

Report to Cabinet

17 July 2024

Subject:	Renewal of Property Repairs & Maintenance contract to the Council's Public Estate
Cabinet Member:	Cabinet Member - Regeneration and Infrastructure Councillor Peter Hughes
Director:	Executive Director, Place – Alan Lunt
Key Decision:	Yes
Contact Officer:	Assistant Director – Property, Strategic Assets and Land, Luke Dove Strategic Lead – Operational Assets, Lee Constable

1 Recommendations

- 1.1 That approval be given to the extension of the current Property Repairs & Maintenance contract(s) until March 31, 2025, and authorise the Assistant Director Legal and Assurance to enter into and execute any documentation to effect the extension;
- 1.2 That approval be given to commence a procurement exercise for new Property Repairs & Maintenance contract for works to the Council's Public Estate to commence on April 1, 2025;
- 1.3 That subject to the successful completion of the procurement exercise as set out in 1.2, the Executive Director – Place and the Executive Director – Finance and Transformation, in consultation with the Cabinet Member - Regeneration and Infrastructure, be authorised to accept tenders following the completion of the procurement exercise and award a contract to the successful tender(s) for the term of 4 years with an option to extend for a further 1 year to commence on 1 April 2025;



- 1.4 That subject to 1.3, the Assistant Director Legal and Assurance be authorised to enter or execute under seal any documentation in relation to the award of the Property Repairs & Maintenance contracts and/or other agreements, in consultation with the Executive Director – Place and the Executive Director - Finance and Transformation as may be deemed necessary, to give effect to the proposals.

2 Reasons for Recommendations

- 2.1 The current 'Repair and Maintenance' call off contract for the provision of planned and reactive Repairs and Maintenance services covering Building Fabric and Mechanical & Electrical components which, forms part of Constructing West Midlands Framework CWM2, is due to end, after a term of 4 years on 31 December 2024.
- 2.2 Authority is sought to extend the current call-off contract(s) let under the aforementioned Framework for a further three (3) months until March 31, 2025, along with authority to award a new Repair and Maintenance contract as set out below. An extension to current call-of contracts(s) until March 31, 2025, would allow the alignment of the service with the Council's financial year, going forward. This will bring benefits associated with reduced administration and improved budget management.
- 2.3 The replacement/new Repair and Maintenance contract will support the provision of planned and reactive Repairs and Maintenance services covering building fabric, mechanical & electrical components. The contract will include statutory / planned maintenance and inspections, emergency/reactive maintenance, a provision for minor construction and refurbishment works, along with capital works across both the Property Maintenance Capital Programme and Schools Life Cycle programme.
- 2.4 The term of the new Repairs and Maintenance contract will be 4 years with an option to extend for a further 1 year to commence on 1st April 2025, and will consist of 2 lots.
- Lot 1 - Building Fabric Repair & Maintenance
 - Lot 2: Mechanical & Electrical (M&E) Repairs and Maintenance



2.5 The estimated value of services and works, required by the Council, for combined works across the various budget areas, is as follows:

Budget Area	Current Yearly Spend	Estimated Total Contract spend. (4 years)
Property Maintenance Account (PMA)	£3,543k	£14,172K
PMA Capital programme	£800k	£3,200k
Property Refurbishment Programme	£1,000k	£4,000k
School Repair Account (SRA)	£1,167k	£4,668k
Schools Life Cycle programme	£1,500k	£6,000k
Total	£8,010,000	£32,040,000





(NB: Figures based on current yearly spend, all future years are subject to available budgets)

2.6 A procurement exercise under the Restricted Procedure has commenced with a programme for the new arrangements to commence on April 1 2025. The anticipated value of these proposals will be above the relevant public procurement, and it should be noted, however, that the proposals will comply fully with the Public Contracts Regulations 2015 and assessed in accordance with the social value tool kit and community wealth building principles.

2.7 Delegated authority will be awarded to the Executive Director - Place and the Executive Director – Finance and Transformation in consultation with the Cabinet Member - Regeneration and Infrastructure to award these contracts upon completion of tender evaluation during November 2024. They will ensure that the mandatory standstill requirements are observed, and that sufficient time is available for contractors to comply with any potential TUPE requirements (between private contractors, not of council employees). This will allow for an appropriate mobilisation period to be implemented ahead of the new arrangements commencing.



