

## **Report to Cabinet**

Cabinet meeting 25<sup>th</sup> July 2019  
By The Leader



**Horsham  
District  
Council**

### **DECISION REQUIRED**

#### **Exempt Appendix 1**

#### **Tender of the Council's contract for planned and preventative maintenance and reactive maintenance**

#### **Executive Summary**

The Council has substantial property holdings, which require repair and maintenance to keep them in good condition and compliant with statutory requirements.

The Council has a contract for the maintenance of Mechanical and Electrical plant and Public Health (MEP) and Fabric maintenance.

The current contractor who manages this work has been on a four year contract which expires in October 2019. The contract has already been extended by one year and therefore a procurement process needs to be completed for a new contract to be put in place.

The contract size is in excess of OJEU thresholds therefore a full OJEU compliant open tender process must be undertaken. This process has now been completed and a number of bids were received as detailed in exempt Appendix 1.

Cabinet is recommended to proceed with the contractor identified in Appendix 1 (exempt) and to delegate authority to the Director of Place to enter into the contract on the Council's behalf.

#### **Recommendations**

Cabinet is recommended:

- i) To delegate authority to the Director of Place to enter into a contract with the successful contractor as detailed in Appendix 1 on the terms recommended.

#### **Reasons for Recommendations**

For the Council to continue to carry out planned, preventative and reactive works to the Council's property portfolio.

## **Background Papers**

Exempt Appendix 1

**Wards affected:** All

**Contact:** Brian Elliott Head of Property: telephone 01423 215328

## **Background Information**

### **1 Introduction and Background**

- 1.1 Horsham District Council has extensive property holdings comprising operational property, such as the waste depot, museum, theatre, car parks and temporary accommodation as well as an investment portfolio. Additionally, the Council owns assets which form part of the public realm, such as the bandstand, town centre benches and bus shelters.
- 1.2 These properties and assets require maintenance of the mechanical and electrical systems and fabric. Maintenance of the assets is both planned, such as regular maintenance of lifts and boilers and reactive, such as a broken bollard in a car park.
- 1.3 The Council's existing arrangement is with SSE, who hold two contracts, one for Planned Maintenance, which covers Mechanical, Electrical and Public Health (MEP) and one for Fabric maintenance. Because the contracts are both held by SSE, a single help desk facility is also provided, which manages calls 24/7.
- 1.4 The arrangement with SSE is due to expire in October 2019 and it has therefore been necessary to re-procure the contract. Owing to the financial scale of the contract, OJEU rules apply, which means that the contract must be advertised on an open tender basis in the Official Journal of the European Union as well as the government's tendering website, Contracts Finder.
- 1.5 Before advertising the contract for tender, the Council's procurement team arranged a market engagement day to gauge interest and discuss the contract informally with interested parties. There was strong interest in the contract and 11 contractors attended the market engagement day and provided feedback on how to package the contract to appeal to the market, which encourages competitive tendering.
- 1.6 During this process, three key factors became apparent (a) the market preference was for a term of at least 5 years (b) the market would prefer to bid on a 60/40 quality/price basis and (c) nearly all suppliers could deliver both the MEP and Fabric contracts with a help desk facility.
- 1.7 These results were reported to the Finance and Assets Policy Development Advisory Group with a recommendation to proceed on the basis of a contract for a term of 5 years with an option to extend for a further two years; a quality/price assessment of 60/40 and a single contract.

### **2 Relevant Council policy**

- 2.1 The delivery of this service through a single provider supports the Council's policy to take a commissioning approach to the delivery of services in an efficient and cost effective manner.

### **3 Details**

- 3.1 Officers prepared a comprehensive set of tender documentation, which included a full breakdown of the plant and equipment within the portfolio and a sample range of

typical work scenarios, such as a house void repair/redecoration and replacing a bollard, which could be priced by the contractors. This provided a basis for the financial evaluation of the tender submissions.

- 3.2 A set of questions were also prepared which allowed the contractors to demonstrate their approach to a number of relevant issues, such as experience of similar contracts, delivery mechanisms, innovation to achieve savings, mobilisation and health and safety. Contractors were allowed a substantial word count in order to give comprehensive replies to these questions which could then be evaluated with a scoring mechanism.
- 3.3 The tender documentation was uploaded onto the Council's e-tendering procurement portal. In addition to the evaluation methodology, the tender documentation included contract documentation in an approved form. This process ensures that all contractors are supplied with identical information and understand the nature of the contract that they will be expected to enter into.
- 3.4 During the tender preparation process a number of contractors raised clarification questions, which were answered.
- 3.5 At the tender return date, the Council received five bids, the details of which are included in Appendix 1 (exempt).
- 3.6 The qualitative element of the tenders were reviewed and assessed by three officers, Head of Property and Facilities, Head of Procurement and the Property Manager Team Leader. These officers individually scored the submissions and then met as a panel to agree moderated scores. There was a full discussion on the merits of the answers provided by the bidders and minutes were taken by the procurement team. A set of moderated scores and comments were agreed.
- 3.7 An analysis of the financial assessment was undertaken by officers from procurement and property at the same time as the qualitative analysis. This work was undertaken independently and the results were not shared with the qualitative team until the moderation exercise had been completed.
- 3.8 On completion of this process an analysis of the total scores was undertaken and a winning bid identified. The details are included in Appendix 1.
- 3.9 Cabinet is recommended to approve the appointment of the recommended contractor as set out in Appendix 1.

## **4 Next Steps**

- 4.1 To enter into the contract and to ensure mobilisation in time for the expiry of the existing contract in October.

## **5 Views of the Policy Development Advisory Group and Outcome of Consultations**

- 5.1 The procurement methodology was considered by the Finance and Assets Policy Development Advisory Group, who supported the proposals recommended

- 5.2 Comments from the Monitoring Officer have been incorporated in this report.
- 5.3 There are no impacts on staff resources.
- 5.4 Comments from the Director of Corporate Resources and s151 Officer are incorporated in this report.

## **6 Other Courses of Action Considered but Rejected**

- 6.1 This is an OJEU tender. Legislation restricts consideration of other options.

## **7 Resource Consequences**

- 7.1 The recommended contractor also submitted the lowest price and is within the forecast budget.
- 7.2 There are no personnel or other consequences for this proposal, which can be managed within existing resource levels.

## **8 Legal Consequences**

- 8.1 The Council has complied with OJEU rules in undertaking this tender.
- 8.2 In house legal resources will be used to complete the legal documentation.

## **9 Risk Assessment**

- 9.1 There are risks when changing from one contractor to another but there is adequate time to ensure a smooth transition and full information is available. It is therefore considered that this risk is controllable.

## **10 Other Considerations**

- 10.1 The proposed contract will ensure that the council maintains its portfolio to a good standard and is compliant with statutory requirements.