

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: JO WALKER, CHIEF EXECUTIVE
IN CONSULTATION WITH: CLLR ASHLEY CARTMAN, EXECUTIVE MEMBER FOR
FINANCE AND PERFORMANCE, CLLR STEVE BRIDGER, CHAIRMAN OF COCO
DIRECTORATE: CORPORATE SERVICES**



DECISION NO: CSD 97

**SUBJECT: CONTRACT AWARD OF THE REACTIVE AND PLANNED MAINTENANCE,
MINOR WORKS AND COMPLIANCE TESTING CONTRACT**

KEY DECISION: YES

REASON: The total value of this contract award is over £500,000

BACKGROUND:

Given the value of this decision it was scheduled to be considered at the December Executive meeting, which has now been cancelled. This contract requires a three month mobilisation period which necessitates award before the end of 2019. It is therefore presented under the emergency powers provision as laid out in the Constitution. Under Emergency Powers, this decision can be made by the Chief Executive.

This procurement brings together two previously separate contracts:

1. The Reactive and Planned Maintenance and Minor Works - this contract was originally procured on a 12 month basis following an emergency procurement in January 2018, with the contract starting in April 2018. The contract has since been extended for a further 12 months and has an expiry date of 31 March 2020.
2. The Compliance Testing contract – the current contract previously ended on 1 January 2020, although has since been extended for a period of 3 months to make it coterminous with the Reactive and Planned Maintenance and Minor Works contract. The contract will expire on 31 March 2020.

The new contract will start on 1 April 2020.

DECISION:

That the Reactive and Planned Maintenance, Minor Works and Compliance testing contract be awarded to Morrison Facilities Services Ltd registered at 224 West George Street,

Glasgow, G2 2PQ, Company registration SC120550, at an estimated annual cost of £1,371,425.

That the contact will commence on 1 April 2020 for an initial term of 5 years with the option to extend by a further 2 years.

REASONS:

Introduction:

The Reactive and Planned Maintenance contracts provides the following main services:

General Construction

- Painting and Decorating
- Building Maintenance and Repairs
- Minor Building Works
- Emergency Response Service
- Drainage Works
- Minor External Works

Mechanical & Electrical

- Mechanical Services (to include boiler renewals etc)
- Electrical Services
- Carpentry Services

Kitchen Equipment

- Maintenance of domestic and commercial kitchen equipment

The Compliance Testing contract commenced in January 2017 with Graham Facilities Management and following an extension will finish on 31 March 2020.

The contract provides the following main services:

- Statutory and Periodic Maintenance
- Testing
- Inspection
- Reporting and Management services to mechanical, electrical and building fabric installations for the Council's assets.

The contract will also comprise of multi trade, planned minor works up to the value of £500,000.

Procurement Procedure and Publishing Information:

A competitive 'open' tender process was undertaken under the Public Contract Regulations 2015. The opportunity was advertised on the Council's procurement portal, Supplying the South West, on the Government's Contracts Finder website and on the

Official Journal European Union (OJEU) on the 13 August 2019. The closing date was 30 September 2019 and during the tender phase we received 63 expressions of interest.

Award Criteria:

As agreed in the Procurement Plan, the award criteria used in this procurement process were:

Pricing Evaluation: 80%

For evaluating the overall price from each bidder, we used the pricing evaluation tool that was recommended by the Strategic Procurement Service, widely used within the council and agreed at project level.

The tender with the lowest total price received the maximum score of 100% (weighted at 80%) and the prices of all other tenders were expressed as a percentage of the maximum score.

Quality Evaluation: 20%

All providers that passed the initial checks had their remaining tender evaluated for both their qualitative method statements and their price. The following areas were covered as part of the quality assessment:

1. Proposals for managing the combined contract – 30%
2. Contract Team Organisation – 20%
3. Technical Suitability – 30%
4. Management of external sources – 10%
5. Social value – 10%

For all questions with the exception of Social Value we set a minimum score requirement of 3. Any tender that scored a 2 or less had their tender disqualified.

Evaluation Panel Members:

The evaluation panel consisted of:

- Procurement Manager (facilitator only)
- Clerk of Works
- Insurance Manager
- Principal M&E & Energy Engineer
- Contract & Commercial Assistant
- Compliance Officer

with advice from the Highway Operations and Contract Manager.

Evaluation Outcome:

Following the closure of the live tender process we received 5 complete tender submissions. Those five tender responses received had their Selection Questionnaires evaluated, of which included checks on their:

- Financial viability
- Health & Safety
- Equalities & Diversity
- Insurances
- References from similar contracts

All five submissions passed these initial checks and had their Quality and Price submissions evaluated by the evaluation panel.

