

Cabinet – 9 February 2022

Delegation to Award a Contract for Mechanical and Electrical Service and Maintenance

Portfolio: Councillor Statham

Related portfolios: All

Service: Corporate Landlord

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To ensure that electrical and mechanical responsive repairs and breakdowns, preventative maintenance, routine servicing, and statutory testing compliance works continue to be undertaken on Council owned and occupied buildings.
- 1.2 To enter into a contract to provide the above services to commence on 1 April 2022 and last for a period of 3 years with 2 optional extension periods of up to 12 months each.

2. Summary

- 2.1 The existing contracts to provide Electrical and Mechanical Maintenance expired on 31 March 2021.
- 2.2 As part of the Corporate Landlord contract rationalisation the existing Mechanical, Hot Water and Boiler Systems Maintenance and Repair Works and the Electrical Repair and Maintenance Contracts have been combined to reduce the number of contracts the Corporate Landlord team manage. Both of these contracts expired 31st March 2021.
- 2.3 An open procurement exercise was select as the procurement option to enable local suppliers to tender for the contract for the outlined services. This commenced on 3 December 2021, with tenders to be returned on 13 January 2022.
- 2.4 This is a key decision as the value exceeds £500,000 and will impact on all wards within the borough.

3. Recommendations

- 3.1 That Cabinet delegate authority to the Interim Executive Director, Resource and Transformation to award a contract to the successful bidder to deliver The Mechanical and Electrical Service and Maintenance Contract from 1 April 2022 to 31 March 2025 and to extend the contract for up to 24 months if required. The estimated contract value will be £700,000 per Annum.
- 3.2 That Cabinet delegate authority to the Interim Executive Director for Resources and Transformation to enter into the contract and to subsequently authorise the sealing, signing or variation of any deeds, contracts or other related documents for such services including the optional extension periods. The outcome of the tender evaluation to be reported back to cabinet at the earliest opportunity following the completion of the tender process.

4. Report detail - know

Context

- 4.1 The Council procured the existing electrical and mechanical services and maintenance services in April 2018, and these are operated by two separate contracts with the Dodd Group, where both contracts are within agreed 12 month extensions.
- 4.2 With the implementation of the Corporate Landlord model service delivery and to assist in the reduction of the number of service and maintenance contracts, electrical and mechanical service and maintenance contracts have been combined to create a unified service provision as agreed by the Third Party Spend Board.
- 4.3 An open procurement procedure has been used to invite tenders via the Council's e-tendering portal "In-tend" and has been published on the Contracts Finder and Find a Tender Service on 3 December 2021.
- 4.4 Delegated authority has been requested because the scheduled tender return date is the 13 January 2022, the evaluation period is scheduled to complete on the 9 February, so the period between the return date and the submission date for Cabinet approval is insufficient to enable all required tender evaluations to be completed. There is also insufficient time following the next Cabinet meeting on 16 March to complete the award process prior to the contract commencement on 1 April 2022.

Council Corporate Plan priorities

- 4.5 The services link with the Corporate Priority Plan 2021 – 2022, 'Economic Growth' by "creating an environment where business invests and everyone who wants a job can access one". This is achieved by allowing Small and Medium Enterprises in Walsall or directly neighbouring the borough the opportunity to tender for contracts. Within the tender return documents economic growth is including with the quality elements of the tender return.

- 4.6 The internal focus – “internal services deliver quality and adapt to meet the needs of the customer facing services” - is met by the combining of services, which will lead to a more efficient service delivery and therefore one of the Walsall Proud goals for the service will be achieved.

Risk management

- 4.7 The risk of challenge to the award of the new contract is low, given that it is being procured in accordance with the Council’s Financial and Contract Rules and the Public Contracts Regulations 2015 (PCR 2015).
- 4.8 In any event, the Council is required to undertake statutory compliance checks using suitable qualified engineers, so like all local authorities, the Council must ensure service continuity.

Financial implications

- 4.9 All statutory, servicing and repairs works covered by the new contract will be funded from the existing capital and revenue budgets.

Legal implications

- 4.10 The Directorate, in conjunction with Procurement, has elected to use the Council’s long form contract for goods and services, in an altered format. The changes included were for reduced mobilisation and the geographic location of the proposed service delivery.
- 4.11 No legal implications have been identified during the tender process.

Procurement Implications/Social Value

- 4.12 The procurement is in compliance with the Council’s Contract Rules and the PCR 2015, using an open tender process which has better enabled local contractors to bid.
- 4.13 Within the tender package there was a Social Value question as part of the quality questions. The quality scoring percentage is 30% overall of the tender evaluation, this was divided as follows, 5% was apportioned to Social Value, 2.5% to Climate Change, indicating the importance of these elements to the Council.

Property implications

- 4.14 The services are an essential element of those provided by the Corporate Landlord team for the servicing, maintenance and compliance of Council owned and occupied properties. A long-term contract will assist in retaining safe and compliant mechanical and electrical systems in the Council’s property portfolio.

Health and wellbeing implications

- 4.15 The services are essential to ensure that all Council owned, or occupied properties remain safe for both staff and visitors.

- 4.16 There is a legal requirement to undertake service and compliance checks to ensure that the Council is not exposed to legal challenge or reputational damage.

Staffing implications

- 4.17 There are no HR implications for Council staff.

Reducing Inequalities

- 4.18 The implications for reducing inequalities have been taken into account and assessed as set out below.
- 4.19 Following discussions with the Equality Impact team it was agreed that because the services will be similar to those currently provided, no Equality Impact Assessment was required.

Climate Change

- 4.20 The Council's Climate Change Action Plan will be taken into account during the tender evaluation process through the climate change quality question in the quality section of the procurement.
- 4.21 To satisfy the Council's Climate Change Action Plan bidders will need to indicate in their tender return how they will work with the Council to reduce the carbon footprint in delivering the services.

Consultation

- 4.22 No external consultation has been undertaken because the services provided are managed and funded by the Corporate Landlord department, using the existing Health and Safety capital funds provided.

5. Decide

- 5.1 To request delegated authority through Cabinet, to ensure that the Mechanical and Electrical Service and Maintenance contract is awarded and operational on 1 April 2022. This will align with other contracts within the Corporate Landlord service area.

6. Respond

- 6.1 Subject to approval of the recommendations, the winning bidder will be appointed for 3 years plus two optional extension periods of up to 12 months each.

7. Review

- 7.1 There will be monthly and quarterly review meetings between the contract monitoring officer within the Corporate Landlord team and the contractor. Quality,

cost and social value goals will be reviewed and any shortfall falls identified and remedied.

Background papers

NA

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Portfolio holder – Internal Services

21 January 2022