



To: Executive Councillor for Housing: Councillor Kevin Price
Report by: Head of Estates and Facilities
Relevant scrutiny committee: Housing 24/9/2015
Scrutiny Committee
Wards affected: All

MAINTENANCE/IMPROVEMENT CONTRACTOR PROCUREMENT 2015 - 2017

Key Decision

1. Executive summary

This paper seeks approval to procure a number of contracts to ensure the continued delivery of planned maintenance and capital improvement works for the Council's housing stock and other Council-owned property assets for the next five – eight years.

2. Recommendations

2.1. The Executive Councillor is recommended:

2.1.1. To approve the extension of the current Kier Services' Planned Preventative Maintenance contract for 10 months from June 2016 until March 2017 to allow time for the procurement of a replacement contract to be completed.(see 2.1.2a below)

2.1.2. To authorise the Director of Customer and Community Services to invite and evaluate tenders and, following consultation with Executive Councillor, the Director of Business Transformation, Chair and Spokes of the Committee to award a contract, or contracts, for :

- a) the appointment of one or more contractors to carry out Planned Maintenance/Capital Improvement works for a period of five years from April 2017 to March 2022, with an option to extend for one or more periods up to a maximum extension of three years.

- b) the appointment of a contractor to deliver an annual gas servicing and repairs service for all HRA properties for a period of five years from June 2016 to June 2020, with an option to extend for one or more periods up to a maximum extension of two years.
- 2.1.3. To approve a procurement budget of £25,000 for legal and other implementation costs associated with the procurement and implementation the new planned works contracts and gas servicing contracts referred to in this report.

3. Background

1.1. Planned Maintenance/Improvement Works

- 1.1.1. Planned building maintenance contracts are currently in place with TSG Building Services Ltd. (generally internal works) and Kier Services Ltd. (generally external works).
- 1.1.2. Kier Services were appointed in 2011 and the contract expires in July 2016. Kier are currently delivering a range of planned maintenance services (mainly external works).
- 1.1.3. A new contract is required in order that the Council has a mechanism in place to continue to deliver planned maintenance work defined within the HRA investment programme and also to deliver planned maintenance and refurbishment projects across the whole portfolio of Council buildings.
- 1.1.4. The current value of the contract work delivered by Kier Services is approximately £4m- £5m per annum.
- 1.1.5. It is proposed to carry new out a procurement process to appoint a contractor (or contractors) to deliver external planned building maintenance starting from April 2017. However, in order to allow adequate time to procure and implement the new contract it is recommended that the current Kier Services contract is extended for 10 months from July 2016 –April 2017. This will also ensure that any new contract appointments align with the Council's annual budgetary cycle (April- March) to ensure that programmes are not interrupted and spending profiles affected by transition from one large contract to another mid-year.
- 1.1.6. Planned building maintenance was last procured in 2013. This resulted in the appointment of TSG Building Services to deliver

internal planned maintenance work, and some other services in October 2014. Tenders were also submitted for external works at that time but no contract was awarded because the tenders did not demonstrate value for money at that time.

1.1.7. Draft Procurement timetable

Deadline	Activity
September 2015	Establish project team
September 2015	Procurement report to Housing Committee
October 2015	Procurement report to Community Services Committee
February 2016	Issue OJEU Notice
February 2016	Commence 1 st stage leaseholder consultation
April 2016	Deadline for PQQ return
April 2016	Close of leaseholder consultation
May 2016	Evaluate PQQs and select bidders for tender stage
May 2016	Issue invitation to tender documents
June 2013	Deadline for tender return
June /July	Evaluation, site visits, interviews, confirmation of tenders
July 2013	Confirm results and notify tenderers of results
2 months	EU Standstill (10 days) and 2 nd stage leaseholder consultation process
October 2016	Contract award confirmed
6 months	Implementation/mobilisation/TUPE if applicable
1 April 2017	Contract works commence

1.1. Gas Servicing and Repairs

1.1.1. CCC has a legal responsibility to maintain the safety of all fixed gas fired heating and hot water systems within its rented property and has to have robust procedures to ensure that every property is inspected, tested and certified (Landlord Gas Safety Certificate) every 12 months.

