

Report To: Cabinet

Date of Meeting: Tuesday 4 January 2022

Report Title: Renewal of Minor Works Term Contract

Report By: Peter Grace, Assistant Director Financial Services and Revenues

Key Decision: Y

Classification: Open

Purpose of Report

To review and agree the proposed arrangements for renewing the Council's Minor Works Building Maintenance Term Contract and agree to award the contract to the contractor that submitted the most economically advantageous bid in the recent tendering exercise.

Recommendation(s)

- 1. That Cabinet agrees to award the Council's Minor Works Maintenance Contract to the multi-trade building maintenance contractor that submitted the most economically advantageous tender. The contract will begin on 1st April 2022 and run for an initial period of five years with the option of five individual 12-month extensions in single annual increments.**
- 2. That Cabinet agrees to delegate authority to the Chief Finance Officer in consultation with the Lead Member for the relevant portfolio holder to award the optional 12 month extensions following on after the initial five year contract period.**

Reasons for Recommendations

- The existing seven-year term contract currently held by DCB (Kent) Ltd. with an annual spend of approximately £450,000 per year, expires on 31 March 2022. The Council must have a new arrangement in place with effect from 1 April 2022 to ensure continuity of service.
- The form of contract proposed is the Joint Contract Tribunal (JCT) MTC 2016 Measured Term Contract 2016 edition. It is a call-off arrangement with no fixed annual financial commitment by the Council. The agreement would be executed under seal and be awarded to a single multi-trade building contractor. The contract will run for an initial period of five years with the option of five 12-month extensions in single annual increments.
- The arrangement ensures that the Council's day to day requirement for the execution of mainly responsive, relatively low complexity and low value building maintenance works is met. The contract ordering and management system is web-based and also allows for emergency works and some planned cyclical maintenance works of lower value to also be undertaken.

Introduction

1. The Council's land and property portfolio is substantial, extending over an area of approximately 1000 Hectares (about one third the area of the borough) containing over 600 buildings and other built assets with a rebuilding cost of over £150M. It is essential for its officers to have the means to efficiently instruct routine day to day building maintenance works.
2. The Council's existing Minor Works Maintenance Contract (MW15) commenced on 1 April 2015 with DCB (Kent) Ltd. It expires on 31 March 2022 following the end of its second and final 12-month contract extension. The Council therefore needs to have a new arrangement in place to take effect from 1 April 2022 to ensure the continuity of routine building maintenance works across the Council's varied portfolio of buildings and other built assets.
3. Under the agreement the contractor also provides an out of hours emergency callout service and is required to hold limited stores of equipment and supplies locally for dealing with emergencies (Temporary fencing, sandbags, timber, etc.).

New Term Contract Arrangements

4. The contracted work is primarily of a responsive day to day nature, of relatively low complexity and value, and variable in terms of the type of property and the type of building and building services trades involved. There are also a small number of planned renewal and repair programme works which in accordance with the Council's Financial Operating Procedures may also be instructed under this agreement up to a value of £24,999. Anything above this value will be dealt with as a separate contract on the Council's standard terms purchase order or other appropriate industry standard forms of contract. The work covers all the Council's current property portfolio as outlined in the Appendix 1 to this report.
5. The type of contract used will be the Joint Contract Tribunal (JCT) MTC 2016 Measured Term Contract 2016, executed under seal. The contract is priced on a schedule of rates for various jobs using the widely recognised National Schedule of Rates and whilst there is a fall-back provision for the use of day rates when works fall outside the schedule, in practice nearly all such works are completed against written quotes requested by officers before they issue any instructions. The agreement will not be exclusive and does not oblige the Council to use the contractor for all work or commit it to spending any specific amount of money with the appointed contractor in any one year, although a reasonable level of spend will be expected by a successful tenderer to ensure that they maintain an adequate performance over the contract period.
6. This arrangement provides for the appointment of a single multi-trade building maintenance contractor. The contractor will be encouraged to maximise its spend within the local area, this aspect being a regularly monitored contract KPI. The current contractor spends approximately 90% within the borough's economy and over 80% within the boundary of East Sussex. Wherever possible works ordered under this agreement will acknowledge the need to conserve energy and reduce carbon emissions by means of the specification of suitable upgrades along with the use of appropriate materials and building maintenance techniques.

Recommendations

7. That Cabinet agrees to award the Council's Minor Works Maintenance Contract to the multi-trade building maintenance contractor that submitted the most economically advantageous tender in the recent tendering exercise run by the ESPH. The contract will begin on 1 April 2022 and run for an initial period of five years with the option of five individual 12-month extensions in single annual increments.
8. That Cabinet agrees to delegate authority to the Chief Finance Officer in consultation with the Lead Member for the relevant portfolio holder to award the optional 12-month extensions following on after the initial five-year contract period.

Wards Affected

No Wards are directly affected by the renewal of the Council's Minor Works Term Contract

Policy Implications

Equalities & Community Cohesiveness - In the contractor selection process equality issues were covered in the technical questionnaire completed by each tendering contractor. This included any trainee or apprenticeship schemes being offered by firms.

Risk Management – In the contractor selection process each firm's health and safety processes and procedures including risk assessments were covered in the technical questionnaire.

Environmental Issues - In the selection process account was taken of each firm's policies on dealing with carbon emissions reductions, energy efficiency and sustainable procurement

Economic/Financial Implications – The public tendering process produced competitive pricing from several predominantly locally based potential contractors. There is no fixed annual financial commitment to this contract. The budgets for minor maintenance and building works are held by individual Council teams who instruct the council's term maintenance contractor or other specialist providers as they consider appropriate.

Equalities and Community Cohesiveness	Y
Crime and Fear of Crime (Section 17)	N
Risk Management	Y
Environmental Issues & Climate Change	Y
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	N
Local People's Views	N
Anti-Poverty	N
Legal	N

Additional Information

Refer to Appendix 1 for a list of the Council's main sites and work locations.

Officer to Contact

Officer Michael Courtnage

Email mcourtnage@hastings.gov.uk

Tel 01424 451135 for technical queries