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Contract

London Borough of Havering - Strategic Heating Partner

London Borough of Havering

F03: Contract award notice

Notice identifier: 2024/S 000-035404

Procurement identifier (OCID): ocds-h6vhtk-03c48a

Published 31 October 2024, 8:19pm

Section I: Contracting authority

I.1) Name and addresses

London Borough of Havering

Town Hall, Main Road

Romford

RM1 3BB

Contact

Shelley Wood

Email

Shelley.wood@lumensol.co.uk

Telephone

+44 7342933523

Country

United Kingdom

Region code

UKI - London

Internet address(es)

Main address

<https://www.havering.gov.uk/>

Buyer's address

<https://uk.eu-supply.com/ctm/Company/CompanyInformation/Index/131121>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

London Borough of Havering - Strategic Heating Partner

Reference number

L103

II.1.2) Main CPV code

- 45300000 - Building installation work

II.1.3) Type of contract

Works

II.1.4) Short description

LB of Havering have successfully awarded a contract to K&T Heating to be their strategic heating partner to:

- a) Deliver servicing, maintenance and ad-hoc replacements of domestic and commercial wet heating systems
- b) Work jointly with Havering to deliver a heating strategy and future Tasks and services to incorporate electric, alternative fuel and renewable systems

The contract is for an initial term of 9 years 7 months to 31st March 2035 with a optional 5 year extension to 2040, the estimated value for the initial term is £60,000,000. The full estimated value of £140,000,000 includes the extension taking the contract to 2040.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £140,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45000000 - Construction work
- 45300000 - Building installation work
- 45310000 - Electrical installation work
- 45321000 - Thermal insulation work
- 45330000 - Plumbing and sanitary works
- 45331100 - Central-heating installation work
- 50500000 - Repair and maintenance services for pumps, valves, taps and metal containers and machinery
- 50510000 - Repair and maintenance services of pumps, valves, taps and metal containers
- 50700000 - Repair and maintenance services of building installations
- 50710000 - Repair and maintenance services of electrical and mechanical building installations
- 50721000 - Commissioning of heating installations

II.2.3) Place of performance

NUTS codes

- UKI - London

II.2.4) Description of the procurement

Following a Competitive Dialogue procedure, London Borough of Havering have successfully awarded a Contract to K&T Heating to be their strategic heating partner to:

- a) Deliver servicing, maintenance and ad-hoc replacements of domestic and commercial wet heating systems
- b) Work jointly with Havering to deliver a heating strategy and future Tasks and services to incorporate electric, alternative fuel and renewable systems

The core services of this Contract comprise the following:

- a) Servicing, maintenance and ad-hoc replacements to 8,239 domestic heating systems
- b) Servicing, maintenance and ad-hoc replacements to 77 commercial heating systems
- c) Installation and ongoing servicing and maintenance of alternative heating systems.

Due to the volume of developing technologies in the area of heating systems, and the speed at which these technologies are becoming feasible, there is a requirement for the Service Provider to work with Havering and the other parties within the Strategic Partnering Alliance to deliver the best solutions for Havering and its residents.

As Havering's decarbonisation strategy evolves and alternative heating technologies evolve in parallel with it, it is anticipated that a product of a successful partnership will be year on year increases in the rate of replacement of current gas heating systems with alternative systems. It is also anticipated that this will be through a combination of direct delivery, by newly skilled operatives trained within the partnership, and specialist subcontractors.

As technologies, products, legislation and funding opportunities evolve, the service provider will be required to evolve the skills of its workforce, supply chain and installation methods in order to continuously provide and demonstrate best value. To enable this, the pricing mechanisms under the contract are designed to provide a method for the derivation of new prices and continuous demonstration of best value as a result of any changes to the specification. The contract includes a mechanism for the parties to agree variations to the specification to reflect new and emerging technology, products, legislation and funding opportunities. The long term continuation of the contract, for example through contract extension, is intended to be predicated on the service provider's success in meeting all of these requirements

The successful Provider has entered into a TAC-1 Term Alliance Contract (with break clauses) for an initial term of 9 years and 7 months, with a possible extension until 31st March 2040.

Havering has followed the competitive dialogue procurement procedure in accordance with the Public Contracts Regulations 2015.

Following completion of the Selection Questionnaire and associated appendices prospective bidders were shortlisted with seven bidders being invited to submit Core Proposals.

Following evaluation of the Core Proposals in accordance with the tender documents, prospective bidders were again shortlisted and three bidders were invited to participate in dialogue with Havering.

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 60

Price - Weighting: 40

II.2.11) Information about options

Options: Yes

Description of options

Potential for 6 year contract extension term.

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2023/S 000-012064](#)

Section V. Award of contract

Contract No

1

Title

London Borough of Havering - Strategic Heating Partner

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

13 September 2024

V.2.2) Information about tenders

Number of tenders received: 3

Number of tenders received by electronic means: 3

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor

K&T Heating Services Ltd

669 Woolwich Road

London

SE7 8LH

Email

bidteam@ktheating.co.uk

Telephone

+44 1708758823

Country

United Kingdom

NUTS code

- UK - United Kingdom

National registration number

115159140

Internet address

<http://www.kths.co.uk>

The contractor is an SME

No

V.2.4) Information on value of contract/lot (excluding VAT)

Total value of the contract/lot: £140,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court of England and Wales

The Strand

London

WC2A 2LL

Country

United Kingdom

VI.4.2) Body responsible for mediation procedures

High Court of England and Wales

The Strand

London

WC2A 2LL

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

Havering observed a 10 day standstill period following the award of the contract which concluded at midnight on 26th April 2024. Havering has conducted the procurement in accordance with the Public Contracts Regulations 2015 (as amended).

VI.4.4) Service from which information about the review procedure may be obtained

Cabinet Office

70 Whitehall

London

SW1A 2AS

Country

United Kingdom