintenance and Servicing	60%
Major Refurbishment and New Installation	40%

The price weighting has been split between repair and maintenance and major refurbishment and new installation to allow the evaluation price using various scenarios. The weighting is split as shown to allow for the fact that 60% of the total cost of lifts is based on repairing and maintaining and 40% is based on major refurbishment and new installations.

Repair and Maintenance

Tenderers will be expected to state their prices against a schedule of rates. The completed tender prices will then be assessed using model schemes containing an accurate representation of the work items and quantities that are likely to be found during the day to day management of the contract.

Major Refurbishments and New Installations

Tenderers will be asked to supply pricing based on a number of accurate scenarios for major refurbishments and new installations.

Prices will be fixed for a period of 18 months from the date of award of the contract. Thereafter, price movements will be subject to annual review with the application of the Lift and Escalator Industry Association Indices which are published every October. The indices are based on the following three elements:

- Labour
- Electrical Materials
- Mechanical Materials

The application of these indices can cause prices to fluctuate. For example, previous indices published were:

October 2014	1.45%
October 2015	-24.65%

5.7.1.4 **Overall Evaluation**

The evaluation process will result in comparative quality and price scores for each tenderer. For each element (quality, social value, price), the tender obtaining the highest marks will be awarded the maximum score for that element, with other tenders being allocated scores on a pro-rata basis.

5.7.1.5 **Social Value Portal Pilot**

It is planned to pilot the use of the Social Value Portal for this procurement exercise in parallel to the current Social Value scoring methodology. Although the resultant scores from the pilot will not be used to determine the outcome of the procurement exercise, the learning from the pilot may inform our future

practices. This methodology has been piloted by Lambeth Council. This produced significant social value returns of +30% at no additional cost. A number, (between 10 and 20) of relevant measures will be selected from the existing 41 measures included in the Charter which are most relevant to this procurement. Each measure will have a financial proxy attached which will be drawn from established data points available. A local importance factor can also be applied to these proxies such as higher scores if bidders propose to work with or target those residents living in the deprived areas of Birmingham. Bidders will be asked to offer values against each identified measure with the company offering the highest total social value being given the highest score. Bidders will be consulted during the tender process.

5.7.2 **Evaluation Team**

The evaluation of tenders will be undertaken by officers from:

- Asset Management (HRA), Housing – Place Directorate
- Birmingham Property Services – Economy Directorate
- Lifts Team in Acivico

supported by Corporate Procurement Services

5.8 **Risk**

The CPS approach is to follow the Council's Risk Management Methodology where the Procurement Team is responsible for risk management. The risk register for this project has been produced and is owned by CPS. Asset Management (HRA) Housing, BPS and Acivico with arrangements being put in place to ensure that operational risks are mitigated.

5.9 **Indicative Implementation Plan**

Cabinet Approval (Strategy)	17th November 2015
OJEU Notice Issued	14th December 2015
Clarification Period	15th December 2015–13th January 2016
PQQ Deadline Submission	20th January 2016
Evaluation Period	21 st January 2016 – 29th January 2016
Issue Tender	2 nd February 2016
Clarification Period	3 rd March 2016 – 25 th March 2016
Social Value Pilot Presentation	10 th February 2016
ITT Return Date	3 rd March 2016
ITT Evaluations	4 th March 2016 – 18 th March 2016
Delegated Contract Award	7 th April 2016
Mobilisation period (if applicable)	April - June 2016
Contract Start	1st July 2016

5.10 **Service Delivery Management**

5.10.1 **Contract Management**

The contract will be managed by Acivico using the Council's Contract Management Toolkit with support from the Contract Management and Performance Team (CMAP) in Corporate Procurement Services as and when needed.

