

Item

## Procurement of Planned Maintenance Contractor - 2025-2030

**To:**

Executive Councillor for Housing  
Housing Scrutiny Committee 18/06/24

**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 Maintenance Limited, and one is with TSG Building Services. The contract with Foster Property Maintenance Limited is due to expire in September 2025. 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 Director City Services to award a contract(s) to a contractor(s) to carry out planned building maintenance works and associated services to Council housing and other buildings for a period of five years from September 2025 to September 2030, with an option to extend for one or more year(s) up to a maximum extension of three years.

## **3. Background**

3.1 In 2017, following an OJEU compliant tendering exercise, Foster Property Maintenance Limited were appointed as main contractors to deliver the (mainly) external 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 2022 and is now due to expire on 25 September 2025.

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

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 more than one contract if this is advantageous to the Council.

3.6 The estimated value of the future contract is around £6m to £7m per annum – making a total estimated contract value of £30m and £35m between 2025 and 2030, or up to £56m, 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:

Internal and external finishes.
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Re-roofing works including roof structure works.
Rainwater goods, fascias and soffits, chimney works.
Replacement doors and windows.
External and internal insulation works.
External and internal structural works.
External hard and soft landscaping works, including paving and resurfacing.
Fencing.
External and internal painting and repairs.
Garage improvements.
Asbestos removal.
Improvement works to internal and external communal areas including balconies, walkways, handrails and works arising from housing health and safety rating system surveys, lighting, and electrical works.
Small new building extensions, refurbishment projects, and structural works.
Estate Improvement works.
Installation and maintenance of renewable energy installations.
Maintenance / repair of green roofs and other estate drainage systems including SUDS, petrol interceptors and the like.

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. The Cambridgeshire Home Improvement Agency will also be able to access the contract.

3.9 If other services are added in the future then the value of the contract may 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 non-HRA (Housing Revenue Account) 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 can be volatile 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. Social value will play a significant part of the quality evaluation.

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 City Services Asset team, working closely with the Strategic Procurement team.

Any project consultants will be managed by the Asset Team 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 low positive overall impact.

There is likely to be positive impacts from parts of the maintenance work on this contract, for example, replacement doors, windows, and roofs.

**e) Procurement Implications**

The work will be procured via the Council's procurement portal. Routes to market are being considered and the current recommendation is the Restricted Procedure, 2 stage tender. This offers the widest possible flexibility and allows for selection of suitable 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 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 Foster Property Maintenance Limited, but it is unlikely that former LGPS staff pensions shall be transferred to new providers.

There will be a "bidders' day" arranged as part of the procurement process.

**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**

Resident's representatives have been informed about the proposals.

The Council's Tenant and Leaseholder representatives will be involved via the ROAM Group as fully as possible including review of specifications.

Tenant and Leaseholders will also be invited to be involved in the tender selection process.

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

Tenants will be informed about the procurement and new contract via the “Open Door” tenants newsletter.

Key stakeholders will be invited to participate in the selection process. We shall publish an article in the tenant’s newsletter Open Door in the Summer 2024.

**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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