



**REPORT TITLE: The Procurement of a Framework Agreement for the provision of small value Asset Management and Property related services**

<b>Dates between which decision will be taken</b>	Earliest date: 22 June 2022 Latest date: 30 June 2022
<b>Cabinet Member</b>	Cllr Lynden Stowe, Deputy Leader and Cabinet Member for Finance and Change
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	<p>To seek authority to conduct a tender process for the procurement of a four-year framework agreement and call-off contracts thereunder relating to the supply of:</p> <ol style="list-style-type: none"><li>1. Minor maintenance and property related works for servicing, reactive works and project work– estimated spend £2,560,000</li><li>2. Servicing, repair and maintenance - estimated value of spend £2,740,000</li></ol> <p>The council's total estimated aggregate spend under the proposed framework agreement is £5.3m.</p>

<p><b>Recommendations</b></p>	<p>That Cabinet delegates authority to the Assistant Director of Asset Management &amp; Property Services, in consultation with the Cabinet Member for Finance and Change and the Executive Director of Corporate Resources to:</p> <ol style="list-style-type: none"> <li>1) Conduct a competitive procurement process in respect of a four year Minor Works, Servicing and Reactive Maintenance Works Framework Agreement relating to the supply of: <ol style="list-style-type: none"> <li>(a) minor servicing, repair, maintenance and other project and property related works, where the value of such works under any individual framework call-off contract shall not exceed £15,000 (estimated value of spend £2,560,000).</li> <li>(b) servicing, repair and maintenance works in respect of council managed properties, where the value of such works under any individual framework call-off contract shall not exceed £200,000 (estimated value of spend £2,740,000).</li> </ol> </li> </ol> <p>Such Framework Agreement shall be divided into 33 Lots, each one allocated to a specific category of servicing, repair and/or property related maintenance. Each such Lot shall be divided into six Sub-Lots, each one allocated to one of the six Gloucestershire districts. (See appendix 1)</p> <ol style="list-style-type: none"> <li>2) Appoint each of the preferred tenderers to the relevant Lot and Sub-Lot under the proposed Framework Agreement.</li> <li>3) Procure and award as many Call-Off Contracts as may be required by the council under the relevant Lots and Sub-Lots of the proposed Minor Works, Servicing and Reactive Maintenance Works Framework Agreement, whose combined aggregate values shall not exceed £5.3m.</li> </ol>
<p><b>Reasons for Recommendations</b></p>	<p>The recommended procurement options will allow AMPS to ensure the best value for money for the delivery of property related services and works under the proposed Framework Agreement whilst also encouraging bids from smaller and local providers.</p>

<b>Resource Implications</b>	<p>The estimated value of the property related services/projects to be carried out under the proposed Minor Works, Servicing and Reactive Maintenance Works Framework Agreement, over the four-year term is £5.3m, funded from various planned maintenance, revenue budgets and traded service buyback income budgets, plus premises related elements of capital schemes from across GCC and direct school funding. Schools and other Gloucestershire public sector bodies can also access the frameworks and would fund costs from their own budgets.</p> <p>The proposed Framework Agreement will be managed by the existing Asset Management &amp; Property Services (AMPS) team, with a dedicated framework manager for each lot and call offs recorded on pro-contract. The tendering of the framework will be carried out by the Procurement Tendering team, supported by AMPS for the evaluation process; the costs of the procurement will be funded from within existing AMPS revenue budgets.</p>
<b>Background Documents</b>	<p>Previous cabinet decision 2019</p> <p><a href="https://www.gloucestershire.gov.uk/procurement-framework-agreements">Decision - The Procurement of Framework Agreements for the Provision of Management and Property Related Services (gloucestershire.gov.uk)</a></p>
<b>Statutory Authority</b>	
<b>Divisional Councillor(s)</b>	<p>ALL</p>
<b>Officer</b>	<p>Any representations should be sent to</p> <p>Name: Rob Barnes  Tel. no: 01452 328804  Email: <a href="mailto:rob.barnes@gloucestershire.gov.uk">rob.barnes@gloucestershire.gov.uk</a></p> <p><b>By 5pm on 16 June 2022</b></p>
<b>Timeline</b>	<p>Pre-planning and procurement process – June – Nov 2022</p> <p>Tender/Evaluations Dec 2022- March 2023</p> <p>New Framework and contract start dates May 2023</p>

## Background

1. Asset Management and Property Services (AMPS) currently manage a range of Framework Agreements and a Dynamic Purchasing System (DPS) in order to support and enable the delivery of effective property related services across the County.

All works are currently procured through one of the following routes:

- Spends of £0-15k- through the Minor Framework with twenty lots.
  - Spends of 15k- 150K- through a ten year DPS with multiple categories – not subject to this cabinet report
  - Spends of £150k– 600k and £600k plus – through the Major Framework with two lots. – not subject to this cabinet report - This was agreed by cabinet in 2019.
2. The Frameworks have proved beneficial to AMPS since their introduction, as they allow for efficiencies in procurement and contract management, whilst enabling competition among Framework providers for individual services/projects and provide assurance of value for money.

