

**TO: THE EXECUTIVE
22 SEPTEMBER 2015**

**REACTIVE MAINTENANCE & REPAIR SERVICES
Director of Corporate Services**

1 PURPOSE OF REPORT

- 1.1 The current contract for Reactive Maintenance has been performed by Graham Facilities Management since taking over the contract from Rok Building Group in 2011 after Rok went into administration.
- 1.2 The value of the contract has been estimated at approximately £700k per annum historically, but with certain elements now procured separately (as identified in 4.3 below) the actual annual contract value is likely to be more in the order of £350k - £500k per annum and therefore Public Contracts Regulations 2015 required that the contract be advertised in the Official Journal of the European Union (OJEU). This value can only be given as an estimate based on a model of the work likely to be carried out during the period. This is due to the nature of reactive maintenance work.
- 1.3 Following advertising in OJEU using the Restricted Procedure, and a robust evaluation of tenders submitted from short-listed candidates, the purpose of this report is now to seek approval to award the new contract.

2 RECOMMENDATION

- 2.1 **That the Measured Term Contract for Building & Engineering Maintenance and Repairs due to commence on 1 December 2015 is awarded to Tenderer B.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Council has an effective and reliable contractor in place to deal with any 'reactive' maintenance issues that may arise.
- 3.2 Failure to do so could result in costly implications for the Council, and could also impact on the services we are able to offer individuals within the Borough. A large number of schools have bought into the services provided by Construction and Maintenance and therefore benefit from the reactive maintenance service arising from this award. This links to Priority Four of the Council's Medium Term objectives which seeks to ensure that the people within the Borough are safe at all times.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The current operational model has been reviewed as part of the Facilities Category Strategy.
- 4.2 One alternative option considered was a contractor framework for reactive maintenance consisting of local small to medium sized building contractors. However it became apparent, while investigating the feasibility of the contractor framework, that the creation of such a framework (i.e. marking and ranking the suppliers fairly and transparently as the Council is obliged to do under the Public Contracts Regulations) proved to be impractical in terms of supplier management for a contract of this nature which requires a quick response, often out of hours.

Unrestricted

4.3 As set out in the agreed Procurement Plan, it was considered prudent to procure a full reactive maintenance term contract as it ensures that the Council complies with the Public Contracts Regulations and has the necessary level of emergency cover in place. It was however considered important that the problems encountered with the current contract, (mainly associated with central office functions including failure to supply management reports and inefficient invoice processes), are addressed going forward as far as possible. The intention is to place greater emphasis on contract management and reporting and, to ensure greater flexibility, some specialist works have been removed from the new contract and are being tendered separately. These are as follows:-

- 1) PAT testing
- 2) Fixed electrical and emergency lighting testing
- 3) Fire alarm testing

This action has the added benefit of offering opportunities to the local business community to tender for these areas each of which is likely to appeal to a different list of specialist suppliers.

4.4 The project team also evaluated the possibility of using an existing framework agreement, however no suitable framework agreements were identified.

4.5 In addition, the Council is seeking to create 'a mini' contractor framework for specific small planned works with approved contractors who generally already undertake work for the authority. This is to address the need for a more responsive, flexible and cost-effective means for dealing with day to day minor repairs and maintenance, work is in hand to establish a framework with a limited number of suppliers covering this area which will be the subject of a separate procurement exercise. This, again, will afford opportunities for local businesses whilst supporting the principles of the Facilities Category Strategy. Contracts awarded will cover both civic and schools' buildings.

5 SUPPORTING INFORMATION

5.1 The current contract Reactive Maintenance contract has been performed by Graham Facilities Management since 2011 and was originally due to expire on 15th May 2015. However, Graham have agreed to continue to 30th November 2015 because of delays to the programme, this is due to the requirement to develop a revised procurement strategy and due to the timings of Executive meetings. The new term maintenance contract will commence on 1st December 2015, this is a 4 year contract and will therefore expire on 30th November 2019.

5.2 A pre-qualification questionnaire (PQQ) was made available on the South East Business Portal, and a total of 19 were returned with 6 organisations making the shortlist. Following the withdrawal of 3 of the tenderers, it was necessary to select 3 replacements. Tender documentation was therefore despatched to 9 organisations overall.

5.3 Only 5 tenders were returned, however that submitted by Tenderer E was rejected as it was late and it was not addressed, as requested, to Democratic Services. The 4 tenders remaining were evaluated against pre-defined criteria, based on a 50/50 Price/Quality ratio. This included a number of qualitative criteria outlined within the Confidential Annexe. Clarification interviews were held on 20th May 2015.

- 5.5 Tenderer B submitted the lowest rates against a pre-defined set of Rates covered within the Invitation to Tender document and scored second on quality based on the model used for evaluation purposes. They therefore scored highest overall and are recommended for acceptance.

Details of the evaluation are set out in the confidential annexe.

- 5.6 The successful tenderer's bid is within the current budget provision.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The procurement has been undertaken in accordance with the Public Contracts Regulations 2006 – 2015 and the Council's Contract Standing Orders as required.

Borough Treasurer

- 6.2 The financial implications are included within the report.

Equalities Impact Assessment

- 6.3 This has been completed for this requirement and was attached to the Procurement Plan.

Strategic Risk Management Issues

- 6.4 Tenderer B is a properly constituted organisation with appropriate finances in place to support the life of the Contract at this time. Independent financial checks have been carried out on the organisation by the Chief Technical Accountant during the procurement process, which have been returned with a low risk score.

- 6.5 Poor performance could also be a risk to the Council. The evaluation team has done its best to minimise this risk by ensuring that the recommended Tenderer has robust accreditation in place with regard to Quality, Health and Safety and Environmental issues. The evaluation team have also ensured that three positive references have also been received from organisations currently utilising the services of Tenderer B.

- 6.6 Related to 6.5 above, any cost benefits or savings which are expected to flow from competitive rates will not be delivered if the on-going prices charged for the tasks performed under the contract are higher than they should be. This could result in high levels of Council management time being spent in checking work in progress. Proactive contract management will be required to monitor supplier performance and to carry out regular reviews.

- 6.7 Tenderer B will review the spend under the contract during year 1 to look at the commercial feasibility of employing an apprentice as part of Bracknell Forest Council's 'Grow your own' initiative. Progress towards this can be monitored during the contract review process.

7 CONSULTATION

Principal Groups Consulted

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- 7.1 The Tender Evaluation Team was drawn from Corporate Procurement and Construction and Maintenance to ensure that there was satisfactory representation to perform an effective assessment. The tender evaluation was reviewed by the Borough Treasurer and Chief Officer: Property. Prior to evaluation, documentation was also seen and approved by the Assistant Borough Solicitor.

Method of Consultation

- 7.2 The draft tender documents were circulated widely for comment to all members of the Tender Evaluation Team (including the Head of Construction and Maintenance) and to the Assistant Borough Solicitor, to ensure all comments were incorporated. The Chief Officer: Property (who is also the Facilities Category Manager) was also consulted at the Project Initiation stage as were the Service Efficiency Steering Group. In addition, a wider group of representative customers of the current and future contract (eg Building Managers) were consulted, and it was partly as a result of these discussions that the decision to establish a separate minor repairs and maintenance framework was taken.

Background Papers

- Measured Term Building Maintenance Specification and JCT pre defined Terms and Conditions & subsequent Bracknell Forest Council Amendments
- Submitted Pre Qualification documents & associated tenders
- Tender Evaluation Spreadsheet
- Procurement Plan

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