

Corporate Policy and Resources Committee

Date of meeting: 19 January 2022



Title	Procurement of 2021-22 Planned Maintenance Contract
Purpose of the report	To make a decision
Report Author	Alfred Osawe; Senior Building Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	<p>Community – refers to the repair and maintenance of municipal properties.</p> <p>Affordable Housing – refers to the repair and maintenance of residential properties</p> <p>Recovery – requires social value benefits to be delivered via the new contracts</p> <p>Environmental – requires consideration of reduced environmental impact into the repairs and maintenance contracts</p> <p>Service delivery – ensuring well-maintained buildings from which the Council can deliver its services.</p>
Recommendations	<p>The Committee is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the proposed procurement process (a mini competition from Lot 1 of SBC’s Contractors framework agreement) for a new contract to carry out planned maintenance works across nineteen (19) municipal sites in the current financial year (2021/22). 2. Delegate the appointment of the contractor (contract award) to the Deputy Chief Executive Officer in consultation with the Chair and Vice Chair of the Corporate Policy and Resources Committee. 3. Authorise the Head of Corporate Governance to enter into any legal documentation necessary to implement the new contract.
Reason for Recommendation	<p>The recommendations are based on:</p> <ol style="list-style-type: none"> i. The need to provide cost-effective, efficient planned maintenance works across the operational municipal portfolio managed by the Building Services Team (BST). ii. Use of the Council’s own framework agreement to procure the contract via a mini-competition with all (6) providers on

	Lot 1 provides value for money, compliant and timely route to market.
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1. Key issues

- 1.1 The Council commissioned a consultant to carry out stock condition surveys on 144 municipal properties. The survey report identified the life cycle, estimated the cost and generated a 5-year (2021/22 – 2025/26) resource plan for repairs and maintenance which are prioritised in accordance with government guidance, the requirement to comply with the Equality Act 2010, and the Council's own strategic requirements.
- 1.2 This financial year has been particularly busy as BST are faced with procuring many contracts which include all term contracts which have to be prioritised as new respective contractors are to be let by 01/04/2022 deadline. These are contracts that were hitherto managed by Runnymede BC in partnership with Spelthorne BC. Planned maintenance works for the current financial year are therefore scheduled to commence on 14/02/2021.
- 1.3 The results of the stock condition survey have fed into the Council's 5-year Plan. Estimates for the cost of future maintenance have also been provided and are incorporated into an ongoing programme of planned maintenance or improvement works, broken down into annual sections for approval by the Committee each year.
- 1.4 Based on the consideration that the properties and their components have a finite life, the works contained in year 1 of the report have been reviewed and shortlisted for FY 2021/22 such that maintenance is prioritised and scheduled within available budget and avoiding large maintenance expenditure towards the end of the operational life of the assets. In this regard, it is anticipated that more than 70% of 2021/22 planned works will be completed by 31/03/2022.
- 1.5 The planned maintenance works identified for year 2021/22 are considered essential to meet the operational performance and health and safety obligations of the assets.
- 1.6 Other planned maintenance works that are of relatively small cost and scope are carried out by the Council's Building Repairs and Maintenance contractor. This ensures continuous service delivery to reduce maintenance cost, extend asset life and increase workplace safety.
- 1.7 On 3 December 2020, Cabinet approved the recommendations to implement 2 framework agreements - one for Contractors and the other for construction-related Professional Services.
- 1.8 The frameworks were launched in January 2021. The framework agreements, which are in force until 2025, provide a value for money test via a mini-competition of the contractors within each lot, as determined by the value of a call off. The value of this Planned Works contract is estimated to be in the region of £220k and is within the scope of Lot 1 (contracts valued up to £1m and of a general works nature).
- 1.9 Procuring the contract using the SBC framework agreement has the additional benefit of procuring the contract in time for the works to commence in February 2022.

