

## THE EXECUTIVE

21 NOVEMBER 2006

### REPORT OF THE CORPORATE DIRECTOR OF REGENERATION

<b>Title: Pre tender report -Term Contract for Building Maintenance Works in Schools and Public Buildings 1 October 2007 – 30 September 2011</b>	<b>For Decision</b>
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#### Summary:

This report asks for authority to seek tenders for a new term contract for building maintenance and repair works in schools, operational and public buildings over a four year term. The existing term contract expires on 30 June 2007. It is anticipated that the new contract will commence October 2007.

A further report will be submitted to the Executive seeking permission to extend the existing contract for a further three months to cover the interim period.

**Wards Affected:** All Wards

#### Implications:

##### Financial:

Based on the historic pattern of expenditure, and bearing in mind the anticipated number of operational and public buildings being reduced, the contract value is estimated to be in excess of £4,000,000 over the four year period. Expenditure for this maintenance work and technical officer's professional fees required to administer and oversee the contract will, as in previous years, be contained within each client's overall annual budgets. The fees will be based on an agreed scale in accordance with pre-agreed Service Level Agreements.

Historic Reactive Works Order Values.				
2002/2003	2003/2004	2004/2005	2005/2006	Totals
£609,809.69	£870,064.04	£853,522.20	£1,814,259.73	£4,147,655.66

The contract relates to reactive and minor works and will be based on priced schedules of rates items plus an element of unspecified work where estimates have been used for materials and hourly attendance rates. Industry agreed adjustments will be applied to the priced schedule of rates annually.

Client departments are expected to use this contract on a call off basis only. This contract is expected to reduce the overall cost of maintaining the Council's schools, operational and public buildings.

The Children's Service Department has advised that whilst schools are encouraged to use the building maintenance contract (under the Best Value principles), the Department cannot insist that they do. Should schools decide not to use this contract and make their own arrangements for building maintenance, the same Health and Safety standards would still apply.

**Legal:**

The Council is required to comply with The Health and Safety etc, Act 1974.

**Risk Management:**

Asset Strategy Officers will administer the contract to pre-agreed service level agreements, strictly monitoring the performance levels of the contractor. In the event of poor performance by the contractor, a first reserve contractor will be utilised to ensure the service is maintained.

Should the Term Contract option not be pursued, Officers would be required to tender all works, which would not be practical in an emergency or out of normal working hours situation.

**Social Inclusion and Diversity:**

There are no specific adverse impacts insofar as this report is concerned.

**Crime and Disorder:**

There are no specific implications insofar as this report is concerned.

**Recommendation(s)**

The Executive is asked to:

1. Authorise officers, in accordance with Constitution (Contract Rule 3.6), to proceed with the seeking of tenders for the for building maintenance works in schools and public buildings;
2. Advise if Councillors should be involved with the packaging and specification of the above mentioned contract and decide the nature of their involvement in the subsequent evaluation and award of the contract; and
3. Note that should the Executive be content with Officers proceeding without direct Councillor input in the packaging and specification and evaluation of the tender, a further report will be presented in June 2007 advising of the results of the tender evaluation process and requesting approval to appoint the successful contractor and a reserve contractor.

**Reason(s)**

To provide a safe and cost effective 24 hour repair and maintenance works service to schools, operational and public buildings, thus helping to achieve one of the Community Priorities of *"Making Barking and Dagenham Cleaner, Greener and Safer"*.

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## **1. Introduction and Background**

- 1.1 The current term contract for building maintenance and repairs was initially awarded to Kirkman & Jourdain Ltd, for a three-year term. The contract made provision for a two year extension, subject to satisfactory performance. This option was implemented from 1 July 2005 and terminates on 30 June 2007.

## **2. Current Position**

- 2.1 The current contract let to Kirkman & Jourdain Ltd is a combination of reactive and small works with a maximum individual order value of £50,000. The contract provides a 24 hour building repair and maintenance service to schools, operational and public buildings, with a pre-priced schedule of rates, which enables users of the contract to control budgets.

