

<b>5REPORT TO</b>	<b>DATE OF MEETING</b>
Cabinet	2 April 2014



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Reactive Repair and Maintenance Framework Agreement for Council Buildings	Finance and Resources	Mark Gaffney	5

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

A tendering process has been carried out to appoint contractors on to a proposed Framework Agreement for the Reactive Repair and Maintenance of the Council’s operational and commercial properties and land drainage works. The tendering process has been a joint procurement between the Council, Preston City Council and Chorley Borough Council. This report requests approval to accept the overall lowest cost bids from suitable organisations to be included on the Framework Agreement as detailed in the report.

The proposals in the report link directly to all of the Council’s corporate priorities.

## **RECOMMENDATIONS**

That Cabinet agree:

To accept the highest scoring 5 organisations for each Trade Lot, as detailed in Table 1, on to a Reactive Repairs and Maintenance Framework Agreement for a 12 month period, with the option to extend on an annual basis up to a total maximum framework period of 4 years.

## **DETAILS AND REASONING**

The Council’s operational and commercial buildings require repair and maintenance on an on-going basis. Work is also required as necessary to resolve land drainage issues. It is necessary to have a range of contractors available to enable these works to be instructed effectively. A framework agreement with tendered pre-determined hourly rates from a range of pre-qualified contractors is considered an effective and economical way of ensuring the availability of contractors to address unplanned and reactive works.

A framework agreement is an overarching agreement setting out terms and conditions for the subsequent ordering of works (call-offs), but which places no obligations in itself, on the contracting authority to purchase any goods, services or works. A framework agreement itself is not a contract. Contracts are only formed once work is ordered (called off) under the framework agreement.

Although a framework agreement holds no contractual spend commitment on the Council, potential total spend over a period could be high value. In this case, spend will be spread across 9 separate trade lots and over many suppliers.

In order to take advantage of local collaborative working, the Council has worked in partnership with Preston City Council and Chorley Borough Council to develop the procurement approach and tender documentation for a proposed framework agreement which will be open for all three councils to use.

The Council will be the lead and relevant authority for the purpose of the proposed framework agreement, but Preston City Council and Chorley Borough Council will also be able to access the agreement. However, the contractual relationship for any orders placed under the agreement will be between the individual Council using the agreement and the contractor they engage.

A key consideration in the procurement approach has been to engage and encourage responses from local suppliers and the documentation has been structured accordingly to provide sufficient, effective evaluation information, whilst keeping it simple and easy to complete.

Approval for the procurement approach was obtained by delegated decision on 30 January 2014 and tenders were invited through the Chest on 5 February 2014, inviting rates for the following Trade Lots. The Chest is the regional e-procurement portal that enables tenders and quotations to be advertised, invited, received, completed and submitted electronically.

- Lot 1: Groundwork
- Lot 2: Woodwork (including PVC items)
- Lot 3: Plumbing
- Lot 4: Drainage
- Lot 5: Mechanical Engineering
- Lot 6: Cladding and Roofing
- Lot 7: General Building
- Lot 8: Painting and Decorating
- Lot 9: Land Drainage

A total of 48 bids were received by the tender deadline and these have been evaluated in two stages. Stage 1 assessed the organisations competency in terms of confirmation of Insurance, Health & Safety, Equalities, experience and references etc. Those organisations which passed Stage 1 were evaluated on the cost of their core and non-core hourly rates. The highest scoring 5 organisations for each trade lot have been ranked according to their score and are recommended for inclusion in the Framework Agreement as detailed below:

**Table 1**

Trade Lot	Ranking/Company				
	1st	2nd	3rd	4th	5th
Lot 1	36	1	44	20	24
Lot 2	11	47	20	44	34
Lot 3	44	37	35*	24	39 SRBC and CBC/22 PCC
Lot 4	36	34	24	15	33
Lot 5	44	42	22	41	18
Lot 6	20	3	10	39	45
Lot 7	20	44	5	34	10
Lot 8	1	11	47	44	24
Lot 9	37	17	29	43*	N/A

\* Subject to acceptable reference (outstanding at time of writing report)

The Framework Agreement involves the following work categories:

*Emergency Works* – Work starting from the value of £1 to £1,000 (with the exception of land drainage works which may be up to an approximate value of £5,000) that must be responded to within 1 hour and dealt with as instructed by the Council.