In summary, the final combined quality and price % scores are as follows (in alphabetical order):

Tenderer	Quality and Price Combined score (%)
Bidder One	93.6%
Bidder Two	77.8%
Bidder Three	83.3%
Mears Facilities Management	95.6%
Bidder Five	63.6%

The detailed results of the quality assessment evaluations of these tenders can be found at Appendix 1.

Contract Management:

The NEC4 Term Service contract has been prepared by the Major Projects and Technical Services Team with guidance and support from an external consultant.

Following contract award this contract will be managed by the Highway Operations and Contract Manager. A detailed Contract Management Plan will be produced jointly by Procurement and the Contract Manager. Initially formal monthly performance meetings will be held with a view that they will revert to quarterly meetings when considered appropriate. The Provider, in preparation for these meetings will submit a fully completed report, in a format specified by the Council, no later than one week prior to the meeting. The Provider will supply all necessary information with which to provide a clear, robust understanding of the outcomes achieved through the service.

OPTIONS CONSIDERED:

There were a number of options considered before going to tender, they were as follows:

1. To extend the Compliance Contract to January 2021 into its final, allowable year, with a view to re procuring in 2020 as an individual contract requirement.
2. To re procure the Reactive & Planned Maintenance and Minor Works contract as an individual requirement to start April 2020.
3. To bring the service in-house
4. **(chosen option)** To combine the Reactive & Planned Maintenance, Minor Works and Compliance Testing Contract
5. To do nothing

All of the above options were discussed at length during the multi-disciplinary workshops held late last year with internal stakeholders and with the incumbent providers and other interested contractors during our pre procurement engagement. The benefits highlighted during these workshops led everyone to agree that combining the two contracts would be the most appropriate route to market. With regards to the potential to bring this service back in house, it was acknowledged that the cost of doing so would be significant.

FINANCIAL IMPLICATIONS:

Costs

The appointment of the new contract has an annual forecast of circa £500k for compliance testing. This is an increase of £28k from the previous contract, which is funded through traded services and the current revenue budget.

However, whilst not a reduction in overall cost the overhead for the contract is now covered across the rates and therefore will remove the current pressure of £180K per annum from the corporate services budget.

Funding

For the Reactive & Planned Maintenance, budgets are dispersed across the Directorates and individual Budget holders are responsible for their own areas.

The Compliance Testing budget is held within the Major Projects and Technical Services Team. This is a fixed budget based on a defined program of works. There are additional costs incurred through 'Compliance made safe' works.

The budgets for Minor Works are as agreed at the beginning of a project and also held within individual teams.

LEGAL POWERS AND IMPLICATIONS:

There is a legal requirement within The Health & Safety at Work Act 1974 that places a duty on employers to ensure, as far as reasonably practicable, the health & safety and welfare of all employees within the work place. In addition, statutory and regulatory compliance must be carried in accordance with this duty. As such, North Somerset Council are upholding their obligations by engaging a proficient property compliance maintenance contractor to undertake this requirement on their behalf. The definitive standard for building maintenance used is SFG20, which guarantees ongoing updates of legislation and regulations to ensure all buildings within the contract are compliant.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Mears operates an ISO14001 accredited environmental policy and like the Council are fully committed to reducing their impact upon the environment, improving sustainability and acting as a role model. They consider it their duty to minimise any adverse environmental impact of their works, and they achieve this through:

- All operatives undertake environmental awareness training during induction
- Environmental Impact Assessments are carried out at every branch and The Carbon Trust surveys all branches to identify the best way to reduce their carbon emissions

- Ensuring all equipment complies with Restriction of Hazardous Substances in Electrical and Electronic Equipment (ROHS) Directive (2002/95/EC). They ensure equipment will be CE marked and conforms to safety requirements.
- Achieving ISO14001 accreditation sets high standards for improved waste management, greater efficiency and better reporting, and has given Mears many benefits. These include the reduction of waste going to landfill, a management system that ensures they stay within and exceed their legal and personal "duty of care" and that they demonstrate the standard of their environmental management system which displays their continuous improvements in their environmental standards.
- Mears have also implemented the SMART Waste Management Plan produced by the BRE
- Mears is a member of WRAP, a government funded initiative to halve Waste to Landfill and have made a commitment to specific waste reduction targets
- Mears is also working with the Carbon Trust and the Energy Saving Trust (EST) to compliment the current system in place with a view to reducing their waste, the impact on the environment and passing these initiatives onto their clients and customers.

