

Item

Procurement of Planned Maintenance Contractor - 2022-2028

To:

Executive Councillor for Housing
Housing Scrutiny Committee 22/6/21

Report by:

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Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 The Council currently has two long-term planned maintenance works contracts in place. One is with Foster Property Services and one is with TSG Building Services. The contract with TSG Building Services is due to expire in November 2022. It is proposed that the Council undertakes a procurement exercise to award a replacement contract so planned maintenance service delivery can continue uninterrupted at the end of the current contract.

2. Recommendations

The Executive Councillor is recommended to:

1. Approve the issue of tenders and, following evaluation of tenders, authorise the Strategic Director (following consultation with Executive Councillor, Chair, Tenant Representative Chair, and Spokes of the Committee) to award a contract(s) to a contractor(s) to carry out planned building maintenance / capital works to Council housing and other buildings for a period of five years and four months from November 2022 to March 2028, with an option to extend for one or more periods up to a maximum extension of three years.

3. Background

3.1 In 2014, following an OJEU compliant tendering exercise, TSG Building Services plc were appointed as main contractors to deliver the (mainly) internal elements of the Council's planned building maintenance programme of work.

3.2 The contract delivers planned building maintenance to all types of Council-owned buildings. Most services are delivered to HRA property.

3.3 The five-year contract was extended for three years in 2019 and is now due to expire on November 2022.

3.4 There is still an on-going demand for the services covered by this contract, so it is proposed that a new procurement is carried out to establish a replacement contract, or contracts.

3.5 It is expected that one replacement contract will be awarded, but the procurement will be carried out in a way that will allow flexibility to award two separate contracts, or lots, if this is advantageous to the Council.

3.6 The estimated value of the future contract is around £6m per annum – making a total estimated contract value of £30m between 2022 and 2028, or up to £48m, if the full three-year extension period was used.

3.7 The proposed services / works to be covered by the new contract are as follows:

Kitchen replacements
Bathroom replacements
Internal and external finishes
Central heating / boilers and renewable energy systems to domestic and non-domestic premises
Energy efficiency works including insulation
Electrical works and services including solar photovoltaic panels
Mechanical and electrical installations, inspection, repairs and servicing including; lifts, communal lighting, air conditioning and ventilation systems, emergency call systems, automatic doors, access control systems, MVHR systems and renewable energy installations, fire alarm systems.
Housing Health and Safety Rating System works, including work to address damp in property
Disability adaptations and improvements
Asbestos removal
Fire safety works
Building extensions, refurbishment projects, and structural works
Estate improvements projects (e.g. fencing, cycle stores, bin stores etc)

3.8 It is proposed that the contract is set up so that services will be available for all Council-owned built assets and for services delivered by the Council to privately-owned property. This will allow works to Council office accommodation, community buildings, Council-owned commercial and business premises to be carried out under the contract as well as work to the Council's housing stock. The Cambridgeshire Home Improvement Agency will be able to access the contract.

3.9 If other services are added in the future then the value of the contract will increase.

4. Implications

a) Financial Implications

The budgets for most of the work that will be carried out under this contract are included in the HRA business plan and 30-year investment plan. Works to other property types will be covered by existing budgets or will be subject to bids for resources.

It is possible that new tender prices will be different to existing prices. Tender price inflation is currently low but it is forecast to increase over the life of the new contract.

The evaluation of tenders will be based on a combination of quality and price with the emphasis on quality of service and work.

An external cost consultant will be appointed to assist with the financial evaluation of tenders to help ensure value for money for the Council.

b) Staffing Implications

The procurement will be managed by the Estates and Facilities team, working closely with the Strategic Procurement team.

Any project consultants will be managed by the Estates and Facilities Contracts and Procurement Manager.

City Homes staff will be responsible for arranging S20 consultation documentation to leaseholders.

Legal Services will provide legal contract advice.

Human Resources will provide contract advice re TUPE.

c) Equality and Poverty Implications

An Equality Impact Assessment is not required – this project is repair work only.

Project specific EQIA's may be required for future maintenance work delivered under this contract.

d) Environmental Implications

The Council's climate change rating tool has been completed to assess the environmental implications of this proposal.

The assessment is that there is Nil net overall impact. The Council's Climate Change Officer has agreed with this assessment.

There is possibly a small positive impact from the installation of new communal and emergency lighting in some blocks which will be LED lighting with improved controls to minimize energy use.

There is likely to be positive impacts from energy efficiency projects carried out under this contract.

e) Procurement Implications

The work will be procured via the Council's procurement portal as an over-the-threshold tender. Routes to market are being considered and the current recommendation is the Competitive Procedure with Negotiation (CPN) procedure. This offers the widest possible flexibility and allows for engagement with suppliers prior to contract award.

It is currently intended that there will be one replacement contract, however it may be advantageous to the Council to award more than one contract, or lots, and flexibility will be built into the procurement process to allow this option.

The Strategic Procurement team will be involved in the project team and the Council's legal team will provide contract advice.

It is almost certain that there could be TUPE implications for the Council in respect of staff and contractors currently working for TSG.

f) Community Safety Implications

There are no procurement-specific community safety implications. This is a contract to ensure existing buildings and services are maintained in good condition.

There may be specific projects that impact on community safety that are delivered by this contract in future.

5. Consultation and communication considerations

The Council's Finance, Legal, Audit, HR, City Homes and Strategic Procurement teams will be actively engaged in the procurement, scrutiny and selection process.

The Strategic Procurement team have been consulted and their advice incorporated into this report.

Resident representatives will be involved as fully as possible in the selection process.

Residents representatives have been informed about the proposals.

A formal leaseholder consultation process will take place during the procurement exercise to ensure the Council complies with all legal requirements and will be able to recover cost of works from leaseholders.

6. Background papers

None

7. Appendices

None

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Will Barfield, Asset Manager

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