

Central Bedfordshire Council Mechanical and Electrical Minor Works Framework

Report of: Cllr Steven Dixon Executive Member for Assets
(Steve.Dixon@centralbedfordshire.gov.uk)

Responsible Director: Marcel Coiffait, Director of Community Services
(Marcel.Coiffait@centralbedfordshire.gov.uk)

This report relates to a decision that is Key

Purpose of this report

1. To seek approval for the development and implementation of a Framework Contract for the delivery of Mechanical and Electrical Minor Works Projects.

RECOMMENDATIONS

The Executive is asked to:

1. **approve the implementation of a Mechanical and Electrical Minor Works Framework; and**
2. **authorise the Director of Community Services in consultation with the Executive Member for Education and Skills to appoint successful applicants to the Mechanical and Electrical Minor Works Framework following the outcome of the competitive process set out in paragraphs 14 to 24.**

Overview and Scrutiny Comments/Recommendations

2. This matter has not been considered by any Overview and Scrutiny Committee.

Introduction

3. Currently Mechanical and Electrical (M&E) Minor works are specified and designed by the Council's internal M&E Engineers. Once specified the works are individually tendered and carried out by external contractors.

4. A M&E Minor Works Framework is proposed as it delivers a number of benefits:
 - a. A quicker value for money procurement route for minor M&E works;
 - b. Simplified liability, as in most cases the works delivered through the Framework would be designed and built by the contractor;
 - c. The ability to be flexible and responsive to variations in workload; and
 - d. More effective use of internal M&E Engineers, as they could focus on specifying more complex works.
5. The Framework would be used to deliver projects of varying sizes and scope, on time, to an agreed cost and appropriate quality to meet end user requirements. The projects will primarily be those identified and funded through the Schools Capital Maintenance Programme and the Built Assets Improvement Programme.
6. The M&E projects that are part of these programmes are identified from Building Conditions Surveys that are undertaken by appropriately skilled individuals. There is provision in the Framework for the Council to procure M&E Conditions Surveys to ensure that planned works are required.
7. The tender documentation for the Framework includes detailed proformas and specification of works for the types of work that are most likely to be delivered through the contract. These works are defined in the tender as Standard Work Packages.
8. The level of detail in the Framework Agreement and tender documentation would ensure that the desired quality is achieved on all projects. It would also allow an officer that is not an M&E Engineer to tender the works and manage the contracts.
9. A competitive procurement process would be followed in order to establish the Framework and to appoint contractors to it. This would ensure that the contractors appointed can demonstrate they meet the Council's quality and value for money requirements.

Objectives

10. The objectives of the Framework are:
 - a. value for money;
 - b. projects delivered to target contractual cost and time;
 - c. high client satisfaction rates;
 - d. effective working arrangements to quickly identify and resolve issues; and
 - e. mutually beneficial relationships with contractors where all parties are striving to deliver high standards of health and safety performance.

Timeframe

11. The Framework would be operational for two years with an option to extend on a yearly basis for a further two years.
12. The Framework is intended to be the primary but not exclusive vehicle to deliver a wide range of minor M&E projects of varying sizes and scopes.
13. Subject to approval the Framework would commence in November 2017.

Procurement

14. It is envisaged that all minor M&E works commissioned by the Council up to the total value of £1m per annum will be delivered through the Framework. The Council reserves the right to award contract outside the Framework if it wishes to.
15. There would be no obligation on the part of the Council to offer a specific level of work through the Framework and there would be no obligation on the part of contractors on the Framework to undertake a specific level of work.
16. The Framework would be tendered in two Lots:
 - a. Lot 1: mechanical works up to £300,000
 - b. Lot 2: electrical works up to £300,000
17. The organisational suitability of the bidders would be assessed in Part A of the Framework tender to ensure they meet minimum standards of suitability, capability, legal status and financial standing to perform the contract to be awarded. Only bidders that pass part A would proceed with Part B.
18. Part B contains the award criteria to determine the most economically advantageous tender for admission onto the Framework. The proposed weighting of resources/quality and cost in this tender is 60% for resources/quality and 40% for cost. Resources/quality has been given a higher weighting due to the technical nature of the works and the impact of the quality of works delivered on the health, safety and operation of the buildings the Council is responsible for.
19. It is envisaged that there would be up to six successful contractors for each lot within the Framework. Direct award and mini-competition tendering opportunities would be offered to Contractors on the Framework for Design, Build and combined Design and Build Services and Building Condition Surveys.
20. The Framework itself would be the JCT Framework Agreement 2016 and each project will be contracted using the JCT Minor Works Building Contract with Contractors Design 2016. The JCT suite of contracts are a standard form of construction contract that is widely used in the UK and the contracts mentioned are the most appropriate contracts for this type of works.

