

**Wards Affected:**

All

**ITEM 7**

**PROCUREMENT AND COMMISSIONING**

**7 FEBRUARY 2017**

**INVITATION TO TENDER - MECHANICAL AND ELECTRICAL SERVICES TO NORTHAMPTONSHIRE COUNTY COUNCIL (REF: LGSS FRAMEWORK)**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Yvonne Mullens (Facilities Services Manager)

Author and contact: Tracey Plant (Procurement and Contracts Manager)  
Tel: 01908 253308

**Executive Summary:**

This report is seeking approval to use the Local Government Shared Services (LGSS) Framework for the Mechanical and Electrical (M&E) Services to Northamptonshire County Council. This framework is available to MKC to utilise as a partner of LGSS and will enable / support the delivery of Mechanical and Electrical Services to the portfolio of buildings belonging to MKC.

The contract term:

- is for 3 years, expiring on 12 August 2018. The annual value of this contract is estimated to be approximately £160,000. This estimation is based on expenditure over the last year and whilst it is expected that this will be lower in the future due to compliancy being brought up to date, it is not possible to estimate unforeseen breakdowns and repairs.
- and can, if necessary be extended until 12 August 2019.

**1. Recommendation(s)**

- 1.1 That the Council approves the use of the Local Government Shared Services framework, that allows the Council to engage with the contractor appointed under the Local Government Shared Services managed procurement process.

**2. Context**

- 2.1 The contracted works / services will affect the whole council, across the portfolio of approximately 95 buildings (MKC reserves the right to add or delete parts or entire properties within the portfolio and will not guarantee the value or volume of orders) within SMART Property FM. The specific service delivery elements will include:

- (a) Electrical Reactive and Planned Works (breakdowns and compliancy etc.)
- (b) Gas/Plumbing Reactive and Planned works (breakdowns and compliancy etc.)

- (c) Emergency Light Testing and Repair (Compliance and breakdown / failures).
- (d) Portable Appliance Testing (Compliance).
- (e) Air Conditioning Service and Repair.
- (f) Lifts Service and Repair.

### 3. **Background**

- 3.1 The Council owns or has corporate landlord responsibility for a large number of premises. These facilities were managed by a wide range of services who occupy the buildings. As a result, some staff that were assigned a property management role did not have the required skills, knowledge or experience to ensure that this responsibility was properly discharged. Furthermore, a Property Management sample check of the property stock revealed a significant shortfall in statutory compliance that needed to be addressed. The skill and information gaps resulted in the setting up of the SMART project. Maintenance Programmes have been developed to identify where the councils property assets need to be maintained at a level that preserves the assets and meets the council's statutory duties. Several smaller contracts were put in place to deal with this in the short term whilst detailed maintenance programmes continue to be developed with a sound overall methodology.
- 3.2 Data captured to date shows that good progress is being made, with the 2016/17 budget year being used to benchmark requirements and associated budgets. Most budgets have centralised with some minor responsibilities being held locally by the occupier. Use of this framework will allow the flexibility to determine the specific requirement at the call off stage and the leverage/economies of scale through aggregation – coverage of all services at predetermined prices with terms and conditions agreed.
- 3.3 The Framework Tender Evaluation has been carried out by Northamptonshire County Council
- (a) The Tenders were evaluated by a suitably qualified and experienced panel of officers.
  - (b) LGSS undertook a fully competent and compliant procurement process to appoint an appropriate supplier that is technically competent, financially sound and perceived as best for the task.
- 3.4 **Contract Management**
- (a) The Senior Client Officer for this contract is Facilities Management Services Procurement and Contracts Manager. The contract adheres to the Council's Framework conditions as maintained by the Council's Legal Services team.
  - (b) The key governance processes include:

- (i) A clear communication and reporting plan with regular monthly meetings with a view to reduce to quarterly when the standard of services are deemed to be satisfactory.
- (ii) The contract allows for an escalation process to the provider with contacts being provided via a hierarchy structure.
- (c) Review frequency
  - (i) Performance measurement (including key contract performance measures) - KPI's will be agreed and reviewed on a monthly basis via an electronic reporting system.

#### 4. **Implications**

##### 4.1 Policy

The award of this contract will progress the following *priorities / outcomes* within the Corporate Plan 2012/16:

- (a) Cleaner, greener, safer, healthier MK. The council has a duty to safeguard all service users, visitors and staff to our buildings.
- (b) The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

##### 4.2 Resources and Risk

- (a) A revenue budget has been allocated to cover expenditure within the SMART project.
- (b) It is difficult to quantify what savings will be delivered at this time, but long term consolidation of the smaller contracts under one supplier should lead to efficiencies and better management of assets moving forward
- (c) The Risk Assessment for this contract is available if requested or directly via Members access to GRACE.
- (d) The key OPPORTUNITIES secured by this contract are:
  - (i) Using the framework will negate the need undertake a new procurement therefore ensuring that a compliant contract is implemented straight away.
  - (ii) Time and resources will be reduced through fewer quotations needing to be obtained for ad hoc reactive works.
  - (iii) Using one supplier for all services should lead to efficiencies and better management of assets moving forward.

The key THREATS for this contract going forward have been assessed as:

<b>Risk</b>	<b>Likelihood / Impact</b>	<b>Mitigation</b>	<b>Likelihood / Impact after mitigation</b>
Failure of essential building services which will result in failure of the service	M	Have in place a robust contract in which priority response will be assigned according to nature of fault	L

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood or a LOW impact.

#### 4.3 Resources and Risk Implications

N	Capital	Y	Revenue	Y	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

#### 4.4 Carbon and Energy Management

The continued use of this framework will contribute to the reduction in carbon footprint and reduce costs for MKC through the greater efficiency of maintained systems.

#### 4.5 Legal

- (a) The LGSS contract and its procurement are compliant with the council's contract and finance procedure rules, and UK and European legislation.
- (b) The Council's Constitution requires that Procurement and Commissioning approve use of frameworks for all works/services with estimated value of over £100k. This report seeks approval to commence use of this framework in line with the Councils constitutional requirements.

#### 4.6 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

None