1.1.2. The estimated annual value of the contract including all servicing and repairs is £900,000 - £1,000,000/annum.

1.1.3. Gas Servicing to HRA housing property is currently delivered by Mears Group PLC under a contract called - off from an ESPO framework contract. This contract has already been extended and expires in June 2016. The contract jointly benefits CCC and South Cambs DC and these arrangements have established good joint working arrangements between the two authorities.

1.1.4. It is therefore proposed that CCC will continue to work closely with SCDC in the procurement of a replacement gas servicing contract. CCC have procurement expertise and will lead on procurement requirements and compliance. SCDC have a greater technical expertise and will therefore lead on the work specification and technical content. It is anticipated that separate contracts will be awarded by each Council.

1.1.5. The proposal is for a new contract to provide a comprehensive servicing and fully inclusive repair service (3 star service) to reduce overall administration, ordering and the uncertain costs of “off-contract” repairs as exists with current arrangements.

1.1.6. Procurement timetable

Deadline	Activity
September 2015	Establish project team
September 2015	Procurement report to Housing Committee
October 2015	Issue OJEU Notice
November 2015	Deadline for PQQ return
November 2015	Evaluate PQQs and select bidders for tender stage
December 2015	Issue invitation to tender documents
January 2016	Deadline for tender return
January 2016	Evaluation, site visits, interviews, confirmation of tenders
January 2016	Confirm results and notify tenderers of results
February 2016	EU Standstill (10 days)
February 2016	Contract award confirmed
3 months	Implementation/mobilisation/TUPE if applicable
June 2016	Contract works commence

2.2. Contract Standardisation

3.3.1 The NEC3 Term Service Contract will be utilised to manage planned maintenance works and the gas servicing contract. NEC3 contracts are widely used and are designed to be a stimulus to good project management. It is preferable to standardise contract formats for all major procurements to ensure staff are familiar with contract terms and can use benefit from developed experience to deliver effective and consistent contract management.

4. Implications

4.1 Financial Implications

Prices in the building maintenance and refurbishment sector are currently recovering following periods of deflation or very low inflation. This could result in tendered Prices being higher than those of existing contracts.

4.2 Staffing Implications

4.2.1 There are not expected to be any TUPE implications for Council staff but there may be TUPE implications for current contractors' staff.

4.2.2 Council staff from a range of teams will be required to be involved in the procurement activities outlined in the report.

4.3 Equality and Poverty Implications

None currently. An EQIA will be undertaken where required as part of the project planning / tender analysis for each procurement exercise carried out under this strategy.

4.4 Environmental Implications

4.4.1 The proposal has no climate change impact.

4.4.2 Measures to improve environmental sustainability will be assessed as part of procurement exercises and written into future maintenance contracts.

4.4.3 The areas to be covered will include: -

- Improved specifications and better environmental sourcing of materials
- Measures to minimise water use
- Measures to minimise waste sent to landfill
- Measures to minimise CO2 from works related activities
- Measures to minimise energy consumption on site

4.5 Procurement

Covered elsewhere in the report

4.6 Consultation and communication

4.6.1 The procurement team will principally include representatives from Estates and Facilities (and equivalent from South Cambs DC), Strategic Procurement and Legal Services, supplemented as required by representatives from Finance, HR, Internal Audit and City homes.

4.6.2 Leaseholders will be formally consulted about the procurement of the proposed new Planned Maintenance/Improvement Works contract and time has been included in the procurement programme to accommodate this.

4.6.3 Tenants will be informed that selection of new contractors is taking place through the Open Door newsletter.

4.6.4 The Council's main contractors have been briefed about these proposals.

4.7 Community Safety

There are no community safety implications

5. Background papers

None

6. Appendices

None

7. Inspection of papers

If you have a query on the report please contact:

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