Mears with the Council will establish a Joint Environmental Management Plan (from the information gathered above) that details a baseline for their activities, a target and an action plan for delivery that incorporates all elements of the Council's environmental policy and aims and objectives.

Mears also work in partnership with Reconomy who manages waste removal for the Group, including the waste of their subcontractors on their contract sites. Reconomy ensures they are fully compliant and meet the strictest environmental regulations for waste management. Mears have in place a dedicated team within Reconomy that work exclusively on the Mears account achieving year on year improvements in diverting waste from landfill, for example on their Home Group Contract they have achieved recycling rates of 100% and increased landfill diversion rates from 90% to 94%. Mears have a Group aim to reach 96%. In September 2016 Mears won the award for Social Responsibility Company of the Year at the National Energy Efficiency Awards.

CONSULTATION

Internally we have run several workshops over the last 18 months which have involved direct users of the contract from across the council, Major Projects and Technical Services Team contract officers and the Facilities manager whose team facilitate all maintenance requests. These workshops were held to establish the following:

- the performance of the existing contracts
- discussing current and proposed scope
- procurement and contract options
- contract management
- commercial modelling
- lessons learned
- market analysis

The outcome of these workshops is the resulting combined contract for which we have procured.

RISK MANAGEMENT

A fair and transparent OJEU procurement process ensures that risks were kept to a minimum.

The impact of awarding a contract to a new provider could pose some intermediate risks, however, robust management, effective communication and oversight of the transfer by the contract manager in collaboration with both incumbents and the new provider will ensure that these risks are avoided. The mobilisation plan provided as part of the winning tender response will be discussed with the new provider as soon as possible post confirmation of the award.

The risk that staff may choose not to TUPE over (Compliance Contract) will be managed through the steps identified in Mears Facilities Management's mobilisation plan.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

CORPORATE IMPLICATIONS

The Reactive & Planned Maintenance and Minor Works element of the contract provides a service for the Council as a whole and therefore has cross directorate implications particularly from a budgetary point of view. Whereas the compliance part of the contract sits within the Major Projects and Technical Services team and therefore the budget also.

APPENDICES

Appendix 1 – Quality & Price Evaluation Summary

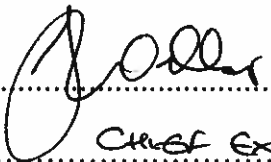
BACKGROUND PAPERS

CSD30 2019 / 2020 Scheme Procurement plan for the procurement of the Reactive and Planned Maintenance, Minor Works and Compliance Testing Contract.

Executive Report (23 July 2019) Commissioning Plan for the procurement of the Reactive and Planned Maintenance, Minor Works and Compliance Testing Contract.

SIGNATORIES:

DECISION MAKER(S): JO WALKER, CHIEF EXECUTIVE

Signed: 

Title: CHIEF EXECUTIVE

Date: 19/12/2019

IN CONSULTATION WITH: COUNCILLOR ASHLEY CARTMAN, EXECUTIVE MEMBER

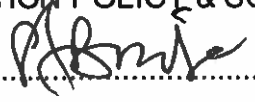
FINANCE & PERFORMANCE

Signed: 

Title: ~~Executive Member~~ FINANCE + PERFORMANCE

Date: 19/12/2019

COUNCILLOR STEVE BRIDGER, CHAIRMAN OF COMMUNITY & CORPORATE ORGANISATION POLICY & SCRUTINY PANEL

Signed: 

Title: CHAIRMAN, COCA

Date: 19/12/2019

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:



Appendix 1 – Quality and Price Evaluation Summary

1. Bidders	2. Total Quality Score Available	3. Actual Quality Score	4. Quality Weighting (%)	5. Actual Weighted Quality Score (%)	6. Submitted Bid (£)	8. Difference from Lowest Bid (£)	9. Unweighted Price Score %	10. Price Weighting %	11. Weighted price score %	12. Total Weighted Score %
Supplier A	500	470	20%	18.8%	£1,467,625	£96,200	93%	80%	74.8%	93.6%
Supplier B	500	470	20%	18.8%	£1,858,581	£487,156	74%	80%	59.0%	77.8%
Supplier C	500	300	20%	12.0%	£1,539,659	£168,234	89%	80%	71.3%	83.3%
Morrisons Facilities Services Ltd	500	390	20%	15.6%	£1,371,425	£0	100%	80%	80.0%	95.6%
Supplier D	500	350	20%	14.0%	£2,210,844	£839,419	62%	80%	49.6%	63.6%
				7. Insert Min Bid	£1,371,425					

