

Wednesday 27th January 2016

Report of	Head of Commercial Services	Author	Lee Spalding ☎ 282118
Title	Request for Delegated Authority in Connection with Procurement of Planned Preventative Maintenance Contracts for CBC and CBH		
Wards affected	All		

This report requests that Cabinet delegates the responsibility for agreeing to enter into a contract(s) with the future Planned Preventative Maintenance contractor(s) for CBC and CBH to the Portfolio Holder for Resources

1. Decision(s) Required

- 1.1 To delegate the responsibility for agreeing to enter into a contract(s) with the future Planned Preventative Maintenance (PPM) contractor(s) to the Portfolio Holder for Resources.

2. Reasons for Decision(s)

- 2.1 Tenders for the future delivery of PPM for CBC and CBH were returned on 7th January 2016 following an OJEU tender process. 32 tenders were returned in all and they are currently in the process of being analysed. The tender returns are also being compared against the existing Property Services framework administered by Essex County Council (ECC) which could also be used by the Council to deliver PPM if it is deemed to provide better value for money than the returned tenders.
- 2.2 The total value of the four year PPM contract(s) is expected to be around £1m which would normally require a Cabinet decision to proceed. However, due to the unexpectedly high number of prequalification questionnaires (PQQs) received and subsequent tender returns, the full analysis of the tenders and the comparison against the ECC framework will not be complete in time for the Cabinet meeting scheduled for 27th January 2016. The following Cabinet meeting scheduled for 16th March 2016 is then too late for orders to be raised for the successful contractor(s) and for the contractor(s) to mobilise in time for the new contracts to start on 1st April 2016.
- 2.3 Delegating authority to the Portfolio Holder would allow an order to be placed with the successful contractor(s) by mid-February at the latest which would give sufficient time for the contractor(s) to mobilise and be ready to start on 1st April 2016.

3. Alternative Options

- 3.1 If the contractors that currently deliver PPM for CBC and CBH are willing, then it may be possible to extend their current commissions for three months by way of separate orders issued to each. This would allow for the future provision of PPM to be agreed at the Cabinet meeting on 16th March 2016. Rates for the three month extension of each contract would have to be negotiated with each individual contractor and the new contracts would then start three months later than planned in the first year.

4. Supporting Information

- 4.1 Statutory servicing and maintenance of plant and systems installed within the Council's corporate buildings and sheltered housing schemes (boiler servicing, legionella monitoring, fire alarms etc), collectively referred to as PPM, is currently delivered via 15 specialist contractors under cover of 15 separate contracts with a total value of c£250k per annum. The current contracts expire on 31st March 2016.
- 4.2 The existing contractors currently delivering PPM are also contractually responsible for undertaking responsive repairs and attending to breakdowns of plant and systems both within and outside of normal working hours and the services that they provide are vital to facilitate the normal operation of Council services.
- 4.3 An OJEU process was commenced in October 2016 for the retender of all PPM contracts. However, the tender attracted an unexpectedly high level of interest from contractors with 64 PQQs being received which following scoring and analysis resulted in tender packages being sent out to 47 contractors on 7th December 2015.
- 4.4 Ultimately 32 tenders were received back on 7th January 2016. Of these tenders returned, some are for all 15 contracts, others for single or pairs of contracts and as such the level of analysis required is considerable to determine firstly the compliance and competitiveness of each tender, and then to consider whether the best value for money solution will be to deliver PPM via a single contractor undertaking all specialist disciplines or whether multiple contractors delivering PPM is the best solution.
- 4.5 Alongside the tender process described above, we have also been considering the Property Services framework administered by ECC for the future delivery of PPM.
- 4.6 This existing Framework was tendered by ECC via OJEU in 2011 and was set up so that other Local Authorities could use it without having to tender the services themselves. The Council first looked at the framework four years ago when the PPM contracts were last tendered and at the time it wasn't competitive. However, the figures that have lately been received via the framework for delivering PPM for CBC and CBH are much more competitive and following an initial analysis appear to generally be in line with figures received as part of the tender process. However, a more detailed analysis is required to confirm the competitiveness of the framework and its suitability as an option for future PPM delivery.
- 4.7 Although the OJEU process was started in time to coincide with a contract award being agreed by Cabinet at its meeting on 27th January 2016, the volume of PQQs received and the subsequent analysis required meant that tenders were sent out approximately one week later than originally intended. The resulting late tender return and sheer number of tenders returned has then meant that there has been insufficient time to complete a detailed analysis of tenders and to compare these against the ECC framework so that an informed recommendation to Cabinet can be made in time for the January meeting.

5. Proposals

- 5.1 It is proposed that once the final analysis of tenders and the ECC framework is complete, a report will be prepared for the Portfolio Holder for Resources recommending how best to proceed with the procurement of PPM for CBC and CBH, and requesting permission to enter into a contract with the successful contractor(s) or utilise the ECC framework accordingly.

6. Strategic Plan References

- 6.1 There are no direct links within this proposal to the Council's Strategic Plan, but the delivery of PPM not only ensures that the Council undertakes all of its statutory obligations with regards to the servicing and maintenance of plant and systems installed within its buildings by law, but it also ensures that the Council's building assets are safe, valuable and fit for purpose, which in turn helps to underpin the delivery of all Council services.

7. Consultation

- 7.1 OJEU legislation which places notices relating to the tender process within the public domain has been adhered to throughout. The CBC Client and the Portfolio Holder for Resources have been consulted at key points throughout the process to date.
- 7.2 CBC and CBH staff and stakeholders will be notified of new PPM arrangements when these have been finalised.

8. Publicity Considerations

- 8.1 The PPM contract(s) award will be published via OJEU and contractors that have been unsuccessful in securing the same notified accordingly.

9. Financial implications

- 9.1. A total budget of £240k has been proposed for the provision of PPM for CBC and CBH within budgets for FY 16/17. It is not anticipated that the final contract sums for FY16/17 will exceed this budget.

10. Equality, Diversity and Human Rights implications

- 10.1 Contractors that have tendered for the PPM have been asked a set of equality and diversity questions at the PQQ stage to ensure that they are fully committed to equality and diversity.
- 10.2 These questions have included:
- Requesting that a copy of the contractor's equal opportunities policy (if they have one) is submitted along with their tender.
 - Confirmation that they are able to fully meet the requirements that all local authorities have, i.e. a statutory duty to outlaw discrimination based on race, sexual orientation, disability, age, religion or belief, gender and human rights, as this duty extends to organisations carrying out functions or works on the council's behalf also.

11. Community Safety Implications

- 11.1 None directly arising from this report.

12. Health and Safety Implications

- 12.1 Although PPM falls outside of the jurisdiction of the Construction Design and Management (CDM) Regulations 2015, due to the nature of the works to be delivered, each contractor has submitted full risk assessments and method statements for the works for which they are pricing as part of their tender submission. These will be checked for quality and suitability as part of the tender analysis.

13. Risk Management Implications

- 13.1 The only major risk associated with this proposal is that a PPM provision is not in place by 1st April 2016. However, if Cabinet agrees to the proposal outlined within sections one and two above, or the alternative proposal outlined within section three, then this risk will be non-existent.

Background Papers

None.