5.10.2 Performance Monitoring

Day to day performance of the contract will be measured through a set of key performance indicators (KPI's) using the Red, Amber and Green (RAG) rating system so as to align it with the Housing Repair and Maintenance contract. Each colour will be given a rating which will be used to determine the provider(s) performance. For instance:

The KPI's will include as a minimum for breakdowns:

- Overall lift availability of 95% (the 5% downtime also includes downtime for scheduled maintenance and repairs of lifts)
- Residents being informed of all planned repairs at least 24 hours in advance – 100%
- Response time to trappings (someone getting trapped in a lift) – ½ hour
- Response time to breakdown – if only 1 lift in building* - 1 hour
- Response time to breakdown – if more than 1 lift in the building – 2 hours
- Scheduled services completed on time – 100%

*In some high rise blocks there are two lifts that transport to alternate floors. Lifts in these buildings will be classed as one lift.

The performance measure for overall lift availability is currently 95%. Using the RAG rating system, this may look like:

KPI	Red (equal to / less than)	Amber (between)	Green (equal to / greater than)
Overall lift availability	94.9%	95% - 98%	98.1%

The RAG ratings are defined as follows:

- Red – The provider is penalised through loss of profit
- Amber – The provider is paid the contract price
- Green – The provider is paid a % above the contract price

The successful contractor(s) will be required to inform residents of planned repairs at least 24 hours before they are undertaken if the contractor is aware that this work is to be carried out in advance. This will allow them to make alternative arrangements particularly if there is only one lift in the building. If an emergency repair needs to be carried out and there is engineer and spare parts availability then no notice shall be given.

In terms of performance management on the current contract, Otis's performance is monitored on a daily basis through the Central Monitoring System (CMS). The CMS system is linked to the Electronic Monitoring Units (EMU) 'outstations located in each Housing Lift and some Non Housing lifts.

Acivico will use the CMS system to run monthly reports in respect of the successful provider's performance.

Some of the lifts in properties managed by Birmingham Property Services are not connected to the CMS system. These are manually monitored particularly those lifts in Central Administrative Buildings. For instance, if there is a trapping the lift user is instructed to press the alarm button. This then places a call to Otis's office. Outside of office hours, these calls are routed to Otis's Night Operations Team.

6. Evaluation of alternative option(s):
6.1 To do nothing – this is not an option as reliable lifts are required to ensure accessibility to, from and within Council buildings.
6.2 The alternative procurement options are detailed in 5.5.

7. Reasons for Decisions (s):
7.1 To enable the Acting Strategic Director of Place to commence tendering activity for the repair and maintenance of lifts to Council buildings to include major refurbishments and new installations of lifts to existing buildings.

Signatures	<u>Date</u>
Jacqui Kennedy Acting Strategic Director of Place
Councillor Stewart Stacey Cabinet Member: Commissioning, Contracting and Improvement

List of Background Documents used to compile this Report:
1. Public Report - Tender Strategy for the Repair and Maintenance of Lifts to Council Buildings to include Major Refurbishments and Installations to existing buildings, F0222 – 16 th December 2013

List of Appendices accompanying this Report (if any):
1. Equality Act 2010.
2. Equalities Assessment Initial Screening

			02.11.2015
--	--	--	-------------------

Appendix 1

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation

Appendix 2

INITIAL SCREENING – STAGE 1

As a public authority we need to ensure that our strategies, policies, functions and services, current and proposed has given due regard to equality and diversity.

Please complete the following questions to determine whether a Full EA is required.

Name of policy, strategy or function: Contract Strategy for the Repair and Maintenance of Lifts to Council buildings to include Major Refurbishment and Installation to existing buildings.	Ref: 490451/2013
--	-----------------------------------

Responsible Officer: Martin Tolley	Role: Integrated Service Head
Directorate:	Assessment Date: October 2013

Is this a: Policy <input type="checkbox"/> Strategy <input checked="" type="checkbox"/> Function <input type="checkbox"/> Service <input type="checkbox"/> Is this: New or Proposed <input type="checkbox"/> Already exists and is being reviewed <input type="checkbox"/> Is Changing <input checked="" type="checkbox"/>

1. What are the main aims, objectives of the policy, strategy, function or service and the intended outcomes and who is likely to benefit from it?