The objectives of the framework are to:

- provide value for money and maintain cost certainty;
  - operate a non-adversarial culture that encourages efficient responses to issues;
  - satisfy the needs and aspirations of framework clients; and
  - promote and exercise corporate social responsibility locally to framework projects.
3. The current estimated spend across the council's current minor maintenance works Framework Agreements is £4.2m to date, with an estimated spend of £5m by April 2023. Extending the term of such Framework Agreements is not an option, as they were set up with four-year terms in each case in accordance with the Public Contract Regulations 2015 (PCR 2015).
  4. A key priority of the AMPS strategy is to continue to produce value for money under the council's building projects and having a quick turn around to able to award a contract. Pro-active maintenance programme & general day-to-day repairs to our buildings.
  5. As a landlord to all Corporate Assets, Gloucestershire County Council has a responsibility to ensure all repairs & maintenance to our buildings are carried out. This is achieved by working collaboratively with our minor framework contractors to carry out minor works programmes.

## Benefits

6. Gloucestershire County Council requires a flexible, managed framework, which will be available to all premises. The service will be compliant with all guidance. This enables AMPS to provide a quick responsive, professional service to schools and other corporate customers and deliver Value for Money property and maintenance solutions.

## Lessons Learnt

7. The current Minor Works Framework (£0-£15,000) enables call off contracts to be awarded to a number of contractors within each Lot. Over the length of the Framework the number of contractors with availability and resources to undertake projects has significantly reduced. We find ourselves in a position where we are having to repeatedly award to a single contractor which impacts on their availability to run multiple projects.  
Each Lot is Countywide. This stretches contactors' availability especially during school holiday periods which are the most attractive for building works. Schools can access the council's Framework Agreement and call-off their own contracts. This has proved extremely difficult to manage and to document using the current format. This has resulted in the review to introduce new lots for Servicing Reactive maintenance works.

## Proposal

8. To procure a new four-year Minor Works, Servicing and Reactive Maintenance Works Framework Agreement
  - (a) minor servicing, repair, maintenance and other project and property related works, where the value of such works under any individual framework call-off contract shall not exceed £15,000 (total estimated spend £2,560,000). Each lot will have one (1) appointed contractor, with two (2) reserve contractors appointed based on agreed evaluation criteria.  
If the appointed contractor is not able to carry out the works then the work will be offered to the reserve contractors in turn, based on their ranking.
  - (b) servicing, repair and maintenance works in respect of council managed properties, where the value of such works under any individual framework call-off contract shall not exceed £200,000 (estimated value of spend £2,740,000). To procure new Servicing and Maintenance Contracts which will consist of 9 lots split across the 6 districts. The number of contractors will be limited to 1 per geographical lot.
9. Such Framework Agreement shall be divided into 33 Lots, each one allocated to a specific category of servicing, repair and/or property related maintenance works. Each such Lot shall be divided into six Sub-Lots, each one allocated to one of the six Gloucestershire districts. Contracts will be awarded via a competitive tender process.

## Options

10. Option 1 – Extend the term of the council's current minor works Framework Agreement  
  
The term of the council's current Minor Works Framework (£0-£15,000) Agreement is 4 years expiring April 2023. There is no contractual option to extend the term of this arrangement.

11. Option 2 - to pursue the proposals set out in the above Recommendations

The proposed Framework Agreement would enable the council to deliver projects within its Corporate & Education sites for planned works and procure servicing and reactive maintenance works. This ensures continuity of service, improves reporting and management of the servicing and reactive maintenance requirements of our corporate properties and Framework compliance.

Minor Works lots would also be offered to other public sector bodies within Gloucestershire giving them the ability to access these contractors and services, entering into their own contracts with suppliers using GCC's framework agreement.

Some key benefits of the proposed multi-supplier Framework Agreement:

- Provides value for money through reduced procurement costs and administration time, while still providing competitive tension amongst suppliers.
- Effective budget management due to cost certainties of framework rates.
- Consistency of presentation and competition details – ensuring legal compliance and facilitates applications by suppliers.
- Compliance of GCC's property estate by accessing competent suppliers.
- Savings can be shared by allowing access to other eligible users who will contribute to the overall costs of running the Frameworks and the contract management costs by payment of a management fee.

12. Option 3 – Deliver the service via an in-house workforce – create a direct service.

It could be possible to take the delivery of these services in-house or under the Local Government Act 1988 to create a direct services and labour organisation to deliver the service. Under this arrangement the Council would become the employer of the staff and take on the service delivery directly for all construction works.

If this option were to be followed there would be increased costs in delivering the service. The Council is not best placed to provide this service in-house and this option is neither practicable, nor cost effective and would transfer unmanageable risk back to the Council. Similarly, delivering these services via a Teckal company would be equally unsuitable. The Council does not have the necessary expertise to operate this kind of delivery option, hence this option is not recommended.