3 How does this deliver objectives of the Corporate Plan?

	<p>The Best Start in Life for Children and Young People.</p> <p>The award of this contract will enable the Council to ensure that all public buildings and schools are compliant with statutory requirements, operational and safe, and that essential services can be delivered.</p>
	<p>People Live Well and Age Well.</p> <p>The award of this contract will enable the Council to ensure that all public buildings and schools are compliant with statutory requirements, operational and safe, and that essential services can be delivered.</p>
	<p>Strong Resilient Communities</p> <p>Effective repairs and maintenance of the councils operational and commercial estate will allow all council owned public buildings, including schools, leisure centres and other community assets to be available for use by the community. Along with the on-going security of vacant sites to help reduce crime and disorder.</p>
	<p>A Strong and Inclusive Economy</p> <p>Effective repairs and maintenance of the councils operational and commercial estate will support regeneration and growth helping to boost the local economy.</p>

4 Context and Key Issues

- 4.1 Strategic Assets and Land Services, are responsible for the design and maintenance of services to the council’s public assets to include all operational and commercial assets, and comprising Schools, Public Libraries, Sports Facilities, Community Centres, Day Centres, Youth Centres, and Office Accommodation etc.
- 4.2 Any changes to current legislation, that may impact on the councils’ statutory undertakings relating to premise compliance will form part of the contract specification in order to ensure full compliance throughout the term contract.



4.3 There has been no scrutiny involvement.

5 Alternative Options

5.1 If a new contract is not procured then the council will not have the ability to carry out its statutory duties regarding on-going property related statutory compliance works, including day to day reactive maintenance requirements.

5.2 The current arrangements are due to expire on 31st December 2024. Whilst a 3-month extension to the current arrangements forms part of this report and subsequent recommendations, a new contract is now required to support the council's repairs and maintenance requirements over a new term.

6 Implications

Resources:	The proposed contract value of circa £32 million (£8 million per annum) for Sandwell MBC, for the provision of repairs and maintenance works which is included within the council's Property Maintenance Account, the Schools Repairs Accounts and associated capital programmes.
Legal and Governance:	<p>We are advised that the tendering process will be fully supported by colleagues within Procurement.</p> <p>Extension of the current Property Repairs & Maintenance call-off contract(s) until 31 March 2025</p> <p>We are advised that, for the initial term of the call-off contracts, the combined value is £30million and that any extension for a further three (3) months is £1.2m to £1.5m.</p> <p>The variation of the call-off contract(s) should be in accordance with the Public Contracts Regulations 2015 (PCR 2015) and the Council's Contract Procedure Rules (CPR).</p>



Regulation 72 PCR 2015 regulates variations to concluded public contracts. It provides for six (6) grounds under which variations can be made without the need to follow a fresh procurement procedure. CPR 14 reflects Reg. 72 PCR 2015 and provides for six (6) permitted circumstances where variations are permitted to existing contracts.

Any extension to an existing contract, must satisfy one of the six (6) grounds.

Where any extension does not satisfy one of the six (6) grounds under PCR 2015, or if there is a risk that a variation is not permitted under the PCR 2015, officers may wish to consider whether it is possible to justify not advertising and therefore re-tendering because one of the exceptions that allows the use of the negotiated procedure without prior publication of contract notice applies (Reg.32 PCR 2015). Any grounds under Reg.32 PCR 2015 are narrowly construed by the courts.

Legal services, where instructed, will advise and assist officers with regard to the contractual arrangements for any variation/extension.

Procurement and contract award of a new Repair and Maintenance contract commencing 01 April 2025

Procurements regulated by PCR 2015 must use one of the procurement procedures as set out in Section 3, PCR 2015. The Restricted Procedure is one of the procedures through which a contracting authority may award a contract under PCR 2015. This procedure allows for any interested party to request to participate in the contract tender, but only those invited by the contracting authority following a pre-qualification stage may submit a tender.

In terms of the conduct of the procurement exercise and contract award, and the Council's internal



	<p>governance, CPRs 8, 9, 10, 11 and 16 apply. On appointment of a successful tenderer, or tenderers, CPR 16.2(c) requires that contracts of £250,001 or above must be in writing and be signed by the Monitoring Officer or by the Chief Executive and a Legal Services Manager or sealed with the common seal of the Council.</p> <p>Legal services, where instructed, will advise and assist officers with regard to the contractual arrangements for the new contract.</p>
Risk:	The approval of the recommendations will assist in the mitigation of the risk included in the directorate risk register re statutory compliance (non-asbestos).
Equality:	An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.
Health and Wellbeing:	The award of contracts will enable the Council to fulfil the statutory and regulatory health and safety compliance requirements aligned with maintaining the council public buildings.
Social Value:	Social Value and Community Wealth building commitments will be included within the tender evaluation criteria to ensure the successful contractor(s) complies with locally and nationally recognised standards and contributes to the council's Vision 2030 ambitions.
Climate Change:	Works associated with this contract, where applicable will link into and help support the delivery and outcomes of the council's climate change Strategy.
Corporate Parenting:	N/A

7. Appendices

None

8. Background Papers

None

