

<b>SUBJECT:</b>	<b>Property Maintenance Framework Agreement</b>
<b>MEETING:</b>	<b>Individual Cabinet Member Decision</b>
<b>DATE:</b>	<b>28<sup>th</sup> March 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

To seek approval to the adoption of a collaborative Property Maintenance Framework following a joint tender process with Gwent Police, Torfaen and Blaenau Gwent councils.

**2. RECOMMENDATIONS:**

- 2.1 To agree to the appointment of five contractors to each of the following lots for the Property Maintenance collaborative arrangement in accordance with Contract Standing Orders.

**General Building**

Lot 1 General Building Blaenau Gwent Region

Lot 2 General Building Monmouthshire and Gwent Police Region

Lot 3 General Building Torfaen Region

**General Electrical**

Lot 4 General Electrical Blaenau Gwent Region

Lot 5 General Electrical Monmouthshire and Gwent Police Region

Lot 6 General Electrical Torfaen Region

**3. KEY ISSUES:**

- 3.1 Since 2009, the Authority has benefitted from a collaborative maintenance framework with Torfaen County Council and Gwent Police which covered urgent and reactive repairs, planned, cyclical duty of care inspection and maintenance and project works. The framework was renewed in 2013 and expired on 31<sup>st</sup> January 2018.
- 3.2 In June 2017 an Officer led working group was established to review the options available and determine the preferred method of procuring maintenance services following the expiry of the framework agreement. This group comprised the Heads of Procurement and Property Lead from each council with officers, with specific expertise, providing support as required. The group was expanded to include Blaenau Gwent who were keen to share in the benefits that the collaborative approach could deliver.

- 3.3 The review concluded that some maintenance regimes e.g. mechanical services, were now better provided through the National Procurement Service, but there were no maintenance frameworks in place, therefore a further collaborative framework would need to be established.
- 3.4 The group were keen to maximize the benefits of the framework to SME's and sought advice from Business Wales on how to ensure this was done in a compliant manner. Two meet the Supplier days were held to support prospective tenderers and it was agreed to sub-divide the work into region lots and specialisms to maximize opportunities and avoid excluding companies that were unable to support the wider resource requirements.
- 3.5 The group also engaged with specialist sustainability advisors, Eunomia, who are funded by Welsh Government. They provided guidance on ensuring that the tender process considered the implications of the Well-being of Future Generations Act and their advice was built into the process.
- 3.6 Following a tender exercise using the Sell2Wales website, 28 tenders were received across the 6 lots. An evaluation exercise was undertaken using a weighted matrix where price was equal to 70% of the score and quality 30% together with an interview process. The outcome resulted in a reduction in the new rates, in comparison to the previous framework, of 6.6% on general maintenance and 26% on the electrical lots. The reasons for this saving can be attributed to the addition of the Blaenau Gwent work and the lotting process that enabled SME's to successfully bid.
- 3.7 The top 5 tenderers in each lot have been selected with the top contractor being appointed as the preferred bidder. The framework is for a period of 3 years with an option to extend for a further year.

#### 4 OPTIONS APPRAISAL

Option	Benefits	Risks	Comments
Do nothing	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Each maintenance job would need to be tendered individually, which would be cost and time prohibitive</li> <li>Unable to respond quickly to emergency situations</li> <li>Not able to benefit from savings from security of contract from supplier</li> <li>Resources required to manage process</li> </ul>	We are not in a position where we can do nothing as this would be the most inefficient option and provide operating difficulties.
Utilise the NPS framework	<ul style="list-style-type: none"> <li>Can utilise a framework that has already been</li> </ul>	<ul style="list-style-type: none"> <li>Not able to influence the selection criteria,</li> </ul>	It has been determined that there is not a

Option	Benefits	Risks	Comments
	<p>procured, reducing time and costs.</p> <ul style="list-style-type: none"> <li>• Contractors will have met eligibility criteria in terms of quality, sustainability, equalities etc.</li> <li>• Potentially lower fees</li> </ul>	<p>which may mean that the threshold levels are lower than we would expect.</p> <ul style="list-style-type: none"> <li>• NPS apply a levy to all contracts let through their frameworks which increases costs</li> <li>• A suitable framework may not be available</li> <li>• May not be tendered in a way that would attract SME's</li> </ul>	<p>framework in place for the maintenance works, but there are suitable frameworks for mechanical services.</p>
Award separate contracts	<ul style="list-style-type: none"> <li>• Could determine eligibility and scoring criteria</li> <li>• Can develop the framework to be attractive to SME's</li> <li>• In control of the process</li> </ul>	<ul style="list-style-type: none"> <li>• Lose the quantum purchasing power that the collaborative approach derives</li> <li>• Significant resources required to manage the process</li> <li>• Contrary to the Well Being of Generations Act which encourages collaborative approaches</li> </ul>	<p>It was determined that this approach would be resource heavy and likely to yield a result that would be more costly than the collaborative approach. Determined that this was not the best solution and that a new collaborative model would be the preferred method</p>
A new collaborative framework	<ul style="list-style-type: none"> <li>• Partners have an established relationship which has functioned well since 2009</li> <li>• Scale of the potential work enables a discounted price through quantum</li> <li>• In accordance with the WFG Act as a collaborative approach</li> <li>• Blaenau Gwent have joined the collaborative model</li> <li>• Appropriate lotting enables the framework to be attractive to SME's.</li> <li>• Sharing of resources in procuring the framework reduces the burden to individual authorities</li> </ul>	<ul style="list-style-type: none"> <li>• No direct control of the framework</li> <li>• Some lots may be more attractive than others</li> <li>• Level of resource required to manage the procurement exercise</li> <li>• Different outcomes from the individual partners</li> </ul>	<p>This was determined to be the most appropriate approach given that the collaborative model had been operating effectively since 2009. Having shared control over the process also enables us to frame the model to encourage SME's and sufficient interest to manage the workload derived from the framework.</p>