21. For each Framework Lot, the tender documentation details the types of works that are likely to be required during the lifetime of the Framework. These works are referred to as Standard Works Packages.
22. The Framework tender requires bidders to submit a price for each Standard Works Package. To enable fair comparison of bidders at evaluation stage the price will be given as a percentage adjustment to the published rates in the National Schedule of Rates for Mechanical & Electrical Works. The listing of Standard Work Packages will give the tenderers the opportunity to enter different adjustment percentages against each package of work. From this information it is possible to assess which of the Contractors on the Framework is the most cost-effective for each package, thus enabling the Council to make direct award of these contracts.
23. The quality of works is specified in detail in the proformas and specification of works that are included in the tender documentation, to ensure that an acceptable standard of works is achieved on all direct award contracts.
24. Where the works required do not fall within the definition of the Standard Work Packages, the project would be tendered on a mini-competition basis and all Framework Contractors within the relevant Lot would be invited to participate in the mini-competition. The contract would be awarded to the lowest price contractor.

Performance Management

25. Responsibility for the Framework would be assigned to an officer in the Capital Projects Team. This officer would monitor both the overall performance of the Framework and ensure that works are delivered in accordance with published standards and the requirements of each project. These standards are set out in Appendix 1.
26. In the event of a contractor failing to perform in accordance with the standards and requirements, the Council can suspend them from delivering works through the Framework. The process for this is set out in Appendix 1.

Council Priorities

27. The implementation of a M&E Minor Works Framework supports the Council Priorities of enhancing Central Bedfordshire and being a more efficient and responsive Council.
28. The Framework would enable sustainable delivery of minor M&E works and ensure work is delivered to an agreed time, price and quality. It would also allow more efficient and responsive delivery of capital maintenance programmes and enable internal M&E Engineers to focus on more complex projects.

Corporate Implications

29. The proposal contained within this report does not have implications for public health, community safety, sustainability or ICT.

Legal Implications

30. The Framework itself will be the JCT Framework Agreement 2016 and each project will be contracted using the JCT Minor Works Building Contract with Contractors Design 2016.
31. The Council is subject to the requirement to obtain best value in the procurement process because it is a best value authority for the purposes of the Local Government Act 1999. The act requires the Council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. To this end, the Council must be satisfied that its procurement process achieves best value in terms of price and quality.
32. The anticipated total value of the framework is less than that required for full compliance with the Public Contracts Regulations 2015 but an analogous tendering procedure is being used to ensure the process is robust.

Financial and Risk Implications

33. The estimated total value of works that would be delivered through the Framework is £1m per annum. The proposed framework is expected to achieve more competitive prices than tendering works individually.
34. The framework would provide design and build services, which means that the Council would no longer be responsible for design risks, reducing its liability.
35. The M&E works that would be delivered through the Framework would be identified in the Schools Capital Maintenance Programme and the Built Asset Improvement Programme, both of which form part of the Council's Medium Term Financial Plan. There is also the option of delivering revenue projects through the Framework if required.
36. There would be no obligation on the part of the Council to offer a specific level of work through the Framework.

Equalities Implications

37. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

38. Equality and diversity are key issues for all directorates within Central Bedfordshire Council. As part of ongoing contract monitoring arrangements the Council would check that statutory service delivery and employment requirements relating equality are met.

Next Steps

39. If the recommendations of this report are approved then officers will commence the procurement process. It is expected that the Framework would commence operation from November 2017.

Appendices

Appendix 1: Performance Standards under the Framework

Background Papers

None

Report author(s):

Lorna Walker, Head of Capital Projects, Community Services,
(Lorna.Walker@centralbedfordshire.gov.uk)