
Cabinet

11 April 2017

Name of Cabinet Member:

Cabinet Member for City Services - Councillor J Innes

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title:

Procurement for Term Contracts Project Management and Property Services

Is this a key decision?

Yes - The proposals within the report have financial implications in excess of £1m per annum and will affect the whole of the City.

Executive Summary:

Coventry City Council's Compliance and Surveying Team provide a property management service for Council buildings and schools as well as a number of external clients. The works mainly include repairs and maintenance with some property improvements and are undertaken on either a planned or reactive basis depending on the work required. The provision of these works has been via Term Contracts for a number of years.

As the existing term contracts are coming to an end, in order to deliver these works it is proposed to undertake a restricted tender process to set up a multi-lot, multi-supplier (between 2 and 4 suppliers per lot) term contract for a period of 4 years. A term contract is an agreement whereby there is no guarantee of work. However, should there be a requirement for such work the term contractor will be approached. The first placed supplier on each lot will be offered the work. The others will be approached if the first place is unable to undertake the work.

As the spend on these contracts would be in excess of £1million per annum, Cabinet is asked to approve the re-letting of these contracts.

Recommendations:

Cabinet is requested to:

- 1) Authorise a procurement process to set up a set of multi-supplier term contracts for 4 years for the provision of property maintenance, repairs and improvements;
- 2) Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for City Services, to agree the award of contract(s) following a restricted tender process;
- 3) Authorise the City Council to enter into Contract(s) with the successful suppliers for the 4 years.

List of Appendices included:

None

Other useful background papers:

Procurement Outline Document (POD) Proc 2 (Gate 2 – Approval to Procure) – Term Contracts Project Management and Property Services. Available by contacting Procurement and Commissioning team on 02476 833757

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Term Contracts Property Asset Management

1. Context (or background)

- 1.1 Coventry City Council's Compliance and Surveying Team delivers a property maintenance repairs and improvement programme covering Council buildings, schools and other external buildings with a spend of circa £3.170M per annum. This is carried out either via our own Repairs and Maintenance workforce or through the use of term contracts.
- 1.2 Capacity limits the ability of our own workforce to carry out all the works required. Their function is primarily reactive repairs. The school customer base require much of the work to be carried out in school holidays which term contractors are able to undertake. This work also attracts fee income.
- 1.3 To enable the delivery of the programme the following works and services are provided by external contractors. The predicted annual spend is shown in brackets:
 - Wet Areas (£200k pa)
 - General Build (£1m pa)
 - Hard Landscaping (£250k pa)
 - Roofing (£1m pa)
 - Flooring (£175k pa)
 - Fencing (£175k pa)
 - Decorations (£250k pa)
 - Ceilings and Partitions (£100k pa)
 - Structural Surveys (£20kpa)
- 1.4 With the exception of Structural Surveys the Council currently has a number of term contracts which commenced in 2013 and expire in August 2017.
- 1.5 The Council has had a similar arrangement to that proposed within this report for the last 4 years and this has been deemed by the client to be successful.
- 1.6 As this will be a term services agreement, no guarantee of value or volume is offered. If funding decreases during the period of the agreement resulting in reduced works, there would be no negative impact as a result. It is estimated that the total contract value based on predicted usage will be in the region of £12.7M over 4 years.
- 1.7 Given the type and nature of these works there is a good local supply market that we would fully expect to apply to tender. Contractors are encouraged to register on our eTendering system CSW-Jets so they are notified when tendering opportunities become available. There are a significant number of local suppliers registered on this system.
- 1.8 A requirement of these contracts will be that the successful tenderers will use Council run services to support their work (eg skip hire, building control) where these are available.

2. Options considered and recommended proposal

- 2.1 Coventry City Council (CCC) uses these term contracts for the works/services outlined in item 1.2 above. CCC's workforce does not have the capacity to undertake these works hence the existing contracts. It is likely that a number of local suppliers will bid for this work.
- 2.2 A review of contracts offered by buying consortiums ESPO, YPO and CCS has shown that either these are not available or they are not suitable.

2.3 Therefore a Coventry led set of term contracts are proposed. A Restricted tender process will be undertaken before the existing arrangements expire in August 2017. There will be 9 lots within the framework covering the existing term contracts plus Structural Surveys. Structural Surveys contracts were previously undertaken on an ad hoc basis.

3. Results of consultation undertaken

3.1 Consultation is not necessary as there are no changes proposed to current operation which is tried and tested.

4. Timetable for implementing this decision

4.1 The current contracts expire in August 2017. Subject to approval of this report, a tender process will be commenced immediately to ensure that a new contract is in place either immediately after the existing one ends or shortly afterwards. The contract will run for 4 years until August 2021.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial implications

This contract is a term services agreement and as such the value outlined within this document is only indicative of likely spend levels. Actual spend levels will be dependent on budget available and any other projects being delivered in a given year. All spend is Revenue.

5.2 Legal implications

Contracts for services of this value need to be let in accordance with not only the Council's Rules for Contracts, but also the Public Contracts Regulations 2015. As the value of the contract exceeds £1 million per year, authority is required from Cabinet to enter into the arrangement. As the contracts contain no guarantee of volume and are in an industry standard form, the term contract offers maximum flexibility and ease of contract management for the authority.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

The Council's operational portfolio, along with schools and commercially let property will be safe and fit for purpose. Providing attractive accommodation for children, adults and visitors, to an acquired standard and specified rate

6.2 How is risk being managed?

The contract form for delivery of this works is under JCT Measured Term Contract which clearly sets out how contracts should be managed and how issues should be escalated. The contract will be managed by the Compliance and Surveying Team. Regular meetings with contractors will ensure active monitoring and management. Escalation of issues will be via the Council's Procurement and Commissioning Team.

6.3 What is the impact on the organisation?

As budgets are reduced while costs are rising there may be an impact in terms of a tangible reduction in the amount of works the Council will be able to undertake. It is key from an Asset Management stance that investment is maintained as far as possible and planned maintenance continues to be properly targeted.

6.4 Equalities / EIA

The Selection Questionnaire asks distinct questions regarding unlawful discrimination and infers expected compliance as part of Coventry City Council's terms and conditions.

6.5 Implications for (or impact on) the environment

Contractors will be required to collect and dispose of general waste in an appropriate secure and environmentally preferable manner; this is to be provided directly by the Contractor or through collections by the relevant local authority or other reputable organisation that the supplier may contract with. Contractors will be expected to use the Council's Commercial Waste Section to achieve this.

In fulfilment of its statutory duty of care, Coventry City Council will require the Contractor to provide full information on the methods of disposal of waste, showing clear evidence of using disposal methods which are environmentally preferable.

6.6 Implications for partner organisations?

None

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