

Report for: **Cabinet**

Date of Meeting:	29 th April 2021
Subject:	Re-procurement of Building Maintenance Covering Planned Preventative Maintenance /Compliance and Minor Works
Key Decision:	Yes
Responsible Officer:	Paul Walker - Corporate Director Community
Portfolio Holder:	Councillor Varsha Parmar, Portfolio Holder for Environment and Equalities
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report seeks Cabinet approval to embark on the procurement exercise for the re-procurement of the Minor Works and Planned and Preventative Frameworks for both planned and reactive maintenance and the provision of refurbishment and building works to both corporate sites and schools.

Recommendations:

Cabinet is requested to:

1. Grant approval to commence the re-procurement of two frameworks to deliver property maintenance minor works schemes as part of the Councils planned and reactive maintenance works and the planned and preventative maintenance.

2. Delegate authority to the Corporate Director of Community, following consultation with the Portfolio Holder Environment and Equalities, the Portfolio Holder for Finance and Resources and the Director of Finance, to finalise the procurement and award of the contract/s and operationally by Interim Divisional Director of Environmental Services.

Reason:

To provide an efficient and compliant procurement route for the award of building, repair, PPM and decoration works across the Corporate estate and schools, to ensure the Council fulfils its statutory responsibilities for maintaining its buildings and related assets.

Section 2 – Report

- 2.1 The Community Directorate is responsible for planned and reactive maintenance and the provision of refurbishment and building works to over 100 corporate sites, as well as having responsibility for the delivery of the schools' capital maintenance programme.
- 2.2 Since April 2018, the majority of these works have been delivered via the Minor Works and Planned Preventative Maintenance frameworks, which have provided a mechanism to enable the procurement of sub OJEU schemes to deliver the planned maintenance works, including building and refurbishment works, and reactive maintenance.
- 2.3 As the existing frameworks are coming to an end, it is proposed to procure two new multi-supplier frameworks to facilitate the future procurement of such schemes in a process compliant with procurement rules, with the flexibility for a direct call-off or mini-competition to maintain price competition and ensure value for money.
- 2.4 The risks of not having a dedicated minor works and PPM framework in place include:
 - Delay in response times to address identified statutory compliance requirements
 - Extended procurement processes for the significant majority of planned and reactive work
 - Loss of an established set of common standards/expectations that provide the basis for effective performance management for key contractors.

3. Options considered

- 3.1 The options considered were:
 - (a) **Allow the existing frameworks to expire and tender for each piece of work separately** – This option will leave the Council in the position of having to tender all works, except for the lowest value where a single

quote will suffice, on a scheme by scheme basis. This option would prove time consuming, would not prove efficient in terms of officer time required for issuing and evaluating tenders and would likely lead to reduce performance in completing works within acceptable timelines

- (b) **Commence the re-procurement of a framework via competitive tender** – this will replicate the existing arrangement of providing a mechanism for the procurement of sub OJEU schemes, providing a flexible and efficient means for the delivery of ongoing maintenance works, both planned and responsive, which is essential in the effective management of the council's estate.
- (c) **Extend current arrangement** – This option is not available under the current framework conditions

3.2 The preferred option is to progress with Option (b), with the re-procurement of a multi supplier minor works and Planned Preventative Maintenance frameworks offering the following benefits:

- a quicker route to the market compared to complex and costly tender processes
- value for money
- the ability to be flexible and responsive to variations in workload
- reduced response times leading to improved performance and higher client satisfaction rates
- an emphasis on being able to use smaller local suppliers for maintenance and smaller capital works, helping meet our obligations under the Social Value Act and our own corporate aims.

4. Current Situation

- 4.1 The existing Minor Works framework was procured in 2018. The framework has a value of £4m over 3-year framework with 6 contractors appointed.
- 4.2 Works are currently awarded through a combination of direct awards, where the value is below £10,000 and mini tenders, based primarily on the lowest priced quote and the timeline within which the contractor can commit the resources to deliver the scheme
- 4.3 The existing frameworks have a remaining value of £250k which will be exhausted within a month and once the existing framework value has been fully expended, [works](#) including reactive works, will need to be awarded via a tendering process or waiver.

