

**TO: THE EXECUTIVE
29 MARCH 2011**

**MEASURED TERM CONTRACT FOR BUILDING & ENGINEERING MAINTENANCE
SERVICES
(Director of Corporate Services)**

1 PURPOSE OF DECISION

- 1.1 The Council's contractor for the provision of Building & Engineering Maintenance Services, ROK, went into administration during November 2010. As a result, the Council was required to carry out a full re-tendering exercise using an accelerated procedure. Given the value of the contract, EU Procurement Regulations required that the contract was advertised in the Official Journal of the European Union (OJEU).
- 1.2 The value of the contract has been estimated at approximately £500k per annum, and therefore EU Procurement Regulations required that the contract was advertised in the Official Journal of the European Union (OJEU). This value can only be given as an estimate due to the nature of reactive maintenance work.
- 1.3 Following advertising in OJEU 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(S)

- 2.1 That the Measured Term Contract for Building & Engineering Maintenance and Repairs due to commence on 16 May 2011 is awarded to Tenderer A.**

3 REASONS FOR RECOMMENDATIONS

- 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 in any of its properties.
- 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 school sites have also bought into the services provided by the Building group and will therefore benefit from the reactive maintenance service arising from this award. This in turn 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 One alternative to re-tendering the contract would have been to establish an in-house repair maintenance team. However, outsourcing the provision of this service enables the Council to avoid the recruitment and retention issues that other authorities with in-house teams may experience and furthermore enables the Council to draw on the contractor's specialist staff. Due to the nature of 'reactive' work it would also be very difficult for the Council to know how many individuals would need to be employed to cover such work, so outsourcing allows us to simply pay for the service, as and when it is required.

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

5 SUPPORTING INFORMATION

- 5.1 Since June 2009 there was a Building Maintenance and Engineering Term Maintenance Contract in place with ROK to carry out the Council's reactive maintenance repairs, some planned maintenance and servicing. However, after 16 months of a 2 year contract ROK went into administration, which left the Council with no alternative but to terminate and retender the contract.
- 5.2 A pre-qualification questionnaire (PQQ) was made available on the South East Business Portal, and a total of twenty four were returned with seven organisations making the shortlist. Tender documentation was then despatched to the seven successful organisations on the 11th January 2011.
- 5.3 Only six tenders were returned, and evaluated against the pre-defined criteria, based on a 40/60 Price/Quality ratio. This included a number of qualitative criteria outlined within the confidential annexe. It was decided that interviewing the suppliers would not be required due to the time pressures associated with this re-tender.
- 5.4 A Price/Quality ratio of 40/60 was agreed upon at the start of the project due to the complexity and high visibility of this service, which is highly dependant on the quality of skilled labour provided. It was felt that awarding price with a higher weighting could result in a short term cost advantage which could have easily been later outweighed by the time spent by Council staff in order to keep the contract on track and ensuring works were carried out to the necessary standard.
- 5.5 Tenderer F submitted the lowest rates against a pre-defined set of Rates covered within the Invitation to Tender document. Conditions were adapted from a JCT Measured Term Contract.
- 5.6 Tenderer A scored first on quality and although third on price, was best overall and is therefore recommended. There were no major concerns raised by any of the evaluation team that should prevent the award of any contract.
- 5.7 The successful tenderers quote is within the current budget provision. Moreover their web-based job management system has the potential to realise significant administrative efficiencies for the Council.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The procurement has been carried out in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's Contract Standing Orders. The Council has a statutory power to carry out works on its land and to maintain and generally deal with any of its buildings or works in a proper course of management.

Borough Treasurer

- 6.2 The costs arising from the award of this contract are in line with the Council's existing reactive maintenance budgets.

Equalities Impact Assessment

- 6.3 It is not considered that this decision is likely to affect or impact other groups within the Council or in the wider community; however an initial screening was completed at Project Initiation stage, and duly signed off by the appropriate Chief Officer. A copy of this was published and made available.

However, it should also be noted that the contract terms and conditions set out requirements for equal opportunities, human rights, professional conduct, health and safety and confidentiality.

Strategic Risk Management Issues

- 6.4 The evaluation team has ensured that Tenderer A is a registered organisation with appropriate finances in place to support the life of the Contract at this time. The team have attempted to minimise the financial risk by having two independent financial checks carried out on the organisation by the Chief Technical Accountant at various stages of the procurement process, both of which have been returned with low risk scores. It was also decided to let the new contract on a two year basis with the option to extend by two further years at one yearly intervals. This will allow the Council to monitor the overall performance of the contractor in the current economic downturn.
- 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 regards 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 A.
- 6.6 In the current economic climate, the importance of trying to utilise local labour has also been acknowledged, whilst accepting that the use of many sub-contractors can increase the risk of service breakdown. The team believe that they have actively tried to reduce this risk by looking to appoint Tenderer A, who only sub-contract where specialist skills are required, and are committing to employing an apprentice as part of Bracknell Forest Council's 'Grow your own' initiative.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Tender Evaluation Team was drawn from Corporate Procurement and the Building Group to ensure that there was satisfactory representation to perform an effective assessment. Prior to evaluation, documentation was also seen and approved by the Assistant Borough Solicitor.

Method of Consultation

- 7.2 The draft specification was circulated widely for comment to all members of the Tender Evaluation Team and the Assistant Borough Solicitor, to ensure all comments were incorporated. The Chief Officer: Property was also consulted at the Project Initiation stage.

- 7.3 All members of the Tender Evaluation Team received copies and reviewed all PQQs to feed in to their individual assessment and the overall assessment. The Team met to discuss and agree evaluation and agree scoring of the PQQs and tenders.

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

Contact for further information

Claire Seymour – Senior Procurement Officer (01344 352071)
Claire.Seymour@bracknell-forest.gov.uk

Tony Chadwick – Head of Building Surveyors (01344 355188)
Tony.chadwick@bracknell-forest.gov.uk

Alison Sanders – Director of Corporate Services (01344 355621)
Alison.sanders@bracknell-forest.gov.uk