

Cabinet Meeting	
Meeting Date	17 March 2021
Report Title	Reactive and Planned Term Maintenance Contract – Extension of contract
Cabinet Member	Monique Bonney, Cabinet Member for Property and Economy
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Debbie Hardy, Buildings Manager
Key Decision	Yes
Classification	Open
Recommendation	<ol style="list-style-type: none"> 1. That Cabinet approves to extend the current contract for Planned and Reactive Term Maintenance for a further 6 months from 1 October 2021 to 31 March 2022. 2. That detailed work is undertaken on other options for a re-tender.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out of the options for the provision of planned and reactive maintenance for the Council. The current contract has a three year term which ends on 30 September 2021 with an option to extend for a period of up to two years. It is anticipated that the annual contract value will exceed the £100,000 threshold for officer decision.

2 Background

- 2.1 The current contract for Planned and Reactive Term Maintenance commenced on 1 October 2018 and was awarded to Kirkman & Jourdain. It had an initial period of three years with an option to extend for a further two years.
- 2.2 Kirkman & Jourdain have met all KPIs over the past two and a half years with an average of 94.7% work completed on time.
- 2.3 Kirkman & Jourdain have their own Health & Safety department which ensures all operatives and subcontractors have been vetted. There have been no health & safety issues throughout the contract period.
- 2.4 All paperwork, including relevant material invoices, have been provided.

- 2.5 Kirkman & Jourdain have completed 91.3% of work at first visit.
- 2.6 Kirkman & Jourdain look to employ local staff as contractors to save travelling, there are 2 local full time operatives who work on our contract. They also hold van stock and regular items of stock at Swale House to avoid the need of travelling to suppliers. They use local suppliers such as CEF and Parker Building Supplies. The majority of the workforce and subcontractors are based locally.
- 2.7 If work needs to be sub contracted due to its specialist nature local firms are used.
- 2.8 Kirkman & Jourdain have demonstrated value for money on numerous work/projects. They have also supported specifications where necessary and provided advice when needed.
- 2.9 As Kirkman & Jourdain are a well established company, they have all the relevant accreditations meaning any due diligence that is the Council's responsibility is carried out.
- 2.10 There is a good working relationship between the contractors and various tenants at our sites.
- 2.11 There have been a few out of hours emergency issues over the past two and half years and Kirkman & Jourdain have always responded immediately making the area safe and returning to complete when necessary and instructed by Swale Borough Council.
- 2.12 To date spend in each year is:

1 st October 2018 – 31 st March 2019	£102,027.30 excl VAT
1 st April 2019 – 31 st March 2020	£234,530.30 excl VAT
1 st April - date	£156,234.82 excl VAT

3 Proposals

3.1 Option 1

The Council continues to use the incumbent contractor for a further two years. The benefits of this option are that by staying with the current contract, we will ensure continuity of service. As set out above, the performance of Kirkman & Jourdain has been satisfactory and there have been no significant performance issues raised. The main disadvantage of this option is that the Council will not be able to test the market, and one contractor does not give the opportunity for smaller, local companies to bid for work.

Option 2

To undertake a tender process for a new contract to for responsive and planned works. It is recommended that if this option is accepted the contract would be for a period of 3+2 years. The benefit of this option would be the ability to test the market, however there is no guarantee that a new contract would provide improved value for money and it is unlikely that small local firms would be able to bid due to the wide nature of the works. This option could have TUPE implications

Option 3

That the Council lets several contracts to different companies through a local framework to deliver the requirements set out in the current specification. The key benefit of this is the ability for local small and medium business will be able to bid to carry out the work. This will support local businesses. Although it should be said that the current contractor does employ a number of local staff. If this option is chosen there could be TUPE implications.

If this option were taken forward there would be an implication on the management and monitoring of the contract. Monitoring and administering several small contracts will require more resource than managing a single contract and so the cost of addition Council staff will need to be factored into the overall cost. This is likely to be up to 1 full time equivalent post- there is an existing vacancy in the Property Team and that funding could be utilised for this resource. Although the market has not currently been tested, it is felt that the costs of Option 3 could be higher than the other options.

- 3.2 Whilst the performance of the current contractor has been satisfactory there are broader issues which argue for Option 3. The Economic Development priorities of the administration seek to support small local businesses and the tender also needs to reflect the Council's Climate Change and Ecological Emergency objectives.
- 3.3 The approach to the contract also needs to be reflective of a better overall view of the maintenance required on the Council's estate rather than the reactive nature of the current arrangements. The Council also needs to improve its specifications and monitoring of work.
- 3.4 If Option 3 is adopted then to allow the time for a robust specification to be prepared and for the tender process to be undertaken the Council will need to extend the current contract. It is proposed that the extension is for 6 months, the contract can be extended for any period up to 2 years.

3.5 A proposed way forward on the new tender would be brought to Cabinet in June.

4 Alternative Options

- 4.1 Three alternative options are set out above and have been evaluated.

5 Consultation Undertaken or Proposed

- 5.1 There has been no consultation and the recommendations reflect internal discussions with members and officers from a range of disciplines..

6 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money contributes towards all the corporate priorities as it ensures that the maintenance of the Council's assets is optimised.
Financial, Resource and Property	Anticipated annual spend on the reactive maintenance contract is £100,000. The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended ("TUPE") could apply to this contract..
Legal and Statutory	The contract is the standard JCT Measured Term Contract 2016, which is typically used as an industry standard for term contracts. The JCT contract is subject to a schedule of amendments and includes the Council's required contract terms, e.g. Freedom of Information.
Crime and Disorder	None identified at this stage
Environmental Sustainability	The evaluation of the original tender included social value, of which environmental sustainability forms a part.
Health and Wellbeing	None identified at this stage
Risk Management and Health and Safety	The evaluation of the original tender included the contractors' approach to risk management and health and safety.
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

7 Appendices

None

8 Background Papers

None