

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	12 June 2017	AGENDA ITEM:	11
TITLE:	CONTRACT AWARD - Corporate Mechanical and Electrical Term Contracts		
LEAD COUNCILLOR:	Cllr Lovelock	PORTFOLIO:	Leadership
SERVICE:	DENS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	Phil Eldridge	TEL:	0118 937 3094
JOB TITLE:	Corporate Property Services Manager	E-MAIL	Phil.eldridge@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of contracts for the delivery of mechanical and electrical service contracts to corporate buildings and schools.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Director of Environment and Neighbourhood Services in consultation with the Leader of the Council, the Head of Finance and the Head of Legal & Democratic Services to award contracts to contractors providing the best bids for the delivery of mechanical and electrical service contracts to corporate buildings and schools for an initial period of 5 years with an option to extend for two further consecutive years in accordance with the Public Contracts Regulations 2015.

3. CORPORATE MECHANICAL AND ELECTRICAL SERVICES

- 3.1 Responsive repairs, planned maintenance and servicing for RBC corporate buildings and schools are currently delivered through a number of term contracts and agreements. A procurement programme is currently underway to rationalise the number of contracts/agreements, in order to obtain competitive rates and reduce contract administration costs. The Contracts will cover approximately 224 corporate properties / schools / assets across the borough. The services will include the provision of an emergency call-out service 365 days a year, 24 hours a day.

3.2 A tender programme to procure the services of a contractor to undertake the day-to-day responsive repairs to corporate properties and schools has now been completed and the contract is due to commence by July 2017.

3.3 OJEU procurement programmes are underway for mechanical and electrical servicing and maintenance, including statutory compliance work, working to the following dates;

- Fire and Security - tender return March 2017, evaluation April/May 2017
- Electrical Testing - tender return June 2017, evaluation June/July 2017
- HVAC (Heating, Ventilation and Air Conditioning), tender return July 2017, evaluation August/September 2017

4. CONTRIBUTION TO STRATEGIC AIMS

4.1 The contracts will support the achievement of the Council's strategic aims of 'keeping the town clean, safe, green and active' and 'remaining financially sustainable to deliver these service priorities' by;

- Providing a cost effective responsive repairs and planned maintenance service to corporate buildings and schools
- Reducing contract management costs

5. COMMUNITY ENGAGEMENT AND INFORMATION

5.1 Contractors will 'seek to maintain positive working relationships with customers through establishment of appropriate channels of communication'. Consultation with Building Managers, FM staff and Schools will take place during the mobilisation and pre contract stage.

6. EQUALITY IMPACT ASSESSMENT

6.1 There is no Equalities Impact assessment required for this contract

7. LEGAL IMPLICATIONS

7.1 The contracts will be procured in accordance with the Public Contracts Regulations 2015.

7.2 As the Council expects to procure the works at a level above the relevant OJEU thresholds a formal procurement, compliant with the Public Contracts Regulations 2015, is required to ensure that future arrangements continue to apply.

8. FINANCIAL IMPLICATIONS

8.1 The estimated annual value of work carried out under these contracts is as follows but there is no guaranteed volume of expenditure for each contract;

- Fire and Security £300K
- Electrical Testing £115K
- HVAC £170K

8.2 The tenders are based on fixed price servicing costs and Schedule of Rates for repairs. The tenders will be evaluated on a price and quality basis.

9. BACKGROUND PAPERS

9.1 Procurement Documentation including, invitations to tender and Procurement Project Approval Forms and tender reports by Ridge and Partners.