## **3. Report Detail**

- 3.1 In order to provide a service which satisfies both legislative and customer requirements it is essential that building managers and clients have access to a 24 hour responsive building repairs contract. Failure to provide this service could result in unsafe equipment and buildings, potentially causing injury and / or ill health to building occupiers, users and visitors which could result in criminal prosecution of Officers and Councillors under Health and Safety legislation.
- 3.2 The contract will work on a "call off" basis from a priced schedule of rates for the duration of the contract. This will ensure the council enjoys the benefits of economies of scale. The "call off" arrangements do not commit the council to guaranteed payments to the contractor by way of any stand-by arrangements, but will ensure continued supply of important services during the contract term of four years, whilst improving maintenance efficiency and enabling the council to standardise equipment used.
- 3.3 It is expected that this contract will be used to meet the council's day to day building maintenance and repairs requirements. Major capital projects and works in excess of £50,000 would continue to be competitively tendered as a separate exercise.
- 3.4 This contract is estimated to be valued in excess of £4,000,000 over the full four-year term. It is confirmed that the relevant provisions of the Contracts Guidance Notes, Contract Rules, Contracts Codes of Practice and Financial Rules of the Council's Constitution and European Union (EU) Procurement Rules will be fully adhered to.
- 3.5 Alternative procurement options have been considered, including Framework Agreements, but at the moment Framework Agreements being considered do not include the provision for reactive maintenance works. Another option would be to tender all such works which would be prohibitively expensive, and prove impracticable to provide an emergency and out of hours works service. The precise contract value will depend on the value of work that is placed with the successful contractor, but is also dependent on client budgets.

- 3.6 The applicants will be assessed on their economic and financial standing, health and safety standards, technical capability, prices and references, as well as a qualitative assessment of performance targets and method statements on a range of criteria relevant to the contract.
- 3.7 The contract will utilise a direct interactive computer link between the Council's mainframe computer system and the Contractor's office, similar to all building services term maintenance contracts generated since 1997 and it is intended to continue to use the Information Technology External Contractors (ITEC) system, as it is known, which has greatly improved the administration of these contracts. The system is also in accordance with current E-government aims.

#### **4. Consultees**

The following have been consulted during the preparation of this report.

##### **Lead Councillors**

Cllr. L. Smith, Deputy Leader of the Council Portfolio

Cllr G. Bramley, Resources Portfolio

Cllr H. Collins, Civic Services Portfolio

Cllr B. Little, Adult, Social Services and Independent Living Portfolio

Cllr. Mrs V. Rush, Community Safety Portfolio

##### **Officers**

##### **Resources**

Muhammad Saleem Divisional Director and Monitoring Officer - Legal Services

Robin Hanton Group Manager – Corporate Law and Deputy Monitoring Officer

Joe Chesterton Head of Corporate Finance

Alex Anderson Group Manager, Regeneration and Customer Services Finance

Patrick Clackett, Head of Strategic Finance and Audit

Stephanie May Assistant Head of HR (Health and Safety).

David Robins, Group Manager, Procurement and Efficiency

##### **Children's Services**

Jane Hargreaves, Head of Quality and School Improvement

Maureen Lowes, Catering Services Manager

Mike Freeman, Group Manager, Asset Management and Capital

Andy Carr, Assets Manager

##### **Adult and Community Services**

Trevor Brown, Group Manager, Libraries

##### **Regeneration**

Jim Mack, Head of Asset Strategy and Capital Delivery

Colin Beever, Group Manager, Property Services

Alan Aubrey, Head of Leisure, Arts and Olympics

Eileen Keller, Group Manager, Facilities Management

Peggy Green, Asset and Facilities Management Officer

##### **Customer Services**

Ken Lyons, Acting Capital Works Manager

**Background Papers Used in the Preparation of the Report: None**