*Urgent Works* – Work starting from the value of £1 to £1,000 that must be responded to within 48 hours and dealt with as instructed by the Council.

*Routine Works* – Works up to the value of £10,000 that must be responded to within the timeframe as instructed by the Council and will be subject to a mini competition/Invitation to Quote (“ITQ”) to all providers included on the agreement for the relevant Lot.

In the event of a direct work request, the company ranked highest (and therefore lowest cost) will be offered the order first. In the event of a mini competition all companies included on the Lot will be invited to submit a quote.

A direct work request will normally be for Emergency and Urgent work where time is of the essence but may also include some lower value routine works.

The initial framework agreement period is 1 year with a built in annual review and an annual option to extend up to a total contract period of 4 years. Performance and spend on the agreement will be monitored and reviewed prior to consideration of any annual extension in accordance with the agreement terms.

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

<b>FINANCIAL</b>	<p>The estimated annual values of the Trade Lots are:</p> <table border="0" data-bbox="480 353 1070 658"> <tr> <td>Lot 1: Groundwork</td> <td>£9,400</td> </tr> <tr> <td>Lot 2: Woodwork</td> <td>£7,700</td> </tr> <tr> <td>Lot 3: Plumbing</td> <td>£10,300</td> </tr> <tr> <td>Lot 4: Drainage</td> <td>£3,000</td> </tr> <tr> <td>Lot 5: Mechanical Engineering</td> <td>£4,000</td> </tr> <tr> <td>Lot 6: Cladding &amp; Roofing</td> <td>£8,500</td> </tr> <tr> <td>Lot 7: General Building</td> <td>£16,900</td> </tr> <tr> <td>Lot 8: Painting &amp; Decorating</td> <td>£5,200</td> </tr> <tr> <td>Lot 9: Land Drainage</td> <td>£30,000</td> </tr> </table> <p>Any works carried out will be funded and contained in the revenue budgets for 2014/15 and beyond. The Council will not be contractually committed to any spend under the Framework Agreement.</p>			Lot 1: Groundwork	£9,400	Lot 2: Woodwork	£7,700	Lot 3: Plumbing	£10,300	Lot 4: Drainage	£3,000	Lot 5: Mechanical Engineering	£4,000	Lot 6: Cladding & Roofing	£8,500	Lot 7: General Building	£16,900	Lot 8: Painting & Decorating	£5,200	Lot 9: Land Drainage	£30,000
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<b>LEGAL</b>	<p>The Framework Agreement is an overarching agreement setting out terms and conditions for subsequent call-offs, but which places no obligation in itself, on the contracting authority to purchase any works. The Framework Agreement itself is not a contract. Contracts are only formed once work is ordered under the agreement. Acceptance onto the Framework Agreement does not guarantee that any organisation will be awarded any works. Organisations are also under no obligation to accept any works orders or to respond to any mini-competition/ITQ issued by the Council, but will be expected to confirm availability immediately on receipt of each work request.</p>																				
<b>RISK</b>	<p>As the UK construction industry shows signs of improvement, tender prices may rise in the next few years. There is a risk that during the period of the Framework Agreement that some of the contractors may be reluctant to continue to accept orders for the tendered hourly labour rates.</p>																				
<b>THE IMPACT ON EQUALITY</b>	<p>There are no impacts on equality as a result of this report.</p>																				
<b>OTHER (see below)</b>	<p><b>Asset Management</b> - The proposals in this report support the management of the Council's assets.  <b>Health and Safety</b> - The proposals in this report assist in maintaining a safe environment for all users of council buildings.</p>																				
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>																		
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>																		
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>																		

## BACKGROUND DOCUMENTS

None