

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	27 <sup>th</sup> October 2021
<b>Report Title</b>	Reactive and Planned Term Maintenance Contract – Extension of contract
<b>Cabinet Member</b>	Monique Bonney, Cabinet Member for Property and Economy
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration & Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration and Economic Development
<b>Lead Officer</b>	Jeremy Pilgrim, Property Services Manager / Debbie Hardy, Buildings Manager
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	That Cabinet approves to extend the current contract for Planned and Reactive Term Maintenance for a term of 18 months from 1 <sup>st</sup> April 2022 subject to the appointed Contractor's agreement, encouraging them to employ local workforce, sub-contractors and services where practical and cost efficient.  The Property Services Manager and Buildings Manager to evaluate and provide resource to monitor and approve the standard of work undertaken for Reactive works.

## 1 Purpose of Report and Executive Summary

- 1.1 This report seeks Cabinet's approval to extend the current contract for Planned and Reactive Term Maintenance for a further 18 months from 1<sup>st</sup> April 2022. This will allow the existing contract to continue when the three-and-a-half-year term ends on 31<sup>st</sup> March 2022. It is anticipated that the 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. It had an initial period of three years with an option to extend for a further two years. Cabinet asked officers to investigate and present to members an appraisal of the options for the delivery of alternative planned and reactive maintenance service. Whilst reviewing this, it was requested and approved by Cabinet for an extension of the current contract for 6 months, meaning contract end 31<sup>st</sup> March 2022.

- 2.2.1 On 14<sup>th</sup> July 2021 a cabinet decision was made to modify the term contract to ensure local labour, materials and where possible specialist subcontractors are sourced locally.

### 3 Proposals

- 3.1 Upon actioning the Cabinet's decision, the current contract has been reviewed, and an agreement sought from Kirman & Jourdain to guarantee employment of local workforce including specialised skilled works and materials, where possible. ***Evidence of this will be collected and monitored through monthly contract meetings.***
- 3.2 It is proposed that the council continues to use the incumbent contractor for a further 18 months from 1<sup>st</sup> April 2022 and actively encourages and monitors a local workforce agreement. Whilst the head office address is given in Essex, Kirkman & Jourdain already use local workforce and local subcontractors, and it is expected such agreement will be guaranteed.
- 3.3 A concern was raised by Cabinet of the quality of workmanship. Upon reviewing works of specific projects highlighted, it has been identified that quality of actual works were undertaken to specific specification and economic fixed price, in relation to reactive and essential repair works and this has been identified as the principal issue in the quality of standard of finish. It is agreed with the contractor that in respect to future reactive work the standard of finish will be prior agreed. Clearly price will be a factor in agreeing such works and each contract will be individually assessed against a set of criteria including emergency repairs, general maintenance and life expectation.
- 3.4 Actions of outcome from the review – A process and resources will be put in place to inspect works upon completion to ensure such works are completed in a timely and satisfactory condition.

### 4 Alternative Options

The alternative option would be to complete a new tender process. This is not recommended as, in the case of a 3+2 year contract, it is generally accepted that the contract will be extended unless there are performance issues with the contractor which means that procuring a new contract is likely to result in a better outcome. Property Officers do not believe that procuring a new contractor would provide a marked improvement to services and current there is no programmed resource to undertake such exercise.

- 4.1 Due to the pandemic and the current economic conditions it would be difficult to secure an alternative contractor without additional cost.
- 4.2 The monitoring process proposed can be regularly reviewed and considered as a basis of competitive tendering process when the extended contract expires.

## 5 Consultation Undertaken or Proposed

- 5.1 The Chief Financial Officer, the Commissioning team and the Legal Department have been consulted.
- 5.2 A copy of the report has been sent to the Procurement Board.

## 6 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money, whilst employing local workforce 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 total value for the further 18 months is therefore estimated as £150,000.  The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended ("TUPE") apply to this contract and the implications of this were addressed in the procurement process.
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.  References to local workforce and material requirements must use language such as 'encourage' rather than give an outright instruction to the contractor as such instruction cannot be explicit.
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**

Cabinet report dated 14<sup>th</sup> July 2021

## **8 Background Papers**

None