

# Guildford Borough Council

**Report to:** Executive  
**Date:** 28 November 2024  
**Ward(s) affected:** 'All' Wards  
**Report of Strategic Director of:** Finance and Resources (s151)  
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**Lead Executive Member:** Councillor Lucas  
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**Status:** Open  
**Key decision:** Yes

## Procurement of contract for provision of Servicing Domestic Boilers (West Area)

### 1.0 Executive Summary

1.1 The purpose of this report is to seek approval from Executive for the award of a new 12 month contract for K&T Heating Services Limited under Fusion 21 Framework (Fusion21 Heating, Renewables, and Electrical Framework- Lot 1 Domestic Heating [Combustibles]) which will enable the Council to procure services of a contractor to deliver Council's statutory duty of servicing of domestic boilers. This is a regulatory service for Gas safety compliance.

1.2 The current contract with K&T covering the west region of the Council expires on 6<sup>th</sup> December 2024.

### 2.0 Recommendation to Executive

**That the Executive resolves to:**

2.1 Authorise the entering into of a new contract with K&T Heating Services Limited under Fusion 21 Framework (Fusion21 Heating, Renewables, and Electrical Framework- Lot 1 Domestic Heating [Combustibles]) for the servicing of domestic boilers with a financial cap of £1.3 million pounds for a term of 1 year.

### **3.0 Reasons for Recommendations**

- 3.1 The Council is preparing a tender for a longer-term contract which is envisaged to be awarded in 12 months period. It is imperative that whilst the council is preparing for a long-term contract, the regulatory service of Domestic Boiler Servicing is provided continuously. Any new contractor will need a 3-month mobilisation period and considering that new long-term contract will be ready for execution in 12 months' time, continuity of the incumbent supplier becomes imperative.
- 3.2 Additionally, the costs for demobilisation of current contractor and cost of system integration and mobilisation of new contract for a short period would outweigh any benefit from bringing in any potential new supplier.
- 3.3 Value for money is demonstrated by continuity of the service noting that we have continuity of service, and K&T are the no.1 ranked supplier on the Fusion 21 framework. There is an approximate saving of 10% on existing fees by using this framework.

### **4.0 Status of Report**

Open

### **5.0 Strategic Priorities**

This procurement supports the Council's objectives of:

- A resilient and well managed council as the consideration of the contracts being procured provides best value and use of council resources.
- decent and affordable homes – ensuring that residents are safe

### **6.0 Background**

- 6.1 The council is in the process of preparing tender to award a long-term contract for Domestic Boiler Servicing. The long term contract will take about 12 months to conclude whilst the current regulatory service Domestic Boiler Servicing still needs to be undertaken.

- 6.2 Currently the Borough is geographically split into East region managed by supplier TSG and West region managed by K&T. The current contract for East region of the council is with TSG and is coming to an end on 4th November 2024, and was recently approved for extension.
- 6.3 The contractors are also contracted to carry out any repairs for loss of heating and hot water and as such they are paid per property an all-inclusive annual rate for the gas service and 1 x repair per property. Should a property have more than 1 repair visit per year it is at the cost of the contractor which ensures a steady incentive to maintain the system well and deliver a best possible first-time fix.

## **7.0 Options**

- 7.1 If we do not enter into a contract, the Council will fail in providing its statutory Gas and Boiler Servicing requirements. This presents a significant risk to the Council given the risk involved in not servicing a boiler to Health and Safety duties of the council.
- 7.2 Extending the contract with K&T will result in continuous delivery of this critical service.

## **8.0 Consultation**

Consultation was sought with Procurement and Legal services prior to and during the procurement process.

## **9.0 Key Risks**

- 9.1 If the Council does not have a Domestic Boiler Servicing contractor, the council will fail to delivery on its statutory duties and due to high risk involved with boilers, council will put the occupiers of the council property at risk. This will additionally increase risk on the asset side of the council properties.

## **10.0 Legal and Governance Implications**

10.1 Procurement and legal advice has been sought, and provided throughout, and the contract extension is compliant.

10.2 The new Scheme of Delegation and Contract Procedure Rules require that Executive decides whether to enter a contract where the decision is a Key Decision. This is a Key Decision as the value of the contract exceeds £200,000.

## **11.0 Financial Implications**

11.1 The contract will cost £1.3m over period of 12 months.

## **12.0 Human Resources Implications**

12.1 There are no HR implications as the activity is not provided in house therefore no posts are affected.

## **13.0 Equality and Diversity Implications**

13.1 There are not equality and diversity implications for the purpose of this report.

## **14.0 Climate Change and Sustainability Implications**

14.1 As part of plan to reduce carbon emissions, this servicing regime will ensure that our existing boilers run as efficiently as possible. When a need for a replacement boiler is identified, we also only use energy rated “A” boilers as replacements.

14.2 It is not currently value for money to replace boilers with heat pumps. However, this will be included in our future asset management strategy and long-term heating strategy.

14.3 In addition, the Fusion 21 framework requires that each tenderer:

- Has its own environmental and sustainability policy with a view to reducing its carbon footprint.
- Assist the Council in exploring how the environmental performance and sustainability of the services might be improved and environmental impact reduced by considering

energy consumption /reducing waste / selection of materials used.

## 15.0 Next Steps

15.1 To conclude the contract with K&T Services Limited under Fusion 21 Framework (Fusion21 Heating, Renewables, and Electrical Framework- Lot 1 Domestic Heating [Combustibles]) to ensure continuity of supply.

## 16.0 Background Papers

16.1 None

## 17.0 Appendices

17.1 None

### Report clearance progress:

Finance	Richard Bates	30 October 2024
Legal & Governance	Tom Edwards/Claire Beesly	15 November 2024
Human Resources	Francesca Chapman	
Equalities	Francesca Chapman	
Strategic Director	Julian Higson	12 November 2024