

SURREY COUNTY COUNCIL**CABINET****DATE: 16 JULY 2019****REPORT OF: DR ZULLY GRANT DUFF, CABINET MEMBER FOR CORPORATE SUPPORT****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: AWARD OF CONTRACT FOR BUILDING FABRIC MAINTENANCE IN WEST SURREY: DELEGATED AUTHORITY REQUEST****SUMMARY OF ISSUE:**

On 26 March 2019, Cabinet approved the award of contracts for Building Maintenance and Statutory Building Maintenance & Responsive Building Repairs under the tender for Hard Facilities Management. Although included in the same tender exercise, the request for approval did not include the requirement for Building Fabric Maintenance in the West of Surrey area as the bids received did not provide value for money within the budget available.

The decision was made to re-tender this service as a stand-alone requirement.

Typical services to be provided include small building works and repairs to civic offices, historic buildings, operational and commercial buildings, social care premises, educational establishments and schools but exclude highways.

The existing contract for the provision of this service for Building Maintenance and Statutory Building Maintenance & Responsive Building Repairs Planned Maintenance Works expires on 30 September 2019. In order to maintain a continuous service and provide the new contractor with a reasonable mobilisation period, any new contract will need to be issued as soon as possible after the completion of the evaluation. Flexibility is therefore required on the timing of decision making to award contracts. Planning around the set monthly Cabinet dates especially over the summer period for the decision may delay this process and have an impact on maintaining continuity of service.

RECOMMENDATIONS:

It is recommended that Cabinet delegate authority to the Executive Director for Resources, in consultation with the Cabinet Member for Corporate Support, to award a contract to the winning bidder to provide Building Maintenance and Statutory Building Maintenance & Responsive Building Repairs – Building Fabric Maintenance to Surrey County Council Maintained Buildings in the Surrey West Area for up to 7 years.

REASON FOR RECOMMENDATIONS:

We are requesting delegated authority, for decision making to award the contract, to the Executive Director for Resources, in consultation with the Cabinet Member for Corporate Support to ensure that a decision can be made flexibly and quickly to make sure that we can provide continuity of service and to maximise the mobilisation period available to the new Contractor.

DETAILS

1. Property Services is responsible for delivery of Building Fabric Maintenance in the West of Surrey. The value of this contract over 7 years is estimated at £5.25 million. The services include statutory maintenance and responsive repairs as they arise.



2. The works and services relate to civic offices, historic buildings, operational and commercial buildings, social care premises, educational establishments and schools but exclude highways. The number of affected buildings to be covered by this contract is 365 (correct as at 7 June 2019)
3. This requirement has come about as a result of the decision not to award a contract from a previous exercise where the lowest evaluated bid fell considerably outside the available budget for the service.
4. An open competition through an Official Journal of the European Union (OJEU) compliant process is being followed.
5. There is no guaranteed minimum value of spend or volume of work.
6. A contract will be awarded with a validity of 5 years with two possible extensions of one year each. Total maximum validity 7 years.

CONSULTATION:

7. The decision to re-tender was arrived at in consultation with Property Services.

RISK MANAGEMENT AND IMPLICATIONS:

8. This contract does not commit the Council to purchase any works or services. Commitment to purchase will only be made by the Council when it enters into legally binding individual contracts under the terms of the Building Fabric Maintenance contract.
9. The contract includes a three month's notice termination clause.
10. The winning contractor will have satisfied financial checks as well as checks on competency in delivery of similar contracts during the evaluation of the tenders. The Contract Manager will be carrying out financial and insurance checks regularly in order to ensure that the individual contractors meet the minimum criteria during the life of their contract.
11. As this Building Fabric Maintenance Contract will exceed £2m in value the tenderers will be requested to provide security for performance in accordance with the Procurement and Contract Standing Orders.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

12. Control will be exercised over expenditure via a forward plan tracker and member updates.
13. The expected contract value over the maximum seven year validity of the contract is approximately £5.25 million.

SECTION 151 OFFICER COMMENTARY

14. The estimated level of expenditure in this report is included in the current Medium Term financial Plan. Property Services is expected to have in place appropriate controls to ensure that building fabric maintenance purchased through the framework is necessary within the context of the Council's financial situation.
15. The Section 151 Officer notes the delegation of authority and that any award of contract will be on the basis of prior approval to proceed with each project. Further control and oversight is provided by the requirement for the Section 151 Officer to be consulted prior to the award of contract.

LEGAL IMPLICATIONS – MONITORING OFFICER

16. The procurement is to be carried out in accordance with the Public Contracts Regulations 2015 and the Council's Procurement and Contracts Standing Orders 2019.

EQUALITIES AND DIVERSITY

17. All works carried out will be compliant with the Equalities Act 2010.
18. Bidders were advised in the ITT that they would be expected to complete and deliver Social Value in accordance with the Orbis Social Value Measurement Charter. This will result in employment, training and apprenticeships opportunities for residents.

19. It is a requirement that the winning contractors will deliver 5% of the Building Fabric Maintenance Contract value with a minimum of £10,000 of Social Value per annum as calculated by reference to the Social Value Charter.
20. Following award of the Building Fabric Maintenance Contract the Council will host a workshop to further explain the principles of the approach to Social Value to ensure the appointed Contractor understands how Social Value can be delivered as part of the Term Contract objectives.
21. The Contract Manager will be responsible for ensuring that the winning contractor delivers the agreed level of Social Value as part of their overall performance duties

WHAT HAPPENS NEXT:

22. Next Steps:
 - a. Tender for the requirement closes: 8 July 2019.
 - b. Evaluation complete: 22 July 2019.
 - c. Authorisation for award of contract proposed to the Executive Director for Resources, in consultation with the Cabinet Member for Corporate Support: 31 July 2019.
 - d. Standstill Period: 1 August to 14 August 2019.
 - e. Contract issued and signed by both parties: 15 August 2019.

Contact officer: Rob Gilmour, Strategic Procurement Manager

Contact details: robert.gilmour@surreycc.gov.uk

Annexes:

Annex A- Procurement Process