5. Risk Management Implications

- 5.1 Risks included on corporate or directorate risk register? **No**
- 5.2 Separate risk register in place? **No**

5.3 The relevant risks contained in the register are attached/summarised below. **N/A**

The following key risks should be taken onto account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Frameworks will have expired and works will not be carried out in time	Ensuring the direct procurement is carried out through a complaint route whilst Frameworks not in place so that compliance status for both Corporate and school's portfolio is achieved	Low
Non-complaint procurement process leading to legal challenge by unsuccessful bidders	Procurement fully engaged, with fully compliant tender process to reduce any risk of challenge of award outcomes	Low
Value for money not achieved	Tender process will require bidders to provide commercial submission, including discount against NSR rates, with mini competitions on schemes over £10k providing further mitigation	Low
Insufficient interest in the procurement process	Tender is split into lots to allow for bids for smaller lots of works	Low

6. Procurement Implications

- 6.1 It is proposed to procure the frameworks via an open tender, with bidders required to provide technical and commercial submissions, with all Tenders being evaluated for both their technical and commercial suitability in relation to the Authority's Requirements.
- 6.2 The evaluation methodology will be determined during the pre-tender stage in which the tender documents, quality questions and weightings will be drafted and agreed upon by Procurement and service area.
- 6.3 Any procurement arising from this report will be advised on and supported by the procurement team and will be conducted in compliance with the Public Contract Regulations [as amended] and the Contract Procedure Rules.
- 6.4 Post award mini competitions will continue to be held between the successful framework contractors, where it is considered appropriate, to ensure best value on a project by project basis. A quality weighting will also be applied to these projects to ensure that quality is not compromised whilst seeking lowest cost.

7. Legal Implications

- 7.1 There are a number of statutory requirements that set out the Authority's responsibilities in ensuring properties are maintained in a safe and appropriate condition and comply with appropriate statutory, regulatory and corporate standards, including, but not limited to:
 - The general provisions set out under the Health and Safety at Work Act (HSWA) 1974 which apply relevant health and safety legislation in order to provide for the health, safety and welfare at work of employees, and to ensure that those who are not employees are exposed to health and safety risks.
 - Asbestos Management, as outlined in the Control of Asbestos regulations 2012
 - Fire Safety, including requirements set out in the Regulatory Reform (Fire Safety) Order 2005
 - Water Safety, including the control of Legionella as set out in the L8 Code of Practice
 - Lifting Operations and Lifting Equipment Regulations 1998 (LOLER) -
 - Construction Design and Management Regulations 2007

8. Financial Implications

- 8.1 The ongoing cost of the construction and repairs and maintenance work which is to be procured through the Framework will be funded through a combination of capital and annual repairs & maintenance revenue budgets; there will be no requirement to spend on works until budgets are approved and orders placed

- 8.2 The total anticipated spend on Minor Works and PPM for the corporate estate and schools including schools through this contract is expected to remain in the region of £3 million per annum

9. Equalities implications / Public Sector Equality Duty

- 9.1 The proposals described above do not adversely impact upon persons within the protected categories.

Council Priorities

Please identify how the decision sought delivers these priorities.

- 1. Improving the environment and addressing climate change**
The framework will play a key role in the delivery of schemes designed to improve the energy efficiency of buildings and contribute towards the Council's decarbonisation strategy
- 2. Tackling poverty and inequality**
The framework will support the maintenance and refurbishment across the corporate estate, ensuring properties remain in a suitable condition to continue to support delivery of services, often to our most vulnerable residents
- 3. Building homes and infrastructure**
Supports investment in improving the infrastructure across the Corporate Estate and schools.
- 4. Addressing health and social care inequality**
- 5. Thriving Economy**
There will be an emphasis on using smaller, local suppliers for maintenance and smaller capital works, helping meet our obligations under the Social Value Act and our own corporate aims.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 16/04/21

Statutory Officer: Graham McIntosh

Signed on behalf of the Monitoring Officer

Date: 14/04/21

Chief Officer: Paul Walker

Signed by the Corporate Director

Date: 14/04/21

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 19/04/21

Head of Internal Audit: Susan Dixson

Signed by the Head of Internal Audit

Date: 19/04/21

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: NO

The appointment of contractors to a minor works framework does not adversely impact on any of the protected groups. Where works is awarded to a contractor, specific EQIA's will be undertaken on a scheme by scheme basis

Section 4 - Contact Details and Background Papers

Contact: Mick Wynne, Head of Service, Corporate Landlord Capital Programme. Email: mick.wynne@harrow.gov.uk

Michael Rourke, Building Maintenance Manager

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee

NO