Procurement to re-tender and award contracts for the repair and maintenance of lifts to include major refurbishments and new installations of lifts into existing buildings on behalf of the Council

Aggregating both the Housing and non-Housing contracts and the inclusion of major refurbishments, lift purchase and installation will provide efficiencies in officer time for tendering and also has the opportunity to deliver greater financial benefit in terms of price.

2. Explain how the main aims of the policy, strategy, function or service will support the current Equality Duties? (Due to be replaced April 2011)

- | | |
|--|---|
| 1. Promote equality of opportunity? <input checked="" type="checkbox"/> | 5. Promote positive attitudes towards disabled people? <input checked="" type="checkbox"/> |
| 2. Eliminate discrimination? <input checked="" type="checkbox"/> | 6. Encourage participation of disabled people? <input type="checkbox"/> |
| 3. Eliminate harassment? <input checked="" type="checkbox"/> | 7. Consider more favourable treatment of disabled people? <input checked="" type="checkbox"/> |
| 4. Promote good community relations? <input checked="" type="checkbox"/> | |

The contract will enable the Council to meet both its equality obligations and its statutory duty with regard to scheduled maintenance of lifts. This will minimise downtime resulting from lift breakdowns thereby avoiding disruption to users and ensuring lift safety

Key priorities and measures required within this contract focus on the need to respond and adhere to the following performance measures:

- Attendance times, for instance response within 30 minutes for passengers trapped in a lift
- 4 weekly maintenance visits for passenger and goods lifts and 6 monthly for disabled platform lifts and hoists
- Maintaining lift availability at 95% (the 5% downtime also includes downtime for scheduled maintenance and repairs of lifts)

- Response time to breakdown - if only 1 lift in the building* - 1 hour
- Response time to breakdown - if more than 1 lift in the building - 2 hours
- Scheduled services completed on time

*In some high rise blocks there are 2 lifts that transport to alternate floors. Lifts in these buildings are classed as 1 lift.

The Council has a requirement to maintain its portfolio of housing and non-housing lifts to ensure that users of these lifts are kept safe from injury and harm.

The Council's lift portfolio is split as follows:

- There are 598 passenger lifts - 415 in Housing properties and the remaining 183 in other Council buildings.
- There are also 115 disability platform lifts which are mostly located in schools or academies and 24 hoists.

The Council also has a duty to ensure that employees, service users and the wider community has access to, from and freedom of movement within Council buildings.

There is a 5 year rolling programme of refurbishment works in existence. During 2014/15, 6 full replacement and 1 part refurbishment are planned to be undertaken.

During 2015/16, 8 full replacements are planned to be undertaken.

There is a scoring system in place that determines which lifts are either fully replaced or part refurbished, such as:

- The age and availability of the equipment currently in use. Some lifts still in use are over 40 years old and replacement parts have now become unavailable due to obsolescence. The older and more obsolete the equipment, the higher the score.
- The greater number of breakdowns over the previous 12 months is also factored in. The higher the breakdown rate the higher the score.

All housing lifts and the majority of non-housing lifts meet the current equality requirements with regard to lighting levels, contrasting surfaces, tactile controls and voice announcements.

If the lifts would be temporarily taken out of service all communication with users should be in suitable formats for the visually impaired. Local knowledge and Northgate database will identify risk markers that are used to alert staff/operatives of customer needs e.g. language requirements or specific health needs that would need to be taken account of during maintenance or refurbishment.

The requirements of Standing Order 9 in respect of Equal Opportunities and the Common Standard for Council Contractors in respect of the 'Protected Characteristic' (e.g. Age, Gender, Ethnicity, Disability Gender Orientation, Religion/Belief etc.) will be incorporated into contract documentation.

