
Contract Award - Building Maintenance Measured Term Contract

Committee considering report:	Executive
Date of Committee:	23 March 2023
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	7 February 2023
Report Author:	Gary Clarke
Forward Plan Ref:	EX4294

1 Purpose of the Report

- 1.1 This paper seeks Executive approval to award the Building Maintenance Measured Term Contract, following a tender process.

2 Recommendations

2.1 The Executive resolves to:

- a) award the contract for the provision of building maintenance services to the successful bidder; and
- b) delegate authority to Service Lead Legal & Democratic Services to finalise the terms of the contract as set out in the tender documents and to make any necessary drafting or other amendments to the terms of the contract which are necessary to reach final agreement but do not materially affect the intent and substance of the contract.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	<p>The estimated contract value is up to £4.2m over 5 years, based on pre-pandemic spend data and includes 10% inflation (CPI 9.9% August 2022).</p> <p>Funded by Capital. As per the Council's constitution, spend under £100,000 requires authority from the relevant Head of Service. Prior to each activity being carried out under the term contract, a quotation for the works will be received from the</p>

Contract Award - Building Maintenance Measured Term Contract

	<p>term contractor and will be approved by Head of Service and Budget Manager (if different). A standard schedule of call out fees will apply to reactive works.</p> <p>Approved by Finance Ian Wigginton 27/01/23.</p>			
Human Resource:	N/A			
Legal:	<p>The procurement has complied with the PCR 2015 and the Council's Contract Rules of Procedure. A bespoke JCT Measured Term Contract has been drafted and will need to be completed as between the Council and the successful bidder.</p> <p>Approved by Claire Say 02/02/23.</p>			
Risk Management:	See paragraph 5 Supporting Information			
Property:	A total of 126 properties will be covered by this contract			
Policy:	N/A			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A

Contract Award - Building Maintenance Measured Term Contract

Environmental Impact:	X			A robust maintenance contract ensures that the Council manages its resources effectively
Health Impact:	X			Well maintained properties are likely to have positive mental and physical impact
ICT Impact:		X		N/A
Digital Services Impact:		X		N/A
Council Strategy Priorities:	X			A robust maintenance contract ensures that the Council manages its resources effectively
Core Business:		X		N/A
Data Impact:		X		N/A
Consultation and Engagement:	<p>Claire Say – Legal Services</p> <p>Leah Rinaldi - Insurance Manager</p> <p>Andi Blinco – Maintenance and Facilities Manager</p> <p>Vickie Collins – Construction & Facilities Category Manager</p> <p>Ian Wigginton - Snr. Finance Manager</p>			

4 Executive Summary

- 4.1 This report seeks approval from the Executive to award the Building Maintenance Measured Term Contract to the winning bidder.
- 4.2 The contract duration is 3 years with a 2 year extension.
- 4.3 A Measured Term Contract as proposed will create a mechanism allowing the Council to instruct services or works at different locations without needing to procure a new contract each time. As per CIPFA recommendations, a 70/30 split between planned maintenance to reactive maintenance in the value of the contract has been applied.

Contract Award - Building Maintenance Measured Term Contract

- 4.4 The proposed contract will be with the winning bidder to provide professional trade services to assist in the planned works, maintenance and reactive repairs to the Council's portfolio of 126 properties throughout West Berkshire including; Corporate Offices, Resource Centres & Care Homes, Leisure Centres, Shaw House, Newbury Museum & Libraries, Pupil Referral Units and Family Hubs, School Caretaker Bungalows and Temporary accommodation properties managed by Housing Services.
- 4.5 The proposed contract will cover all categories of work for reactive repairs, planned maintenance and minor work projects up to a value of £100,000 per activity/project. Within this category the contractor will be required to respond to planned works orders and provide a responsive repairs service both during and outside normal working hours.
- 4.6 Approval of the award of the contract will ensure the benefits of the Term Contract structure will be delivered where they relate to reducing costs and delivering efficiencies in the provision and delivery of maintenance and repair activities across the 126 sites.

5 Supporting Information

Overview and Procurement Strategy

- 5.1 This report outlines the estimated value and the expected benefits of awarding the Building Maintenance Measured Term Contract. This process was run as an open tender process approved by the Procurement Board on 27th October 2022. The tender documents were published on InTend on 16th December 2022.
- 5.2 34 contractors initially expressed an interest in the project. 4 contractors submitted a tender return.
- 5.3 The tender received was evaluated on the basis of 60% price and 40% quality (including 10% Social value). The pricing strategy was to ask for pricing against a set number of likely scenarios, day rates for skilled work and call out charges.
- 5.4 The quality strategy was to assess answers to questions related to Programme Management, Health and Safety, customer service capability in managing appointments, responsiveness and management of emergency call-outs and social value.
- 5.5 The total number of marks available was 1000. The winning tender scored 800.

Background

- 5.6 The estimated contract value is estimated up to £4.2m over 5 years, based on pre-pandemic spend data and includes 10% inflation (CPI 9.9% August 2022). The award of the contract is expected to deliver the following advantages;
 - (a) Efficiency – reducing internal and external transactions costs by providing a clear and simple route to supplying the services.

Contract Award - Building Maintenance Measured Term Contract

- (b) Economy – Agreed rates for repair and maintenance work reduces exposure to fluctuating prices of labour and materials and allows the commissioning officer to concentrate on the delivery of the service without the need to engage in further negotiation.
- (c) Effectiveness – Management of one supplier for a variety of services will enable better monitoring of quality and performance and simplify communications.

Other Proposals

5.7 The existing arrangement for ad hoc commissioning of works does not provide the advantages of the proposed long term contract. Short term contracts are not recommended as a short term contract is unattractive to suppliers and are not advantageous to the Council as a short term contract provides no scope for suppliers to manage mobilisation costs.

Key risks

5.8 Key Risk assessment

Risk	Likelihood	Impact	Owner	Counter Measure
Contractor goes into administration	Med	Possibility of no contractor cover depending on administration status	WBC/Contractor	Financial checks prior to award Revert to temporary contractor cover if necessary
Contractor enters formal liquidation	Low	No Contractor cover	WBC	Revert to temporary contractor cover
No 24hr Cover	Med	No emergency response	WBC	Seek temporary cover
Poor performance	Low	Quality	AB/Contractor	Measured Improvement/communications
No reactive response within agreed SLA's	Low	H&S, No Services	WBC	Improve/communications/action plan

6 Other options considered

6.1 The existing arrangement for ad hoc commissioning of works does not provide the advantages of the proposed long term contract. Short term contracts are not recommended as a short term contract is unattractive to suppliers and are not advantageous to the Council as a short term contract provides no scope for suppliers to manage mobilisation costs.

7 Conclusion

7.1 The Executive resolves to:

- a) award the contract for the provision of building maintenance services to the successful bidder; and
- b) delegate authority to Service Lead Legal & Democratic Services to finalise the terms of the contract as set out in the tender documents and to make any necessary drafting or other amendments to the terms of the contract which are necessary to reach final agreement but do not materially affect the intent and substance of the agreement.

8 Appendices

NONE

Subject to Call-In:

Yes: No:

- | | |
|--|--------------------------|
| The item is due to be referred to Council for final approval | <input type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council | <input type="checkbox"/> |
| Delays in implementation could compromise the Council's position | <input type="checkbox"/> |
| Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months | <input type="checkbox"/> |
| Item is Urgent Key Decision | <input type="checkbox"/> |
| Report is to note only | <input type="checkbox"/> |

Officer details:

Name: Gary Clarke
Job Title: Procurement Officer
Tel No: 01635 876304
E-mail: Gary.Clarke1@westberks.gov.uk