- 1.10 The scope of the contract consists of works across nineteen (19) sites listed in Appendix A (attached). The works include doors / windows replacement, paving, fence renewal, roof renewal, loft insulation and toilet refurbishment.
- 1.11 The contract duration is expected to be four months commencing 14 February 2022. Contractors are required to ensure that their submitted tender prices are valid for acceptance for a period of 60 days from the date of deadline for the submission.
- 1.12 The BST manages the maintenance works and service contracts including planned maintenance works of the Council's asset portfolio.
- 1.13 The Contractors' tender submissions will be evaluated as follows: the price element of the tender will be weighted as 60% of the total tender score, and weighting for quality at 40% to represent the quality and health and safety risk requirements inherent in the contract. The specification includes highly detailed quality and health and safety requirements.
- 1.14 The scoring of the quality element will be based on responses to the Method Statement questions submitted by each contractor. The 60/40 price/quality split is intended to deliver the right balance between quality and price given the type and scope of works to be undertaken.
- 1.15 TUPE does not apply to this contract tender.

2. Options analysis and proposal

2.1 The project team has considered two main options in relation to this procurement. These are:

- i) **Option 1** – tender the contract under a traditional procurement method.

This would require carrying out a full procurement process, with a suitable number of contractors (6 is considered a suitable number to provide competitive tension and attract an appropriate number of market responses from the market). This option would delay the commencement of the contract, as the project team would need to carry out full supplier due diligence (e.g. corporate and financial standing) on all potential providers (bidders).

- ii) **Option 2** - (preferred option) undertake a mini-competition using Lot 1 of the Council's Contractors framework agreement, inviting all 6 contractors to bid for the work.

The framework agreement is comprised of contractors who have been through a rigorous procurement process of selection and evaluation (including checks on their corporate and financial standing). The framework is comprised of contractors who have all the required skills, expertise and accreditations necessary for the project.

The framework provides a compliant and robust route to market which will allow commencement of the contract within this financial year.

The Council will reserve the right not to award a contract for these Planned Maintenance works, in the event that there is insufficient

interest from framework providers, or that the cost of the proposals received are deemed not to offer value for money, or exceed budget.

3. Financial implications

- 3.1 Based on estimates provided by the stock condition survey report, the contract value for the planned maintenance works within the scope of this contract for municipal properties is £220K.
- 3.2 The contract value falls within the scope of Lot 1 of the Council's framework agreement. The use of a mini competition (rather than a direct award) will provide further assurance of value for money.
- 3.3 The works estimated at £220K that will be carried out under this contract are within Asset Maintenance budget of £1,111,900 for the current financial year.
- 3.4 Tender inflation shall not apply during this contract as it is a four-month contract. In addition, there is a clause within the tender that requires contractors to keep tender prices valid for acceptance for a period of 60 days from the date of deadline for tender submission.
- 3.5 There is a requirement to carry forward to 2022/23 some amount in the current financial year as 30% of the works will transpose to between April and mid-June 2022.

4. Other considerations

- 4.1 The BST will work with Corporate Procurement and Finance Department throughout contract duration to ensure that contract deliverables are achieved and also to negotiate the carry forward of about 30% of the contract sum to next financial year. .
- 4.2 The BST and Corporate Procurement teams will be actively engaged in the procurement, scrutiny and selection process. The Corporate Procurement team have been consulted and their advice is incorporated into this report.
- 4.3 The works carried out under this proposed contract will enhance the operational life of Council's assets while supporting service delivery.

5. Equality and Diversity

- 5.1 An Equality Impact Assessment is not required – this project is only for maintenance work of existing assets and components.
- 5.2 There are no procurement-specific community safety implications. This is a contract to ensure existing buildings and services are maintained in good condition while ensuring continuous service delivery to extend asset life and increase workplace safety.
- 5.3 The procurement process will be carried out using SBC framework agreement in accordance with the Council's Contract Standing Orders. The selected contractor shall comply with all relevant Equality and Diversity laws, accessibility standards and Health and Safety regulations

6. Sustainability/Climate Change Implications

6.1 As part of the procurement selection criteria, contractors will be required to demonstrate processes which minimise the environmental impact of their services.

7. Timetable for implementation

7.1 Indicative timetable for procurement of the contract is as follows:

Event	Date
Publication of ITT (mini competition)	20 January 2022
Site Visits	21 - 27 January 2022
Deadline for Receipt of Clarifications	12 noon on 28 January 2022
Deadline for Receipt of Tenders	12 noon on 03 February 2022
Tender Evaluation / Internal Approval	03 February – 07 February 2022
Notification of Award decision	07 February 2022
Contract Commencement Date	14 February 2022