13. Option 4 - To discontinue using minor works and servicing framework agreements to provide a framework of contractors with an agreed set of rates and standards in order to fulfil the councils corporate and/or legal responsibilities in respect of property management , mechanical and electrical servicing, structural building maintenance and property hazard related services.

This is effectively a 'do nothing' scenario. Discontinuing the current arrangements would result in the need for GCC eligible users possibly making their own arrangements and the Council procuring each project on an individual basis. This would result in extensive procurement time for Council staff and approved contractors not being immediately available to deliver services to the Council or eligible users.

Disadvantages to discontinuing these Framework/Service contracts

- Eligible users not using approved Contractors
    - The Council as a Landlord would not be fulfilling its corporate or legal responsibilities, the Council not having control over servicing certificates/schedules
    - Increased costs and time in procurement for each project
    - Risks of H&S breaches, lower standards and poorer quality of workmanship
    - Long term implications for protection of assets
14. Overall it would be a negative financial impact on individual Corporate premises/individual sites. GCC would be paying more to form their own maintenance arrangements, or possibly no certified contractors at all.

### **Risks**

15. Failure to create robust contractual arrangements would lead to the Council not having contractors available when needed and mean that AMPS would have to go through alternative procurement arrangements taking increased amounts of officer time and resources. The risks will be managed through the application of a robust project management approach. Risks that will be actively managed are detailed below:
- Risk that the new Framework is not delivered on time – Project Plan has been drawn up and project manager will be appointed
  - A change in supplier may reduce customer service- assessment of customer service will be evaluated in the tender process.
  - Construction market has changed since we last procured the Frameworks and we may find there are not as many bidders as there were during 2019,-
  - Internal resources need to be made available for preparing and evaluating the procurement(s).- Project Plan drawn up and resources identified to allow for time to be set aside

### **Financial implications**

16. The Council will procure the proposed framework agreement and call-off contracts thereunder using various planned maintenance, revenue budgets and traded service buyback income budgets, plus premises related elements of capital schemes, from across GCC. Schools and other Gloucestershire public sector bodies could also access the frameworks and would fund costs from their own budgets.
- a) Minor Works for the supply of minor maintenance and property related works for servicing, reactive works and project work– estimated spend £2,560,000
  - b) Servicing and Reactive Maintenance for the supply of servicing, repair and maintenance - estimated value of spend £2,740,000

The council's total estimated aggregate spend under the proposed framework agreement is £5.3m.

### **Climate change implications**

17. The delivery of the proposed AMPS Framework/Service Contracts would support delivery of the Council's climate change strategy by including environmental assessment criteria in the evaluation of the tenders giving confidence that providers

will carefully consider climate change and the environment when delivering minor construction works.

### **Equality implications**

18. No significant equality implications have been identified regarding this decision. The proposed invitation to tender will require contractors/suppliers to demonstrate they comply with the Equalities Act 2010. In addition, any construction works commissioned through the framework will be required to meet design standards and features to mitigate any impact on those with the protected characteristics.

### **Data Protection Impact Assessment (DPIA) implications**

19. A DPIA is not required for this decision as it requires no processing of personal data.

### **Social value implications**

20. As part of the Minor Framework, contractors are required to supply their social value policy (Jobs, growth, social, environment), as part of the competitive tendering process.

### **Consultation feedback**

21. Engagement has taken place across the business to understand current requirement and feedback obtained from both current customers and children's services.

### **Officer recommendations**

#### **22. Option 2 - Procure a new arrangement via Frameworks Agreement**

The proposed Framework Agreement would enable the council to deliver projects within its Corporate & Education sites for planned works and would also be offered to other public sector bodies the ability to access these contractors and services. It is proposed that the Framework are made available to other District Councils, Parish and Town Council's and Academies within Gloucestershire. This ensures continuity of service, improves reporting and management of the servicing of our corporate properties and Framework compliance.

Procure a new Gloucestershire Minor Works, Servicing and Reactive Maintenance Framework Agreement

- a) Minor Works for the supply of minor maintenance and property related works for servicing, reactive works and project work– estimated spend £2,560,000, This will consist of 24 lots, made available for educational sites. Each such lot shall be divided into six sub-lots, each one allocated to one of the six Gloucestershire districts
- b) Servicing and Reactive Maintenance for the supply of servicing, repair, and maintenance - which will consist of 9 lots. Each such lot shall be divided into six sub-lots, each one allocated to one of the six Gloucestershire districts. The

number of contractors will be limited to 1 per district per lot. – estimated value of spend £2,740,000.

The council's total estimated aggregate spend under the proposed framework agreement is £5.3m.

### **Performance management/follow-up**

23. The Framework will be managed in line with the Council's contract management procedures. A full category review is considered annually from the start of the new Framework to assess performance, contract management and market feedback. Monitoring of contractor performance will be through a set of pre agreed KPIs, managed by the framework managers.