

## Committee: Cabinet

Date: 14<sup>th</sup> September 2015

Wards: All

## Subject: Award of Building Fabric Maintenance Repair Term Contract

Lead officer: Mark Humphries – Assistant Director Infrastructure & Transactions

Lead member: Councillor Mark Allison

Contact officer: Edwin O'Donnell – Head of Facilities Management

### Recommendations:

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1. Award a Building Fabric Maintenance term contract to Tenderer B for a 3 year period from 1st December 2015 to 30th November 2018 with an option to extend for a further 2 years on a 1+1 basis at the discretion of the employer.
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## 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To seek approval to award a new building fabric maintenance and repairs term contract to the best value bidder, Tenderer B, following an OJEU restricted tender process for a 3 year period from 1st December 2015 to 30th November 2018 with an option to extend for a further 2 years on a 1+1 basis at the discretion of the employer.
- 1.2. In response to an OJEU notice thirteen PQQ responses were received and six companies were invited to tender. Four compliant tenders have been received by suppliers who are considered capable of meeting the contract requirements. Evaluation of bids has been based upon a weighting of price 60%: quality 40%. Overall tenderer B scored highest and is recommended to be accepted.
- 1.3.

CONTRACTOR	PRICING SCORE	QUALITY SCORE	TOTAL SCORE
Tenderer A	54.72	31.60	<b>86.32</b>
Tenderer B	60.00	32.00	<b>92.00</b>
Tenderer C	49.70	29.20	<b>78.90</b>
Tenderer D	45.20	32.00	<b>77.20</b>
Tenderer E	Did not respond		
Tenderer F	Did not respond		

## 2 DETAILS

- 2.1. The current Term Contract for Fabric Repairs & Maintenance Works expired on the 3<sup>rd</sup> October 2014 and, as allowed under the terms of the original

tender was initially extended for a period of 12 months to 3rd October 2015 and then again for a 2 month period until 30th November 2015.

2.2. The contract is for the provision of planned and reactive fabric maintenance works within the council's 110 operational buildings, including the provision for a 24 hour emergency call out service.

2.3. The scope of the contract has been extended to include a responsive handyman service covering Merton civic centre and other operational sites.

### **3 ALTERNATIVE OPTIONS**

3.1. There was provision within the existing contract for a further contract extension of 1 year (rather than 2 months). However, it was not recommended that this extension be taken advantage of.

3.2. Alternative options could have been to bring the service in-house or look at contractual solutions for different elements of the overall service.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. Consultation took place with the procurement team and the Procurement Board endorsed the approach agreed at meetings in January and June 2015.

### **5 TIMETABLE**

5.1.

- Options analysis undertaken with procurement - Autumn 2014.
- Prepare the specification – 31<sup>st</sup> December 2014
- OJEU notice – 31<sup>st</sup> January 2015
- PQQ responses – 11<sup>th</sup> March 2015
- ITT issued – 11<sup>th</sup> May 2015
- Tender returns – 21<sup>st</sup> June 2015
- Evaluation of tenders, internal authorisation and approvals process – 30<sup>th</sup> September 2015
- Formal Appointment – 31<sup>st</sup> October 2015
- Contract Start – 1st December 2015

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. The contract must be awarded to a company with relevant expertise, industry accreditation and required insurance indemnity with a record of performance and delivery. The tender and evaluation process has resulted in four compliant bids from suppliers with a proven background of delivering similar public sector contracts.

6.2. The value of the contract has been notionally assessed at circa £1,200,000 per annum, which is made up of approximately £1,100,000 of planned and project works and £100,000 of reactive repairs, but the actual value will be based upon the amount of works required over the course of the year. The reactive works will be funded from existing revenue maintenance budgets (£569,000 in 2015/16), which are held and managed centrally by the Corporate Services Facilities Management section. Project works will have a

variety of funding streams with budgets identified specifically for each project.

- 6.3. The most competitive price from Tenderer B is 11% below the National Schedule of Rates, which compares with 19% below under the existing contract (i.e. an increase in rates of 8%). This reflects changed commercial conditions as the previous contract was let at the height of recession in the construction industry, and it is now a more buoyant market. The total expenditure on all building maintenance contracts will be contained within current and future budgets, and the result of this price increase will be a slight reduction in the volume of work undertaken.

**Comment [AW]:** Please will you include what the current budget 2015/16 is for this. If the cost is increasing by 8% presumably you will manage this contract within that budget plus any general inflationary increase that the Council agrees for future years (for 2015/116 this was 1.5%?

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The Council conducted the procurement activity using the Restricted Procedure in accordance with the requirements of the Public Contracts Regulations 2006 (SI 2006/5) for the purpose of procuring the services. It appears that the Regulations have been applied strictly and that the award of a contract based on the procurement activity will present no risk to the Council.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. No TUPE transfer or redundancy liabilities arise from the award of this contract as no Council staff are affected.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. None identified.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. The successful company is registered as compliant with CHAS (Contractors Health & Safety Assessment Scheme).

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Tender Analysis Report – appendix 1

## **12 BACKGROUND PAPERS**