## 5. EVALUATION CRITERIA

See Appendix 1

## 6. REASONS:

- 6.1 On 27<sup>th</sup> September 2017 a Contract Notice and the issuing of the tender documents for the 'General Building & Electrical Maintenance and Refurbishment Works' was published on the Sell2Wales website. The closing date for receipt of tenders was 6<sup>th</sup> November 2017.
- 6.2 Twenty eight tenders were received across all six lots and the following were submitted for quality evaluation as follows. A number of bidders bid for more than one lot:
- Lot 1 General Building Blaenau Gwent – 5 tenders
  - Lot 2 General Building Monmouthshire – 7 tenders
  - Lot 3 General Building Torfaen Region – 7 tenders
  - Lot 4 General Electrical Blaenau Gwent – 19 tenders
  - Lot 5 General Electrical Monmouthshire – 15 tenders
  - Lot 6 General Electrical Torfaen Region – 17 tenders
- 6.3 Evaluations took place during November and December on the basis of a 70: 30 matrix with price equal to 70% and quality equal to 30%.
- 6.4 Based on historical data the average value of the contracts for all parties is:
- Lot 1 General Building Blaenau Gwent Region - £1.3m per annum
  - Lot 2 General Building Monmouthshire Region - £1.7m per annum
  - Lot 3 General Building Torfaen Region - £1.7m per annum
  - Lot 4 General Electrical Blaenau Gwent Region - £0.6m per annum
  - Lot 5 General Electrical Monmouthshire Region - £1.0m per annum
  - Lot 6 General Electrical Torfaen Region – £1.3m per annum
- 6.5 This Framework Agreement is a non-contractual arrangement whereby the Tenderers offer the Works at an agreed price for the offer period subject to variations, but a contractual relationship between the successful Tenderers and the Partner does not become effective until an order is placed. This Framework Agreement will not be for any fixed quantity but only for such quantities as the Partner(s) may order from time to time and therefore the Partner(s) are not committed to provide any volume or value of work to the successful Tenderer(s).

## **7. RESOURCE IMPLICATIONS:**

- 7.1 Monmouthshire has an annual capital allocation for planned maintenance, which has been agreed as £1,929,277 for 18/19. The framework will be used to support the delivery of these works as well as reactive works which are funded through revenue.

**8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

The proposal is an example of collaborative working between public sector bodies in order to reduce costs and support the local economy through public sector spend.

There are no identified negative impacts arising and the proposal does not have any safeguarding or corporate parenting implications.

**9. CONSULTEES:**

SLT

Cabinet

Head of Legal Services

S151 Monitoring Officer

**10. BACKGROUND PAPERS:**

**Appendix 1 Evaluation Criteria**

**Appendix 2 Future Generations Evaluation**

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**12. CONTACT DETAILS:**

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<b>Title of Report:</b>	
<b>Date decision was made:</b>	28 <sup>th</sup> March 2018
<b>Report Author:</b>	Phil Kenney

<b>What will happen as a result of this decision being approved by Cabinet or Council?</b>
A new collaborative maintenance framework will be implemented which will allow MCC to access preferred contractors for maintenance and electrical works.
12 month appraisal
Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

<b>What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?</b>
We will assess the success of the framework as follows: <ul style="list-style-type: none"> <li>• Response rates to call outs against allocated priority</li> <li>• Time undertaken to complete jobs</li> <li>• Client satisfaction</li> <li>• Costs of work</li> <li>• Quality of work (no of times required to remedy work / defects)</li> </ul>
12 month appraisal
<i>Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.</i>

<b>What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?</b>
There is no actual cost to implementing the decision, but it is expected that the new framework schedule of rates will be lower than the previous framework, enabling more work to be undertaken within the same allocated budget.
12 month appraisal
<i>Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.</i>

Any other comments
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