

Cabinet Meeting on Wednesday 19 February 2020

Award of the Planned and Reactive Maintenance and Minor Works Framework Agreement (REF IA1750)



Cllr Mark Deaville, Cabinet Member for Commercial said,

“Procuring services which deliver best value for council are at the core of the council’s commercial service.

“This report sets out plans to set up a new framework for maintenance and minor works from around May 2020.”

Report Summary:

To secure Cabinet approval for authority to approve the full procurement process to secure and manage the Framework Agreement for the Supply of Planned & Reactive Maintenance & Minor Works which will commence around 1 May 2020 for up to 4 years be delegated to the Director of Corporate Services.

Recommendations

I recommend that:

- a. The Council concludes its regulated procurement in line with the Public Contracts Regulations 2015 for the Framework Agreement for the Supply of Planned & Reactive Maintenance & Minor Works, in readiness for an agreement commencement of 1 May 2020;
- b. Following the conclusion of the procurement, Cabinet delegates authority for the Director of Corporate Services to approve:
 - i. the Framework Agreement to be awarded and entered with the successful tenderers to the Framework Agreement; and
 - ii. all subsequent call-off contracts under the Framework Agreement to be awarded and entered into with the successful providers under this Framework Agreement;
 - iii. any novation of the Framework Agreement and call-off contracts to new providers or variations to the terms of the Framework Agreement or call-off contracts, in accordance with the Public Contract Regulations 2015; and
 - iv. the 1-year extension to the Framework Agreement in accordance with the terms of the Framework Agreement (if applicable)

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Commercial

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 - i. the Framework Agreement to be awarded and entered with the successful tenderers to the Framework Agreement; and
 - ii. all subsequent call-off contracts under the Framework Agreement to be awarded and entered into with the successful providers under this Framework Agreement,
 - iii. any novation of the Framework Agreement and call-off contracts to new providers or variations to the terms of the Framework Agreement or call-off contracts, in accordance with the Public Contract Regulations 2015; and
 - iv. the 1-year extension to the Framework Agreement in accordance with the terms of the Framework Agreement (if applicable)

Report of the Director of Corporate Services

Reasons for Recommendations:

1. The current Maintenance & Minor Works Framework Agreement (ref. PC583), procured via the Public Contracts Regulations, expires on 24 May 2020 and a replacement arrangement is required.
2. The scope of the new 3-Lot Framework Agreement (which mirrors the current arrangement) spans:
 - a. general minor works construction projects (projects typically up to £500k) - internal/external alterations, new-build, alterations/extensions, refurbishments, fit-outs, fabric work, and external works.
 - b. mechanical heating works (projects up to £350k) - heating, hot water and gas installations, also air conditioning and mechanical ventilation systems
 - c. electrical works (projects up to £350k) - electrical rewiring, installation of new power, lighting and control systems also electrical ventilation systems

3. It is envisaged that several providers will be appointed under each Lot (up to 6 on lot 1 for minor works and 5 each under lots 3 and 4, mechanical and electrical respectively).
4. The estimated Council spend envisaged through this Framework Agreement over 4 years is approximately £25 million to service the large scope of Council owned public sector estate and schools. Most of the work will be for Council maintained schools.
5. The total procurement will be qualified for up to £50 million to consider flexibility in the Council's spend and to accommodate the potential additional spend of public sector partners.
6. The value of such a procurement requires Cabinet approval.
7. It is not envisaged that any one provider will be awarded a single contract valued in excess of £2 million, though it is possible that over the full term of the Framework Agreement more than one provider may accrue a total of work in excess of the £2 million (Cabinet) threshold.
8. The form of contract used for the call-off contracts will be either JCT Minor Works 2016 with contractor's design or the JCT Measured Term 2016 with a schedule of amendments as detailed in the Framework Agreement. An option is included to employ any other alternative and relevant forms of contract where applicable. There should be no material amendments made to the Framework Agreement or call-off contracts.
9. There are no equivalent lotted agreements procured by any other independent 3rd party central purchasing bodies or contracting authority/council which uniquely hold the local providers required for such works. The option to publically tender this not only serves as an opportunity for local providers to tender but also serves as a bench mark on value for money.
10. Without recourse to a Framework Agreement, Council Officers would be required to invest more resource into spot tendering / quoting for individual work packages which would require a plethora of separately tendered projects per annum conforming to the Council's own internal Procurement Regulations.

Legal Implications

11. The potential value of spend for the works lends the procurement process to strictly follow the Public Contracts Regulations 2015. The implications of any process failing to follow these Regulations could lead to serious legal challenges to the Council with the probable halt by a court on any contract award. A Framework Agreement has been developed in conjunction with Legal Services to allow for the relevant works to be called off as and when required. The call-offs will be managed by Entrust and a call-off process is detailed within the Framework Agreement point (8) above. We are not aware of any other legal implications at the time of writing this report.

Resource and Value for Money Implications

12. The Framework Agreement will be commissioned by the Council, led by a Strategic Property lead, and procured by the Council's Commercial Team. The ongoing technical day-to-day contract management is delivered in conjunction and managed by Entrust. There are no resource implications known at the time of writing this report. The failure to conduct a competitive tender process will inevitably lead to a disaggregation of spend with each project being contracted separately when it arises leading to increase in prices, inefficiencies in the contracting process and a sharp increase in procurement and commissioning effort and therefore this is considered the best way to achieve best value.

List of Background Documents/Appendices:

Community Impact Assessment – Summary Document

Contact Details

Assistant Director: Ian Turner, Assistant Director for Commercial and Assets

Report Author: Paul Timmins

Job Title: Senior Category Manager

Telephone No.: 01785 854646

E-Mail Address: paul.timmins@staffordshire.gov.uk