

Cabinet

7 NOVEMBER 2011

**DEPUTY LEADER (+
ENVIRONMENT AND
ASSET
MANAGEMENT)**

*Councillor Nicholas
Botterill*

**PLANNED PREVENTATIVE MAINTENANCE AND
BREAKDOWN REPAIRS OF MECHANICAL PLANT IN
SPECIALIST NON-HOUSING PROPERTIES; WORKS:
PLANNED PREVENTATIVE MAINTENANCE FOR
MECHANICAL SYSTEMS (INCLUDING AIR
CONDITIONING) 2011 – 2015**

**Wards:
All**

This report seeks approval to accept a tender for the above contract.

A separate report on the exempt Cabinet agenda provides exempt information about the tendering process for this contract.

CONTRIBUTORS

AD Finance and
Resources
ADLDS
EDFCG

Recommendation

**To note that the contract is expected to start on 1
January 2012 for a period of 4 years with the options to
extend on annual basis for 3 further years.**

<p>HAS A EIA BEEN COMPLETED? YES</p>

<p>HAS THE REPORT CONTENT BEEN RISK ASSESSED? N/A</p>
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1. BACKGROUND

- 1.1 The existing Measured Term Contract expired in March 2011 and has been extended to the 31st December 2011.
- 1.2 This contract is for the carrying out of Planned Preventative Maintenance of plant in specialist Council properties on an annual cycle, and for carrying out any necessary remedial works. The contract does not give any details of specific remedial works or any guarantees of work as these are given on an ad-hoc basis as the need arises and are the subject of separate individual orders.

2. DETAILS OF TENDER

- 2.1 The proposed overall expenditure (over 4 years) required that a Contract Notice seeking expressions of interest was published in the Official Journal of the European Union (OJEU) and this was carried out. The recommendation for the contractor to be appointed is based on the most economically advantageous tender received. The selection criteria were to be based on a pre-defined price/quality weighted appraisal of the tender submissions and interviews. The quality/price model was set at 80% price and 20% quality. The selection of contractors for the tender list was based upon an evaluation (utilising a pre-defined weighted appraisal) of all submitted Pre-Qualification Questionnaires and was approved by a Key Cabinet Decision in February 2011.
- 2.2 The tenders were invited primarily on an annual cost of maintenance for plant specified on an asset register for each site, but also included supplementary rates for works valued on a Daywork or out-of hours working basis, with percentage additions for Provisional Sums for Materials, Plant and Specialist Sub-Contractors. In addition Provisional Sums for Works valued against the PSA Schedule of Rates for Mechanical Services were included and the Tenderers were required to indicate their required percentage additions/deductions thereto. The Tenderers were also required to insert Sums for the cost of complying with TUPE Regulations and (provisionally) for providing a Performance Bond. All the above were monied out (on an annual basis) thus providing a straightforward comparison of total (per annum) tendered sums.
- 2.3 The incumbent service provider advised that in the event of not being re-awarded the contract, the two on-site engineers would be put forward for TUPE transfer, and this information was provided to the Tenderers.

3. FEES

- 3.1 The professional services previously provided by Building & Property Management (Environment Directorate) are now, following market testing, being provided by EC Harris LLP. Consequently fees are calculated on the basis of the tendered schedule of rates plus the cost of the Client Agent Team, which is funded via a percentage fee to the value of the commissions placed. Fees are charged on the basis of 15% with final account reconciliation at the end of each financial year. Scheme financial approval will include the appropriate fees.

4. ANTICIPATED PROGRAMME

4.1	Approval (Cabinet)	7 th November	2011
	Term Commencement	1 st January	2012
	Term Completion	31 st December	2015

5. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

5.1 It must be noted that currently it is unknown whether the identity, extent and values of breakdown repairs and necessary works will exceed the contract threshold value of £192,544.09. However, since expenditure must fall within budget cash limits set by the Council, regular budget monitoring will highlight any issues which may arise. The annual servicing costs (for planned maintenance) should also be closely reviewed on award of the contract for reductions.

5.2 Further comments are given in the separate exempt report.

6. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY

6.1 The Contract has been tendered in accordance with the Public Contracts Regulations 2006 and the Council's Contract Standing Orders. The exercise has been managed through the Council's e-tendering system and 72 companies downloaded the original pre-qualification questionnaire when the opportunity was published at the end of January 2011. From this number 1 was late (and not considered) 11 opted out and 25 sent in completed expressions of interest.

6.2 Officers from the Corporate Procurement Team have been providing advice throughout the procurement exercise. Consequently the AD is satisfied that the process complies with the requirements of the Regulations and CSOs and agrees with the recommendations contained in the report.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

7.1 The Council's contract standing orders and EU procurement rules have been complied with in relation to this procurement process. Legal Services has been represented on the TAP making the recommendation for award.

LOCAL GOVERNMENT ACT 2000
BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	OJEU Notice, Contractor Applications, Short Listing Details, TAP Documents, Tender Report	A. McGahan EC Harris LLP 07810 850 330.	EC Harris 181 King Street Hammersmith W6 9JU
2.	Project Development	P. Nolan Ext. 4516	BPM/ENV 6 th floor HTH Ext King Street Hammersmith W6 9JU

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