3. Does your policy, strategy, function or service affect:Service users Yes ☐ No ☒Employees Yes ☐ No ☒Wider community Yes ☐ No ☒**Please provide an explanation for your 'Yes' or 'No' answer**

In general people will be affected by this process in a positive manner as there will be a 5 year rolling programme of major refurbishment/replacement of lifts.

Further, within the scope of this document all steps have been taken to ensure we promote equality across services users, employees and the wider community covering the areas of age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, marriage and civil partnership, pregnancy and maternity or human rights.

4. Are there any aspects of the policy, strategy, function or service, including how it is delivered, or accessed, that could contribute to inequality? (including direct or indirect discrimination to service users or employees)Yes ☐ No ☒**Please provide an explanation for your 'Yes' or 'No' answer**

It is not anticipated that any aspects of this proposal will directly or indirectly contribute to inequality on the grounds of age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, marriage and civil partnership, pregnancy and maternity or human rights.

- Language line – is available as a translation service to inform customers of maintenance programmes where lifts will be temporarily taken out of service for any amount of time
- Equality adaptations will be carried out as part of the refurbishment works to any lifts which do not already have them. The range of work includes large keypads, lighting levels, contrasting surfaces, tactile controls and voice announcements.

5. Will the policy, strategy, function or service, have an adverse (negative) impact upon the lives of people, including employees and service users?Yes ☐ No ☒**Please provide an explanation for your 'Yes' or 'No' answer**

We will endeavour to meet our diverse Customers' lifestyle and commitments by taking into account such things as,

- Disability e.g. mental health issues, mobility, ability to use end products such as lift controls.
- Age related issues.
- Illnesses including long term chronic conditions during maintenance arrangements.
- Barriers to communications such as languages spoken, hearing impairments, reading or visually impaired.
- In order to minimise and where possible, eliminate adverse impact on our Customers, customer profile and property information is obtained and available on Northgate/Risk register and through local knowledge.
- We use the feedback from our Customer satisfaction forms, complaints handling, and general analysis to carry out reality checks to identify short falls in our service delivery to improve the level of services provided to our Customers.
- Negative Satisfaction forms are analysed by BCC and Partners. The Partners contact the dis-satisfied Customers to see why there was dissatisfaction with the work to remedy the issue and learn from the feedback.
- Complaints are logged on BCC's complaints database, Your Views.

6. Is an Equality Impact Needs Assessment required?

If your answer to question 2 has identified potential adverse impact and you have answered 'yes' to any of the following questions 3, 4, or 5, then you should carry out a Full EINA.

Does the Policy, Strategy, Function or Service require a Full Equality Impact Needs Assessment (EINA)? Yes ☐ No ☒

If a Full EINA is required, before proceeding you should discuss the scope of the assessment with service managers in your service area as well as the Directorate EINA Contact Officer.

If a Full EINA is Not required, please sign the declaration below and forward a copy of the Initial Screening to your Directorate EINA Contact Officer.

DECLARATION

A Full EINA is not required, the Initial Screening has demonstrated that the Policy, Strategy, Function or Service is robust; there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.

Chairperson: Martin Tolley

Summary statement:

Sign-off Date: October 2013

Quality check: The screening document has been checked using the agreed audit arrangements in the Directorate:

Name: (Officer/Group carrying out the Quality Check)
Pat McWilliam

Date undertaken:
4th October 2013

Screening review
statement:

Directorate: Contact number:
Local Services 0121 675 1108

EINA Task Group Members:

	Name	Role on Task Group (e.g. service user, manager or service Specialist)	Contact Number
1.	Martin Tolley	Integrated Service Head	0121 303 3974
2.	Bob Gisevicius	Service Co-ordinator	0121 303 7911
3.	Ray Dudley	Client Manager Acivico	0121 303 7076
4.	Pat McWilliam	Senior Service Manager	0121 303 3974
5.	Brian Lancaster	Assistant Group Manager (Lifts) Acivico	0121 303 6480
6.	Nigel Blunt	Group Manager (Maintenance Engineer) Acivico	0121 303 7320