

## **Cabinet Meeting on Wednesday 21 June 2023**

### **Maintenance and Minor Works Framework**



#### **Councillor Mark Deaville – Cabinet Member for Commercial Matters said,**

“The county council has a large property portfolio of varying age and condition. As we continue to innovate and develop our services, we need to be able to manage our property assets effectively.

This new framework agreement will allow us to procure works for planned and reactive maintenance and minor works.”

#### **Report Summary:**

This report seeks Cabinet approval to undertake a procurement exercise to procure a framework agreement for the provision of planned and reactive maintenance and minor works. The scope of the framework agreement also includes for, Building, Electrical and Mechanical works.

#### **Recommendations**

I recommend that Cabinet:

- a. Approves and agrees to officers undertaking a procurement exercise in compliance with the requirements of the Public Contract Regulations 2015 (the “Regulations”) for the Framework Agreement for Maintenance and Minor Works (the “Framework Agreement”).
- b. Approves that following the procurement process the successful suppliers be appointed to the Framework Agreement for the period 1st May 2024 to 30<sup>th</sup> April 2028. Agreement of the final contractual agreements being delegated to the Assistant Director for Commercial and Assets.
- c. Notes that any instructions in terms of the framework agreement subsequent call-offs will be approved in accordance the council’s Procurement Regulations.

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### **Maintenance and Minor Works Framework**

#### **Recommendations of the Cabinet Member for Commercial Matters**

I recommend that Cabinet:

- a. Approves and agrees to officers undertaking a procurement exercise in compliance with the requirements of the Public Contract Regulations 2015 (the "Regulations") for the Framework Agreement for Maintenance and Minor Works (the "Framework Agreement").
- b. Approves that following the procurement process the successful suppliers be appointed to the Framework Agreement for the period 1st May 2024 to 30<sup>th</sup> April 2028. Agreement of the final contractual agreements being delegated to the Assistant Director for Commercial and Assets.
- c. Notes that any instructions in terms of the framework agreement and subsequent call-offs will be approved in accordance the council's Procurement Regulations.

#### **Local Member Interest:**

N/A

#### **Report of the Deputy Chief Executive and Director of Corporate Services**

##### **Reasons for Recommendations:**

1. The current Maintenance and Minor Works Framework Agreement (IA1750) procured via the Public Contract Regulations has been live since 1<sup>st</sup> May 2020 and is due to expire 30<sup>th</sup> April 2024.
2. The county council has a large property portfolio of varying age, condition and suitability. As the council continues to innovate and develop its services in line with the strategic plan it needs to be able to manage its property assets effectively and make improvements as and when required
3. 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
4. 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).
  5. The total procurement will be qualified for up to £50 million to consider flexibility in the council's spend and to accommodate any potential additional spend of public sector partners. There is an appetite from Stafford Borough Council, Cannock Chase District Council and South Staffordshire Council to use the framework once it is live.
  6. 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.
  7. 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.
  8. There are no equivalent lotted agreements procured by any other independent 3<sup>rd</sup> party central purchasing bodies or contracting authority/council which uniquely hold the local providers required for such works. The option to publicly tender this not only serves as an opportunity for local providers to tender but also serves as a bench mark on value for money and allows in inclusion of a rebate.
  9. 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 councils own Procurement Regulations.

## **Legal Implications**

10. The potential value of spend for the services lends the procurement process to strictly follow the Regulations. 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 in accordance with the requirements of the framework agreement and call off terms and conditions. The call-offs will be managed by the council's property technical services provider and a call-off process is detailed within the Framework Agreement point (7) above. We are not aware of any other legal implications at the time of writing this report.

## **Resource and Value for Money Implications**

11. 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 the council's property technical services provider. 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.

## **Climate Change Implications**

12. The framework agreement and call-off contracts will emphasise the need to recycle and re-use waste products where appropriate and require environmental plans and licenses to ensure correct management and disposal of waste.

13. This specific decision relates to the contractual mechanism for one part of the overall building works programme. The overall programme already meets the County Council priorities where is can, including climate change. However, the team will work closely with the Climate Change Team on a regular basis to ensure we are seeking the best options for carbon reduction within budget and where practical we will seek additional funding from Climate Change Budgets.

## List of Background Documents/Appendices:

N/A

## Contact Details

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