



## **Contracts for Responsive Maintenance to Public Sector Dwellings**

### **RECOMMENDATION**

- 1.1 To approve in principle the award of the contracts for the Responsive Maintenance of public sector dwellings to Commercial Services for a further four years.
- 1.2 To authorise the Director of Policy, in consultation with Derby Homes, to enter into negotiations with the current contractor, Commercial Services.
- 1.3 To authorise the Director of Policy on negotiating satisfactory terms, approved by the Director of Finance, to award the Housing and Repair and Maintenance contracts to Commercial Services for four years subject to annual reviews.

### **REASON FOR RECOMMENDATION**

2. The negotiation of the contract for responsive maintenance to public sector dwellings will allow Derby Homes to continue to develop a good repairs and maintenance service for Derby City Council tenants. It will also provide the opportunity to enter a partnership arrangement for Commercial Services Department. This will introduce further improvements in line with the Best Value principles for construction in the Egan report 'Rethinking Construction'.

### **SUPPORTING INFORMATION**

- 3.1 There are four current contracts for responsive maintenance:
  - Derby – North East
  - Derby – North West
  - Derby – South East
  - Derby – South West.
- 3.2 Commercial Services won all four contracts last time it was tendered out in 1998. The contract was for five years up to 31 March 2003 and an extension up to 31 March 2004 has previously been agreed.
- 3.3 The response to the tendering of the existing contract was poor and only one other contractor tendered for the work.

- 3.4 Based on the response of the recent competitive tendering process for the maintenance of non-housing repairs, where only Commercial Services returned the tender, it is considered that there will be a poor response to the contract for Responsive Maintenance to Council Houses.
- 3.5 It is recommended that the contract with Commercial Services is negotiated using the existing schedule of rates. This would form the basis of a new open book pricing framework.
- 3.6 The performance of Commercial Services has been good over the period of the contract and this service achieved a three-star Best Value assessment. Relevant performance indicators are:
- BVPI 172  
Percentage of Urgent Repairs carried out within Government Time Limits – 98% (within the upper quartile when compared to other ALMOs / Major cities figures.)
  - Percentage of all repairs carried out within local targets is 96%.

These figures are taken from 31 October 2003 performance figures

- 3.7 The arrangements will be reviewed on an annual basis having regard to the performance over the previous year including work completed on time, levels of appointments made and kept, and turn around of voids. Performance management will be an integral part of the contractual arrangements. Areas of performance key to the success of the work include quality of repair work, customer satisfaction with the service, cost and speediness of the service. There will be an option to tender the service if performance targets are not achieved.
- 3.8 Derby Homes is placing particular emphasis on the customer service aspect of the work. They want to work in partnership with Commercial Services to enable dedicated staff such as a customer service manager, to be included as an integral part of the team.
- 3.9 Tenants will have the opportunity to become more involved in the new contract and a similar structure to that of the existing strategic partnership for Homes Pride will be created. In addition, Derby Homes will expect the Contractor to interact more with Local Boards and community panels.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. The total approximate annual value of the contracts is £5.8 million. Increases in costs for inflation, if any, will be index based.

**Legal**

2. It is proposed to base the contractual agreement on a Form of Contract suitable for Partnering.

**Personnel**

3. Negotiating these contracts will allow Derby Homes to further improve the service given to the tenants of Derby.

**Equalities impact**

4. The contractor is required to undertake work in the homes of the tenants. Commercial Services have provided front line staff with training on cultural awareness and are committed to positive actions to make their workforce reflect the profile of the local population.

**Corporate objectives and priorities for change**

5. The proposal comes under the Council's Objectives of **protecting and supporting people** and **integrated, cost effective services**.