

## Mechanical, Electrical and Buildings Maintenance Re-tender of Contract for Cambridgeshire County Offices, Buildings and Land Assets

To: Assets and Procurement Committee

Meeting Date: 18 October 2023

From: Executive Director: Finance and Resources

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2023/051

Outcome: To achieve a successful and timely procurement exercise for the re-tender of the Mechanical/Electrical and Buildings maintenance contract for the non-school buildings

Recommendation: Assets and Procurement Committee is recommended to:

- a) authorise the re-tender of the Mechanical, Electrical & Building maintenance contract for the non-school buildings and land assets, which is due to expire on 31st October 2024.
- b) approve the commencement of the re-procurement of the Mechanical, Electrical and Building maintenance contract for an initial term of 3 years from 1 November 2024 to 31 October 2027 with the option to extend annually for a potential further 2 years in total which equates to a 3 + 1 + 1 year term; and
- c) Delegate responsibility for evaluating and awarding the framework contract to the Executive Director of Finance and Resources and in accordance with Council procedures in consultation with the Chair and Vice-Chair of Assets and Procurement Committee.

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# 1. Background

- 1.1 The Council's non-school properties, sites, and land assets require a detailed, compliant and comprehensive contract for the provision of servicing of the Authorities' core corporate property and land portfolio. The Authorities' corporate estate are geographically dispersed within the County of Cambridgeshire.
- 1.2 The contract will cover Buildings, Mechanical and Electrical Maintenance. The contract will include reactive repairs, servicing and testing of all applicable equipment under current SFG20 regulations, as well as small to medium sized projects. SFG20 is the industry standard for building maintenance specification, ensures we stay compliant with new and changing legislation and reduces downtime and unplanned maintenance costs by keeping your assets in optimal condition.
- 1.3 At the time of writing, Facilities Management (FM) manage and have maintenance responsibility for approximately 180 buildings that enable all service areas to deliver their functions from corporate offices, to libraries, to Children and Adult Family Hubs and respite sites to name a few.
- 1.4 The existing maintenance term contracts, for repairs and maintenance ends on 31st October 2024. Therefore, Officers are asking for members to approve the re-procurement and subsequent award to allow the required time for a detailed and comprehensive procurement and award process, in preparation for the new contract to start on 1st November 2024.
- 1.5 A full breakdown of the requirements will be detailed in specification documents, but in brief this shall cover the following key services:
  - Servicing and Planned Preventative Maintenance (PPM) services of Mechanical and Electrical plant and equipment; and for planned programme of works permitted under the term maintenance contract.
  - Reactive maintenance to buildings in a timely and efficient manner, in line with timescales set within the agreed key performance indicators in the specification.
  - Supporting the Authority in the form of a 24/7 helpdesk facility which can be viewed and managed via the Authority's new Asset Management CAFM (computer-aided facilities management system), which the new provider will have supplier access to.
  - Invoice management procedures to deliver a managed and timely turnaround of Purchase Orders into accurate Invoices with the correct documentation. management capable of directing day to day issues and offering effective and cost-efficient solutions.
  - Contract Management capability for reviewing throughput of work to ensure regular reporting of recommendations and consequential repair work.
  - Capable of evaluating the work required resulting from reactive calls and any uplift requirements. Supplying progress reports to the helpdesk as required.
  - Implement a full regime of statutory testing, monitoring and reporting including updating the Authority's database with the addition and removal of assets as buildings are added, removed and updated.

- Produce a 5-year lifecycle management plan to ensure the Authority is aware of upgrade costs to the M&E and building fabric which will enable the FM team to budget accordingly.

1.6 The procurement strategy of the M&E & Buildings contract will be by way of Open Tender and will be advertised at the Find a Tender (FATS) website, which has replaced the Official Journal of the European Union, and on the Contracts Finder site. This is aligned and agreed with procurement colleagues and in line with the councils' own policies and procedures.

## 2. Main Issues

2.1 The value of this contract is split into several categories, and due to the reactive nature of the contract, and relevant market conditions the anticipated contract value is estimated (based over previous financial years):

We anticipate and estimate that the expected contract spend, will be:

- Core PPM contract - £1,200,000 pa (currently £650k + NSH £220K)
- Reactive (Helpdesk) - £650,000 pa
- Remedial spend (repairs following services & maintenance) - £900,000 pa
- Planned Spend (work requested that do not fall under routine service) - £450,000 pa
- Capital Projects Spend (works over £10,000 with an improvement to a building) - £1,000,000 pa

2.2 It is worth noting that the current M&E and Buildings contract is not an official SFG20 legislative compliant, which we are now including within this new contract procurement. This will incur additional cost but ensures we will be fully compliant and assured to current legislative standards (SFG20) and also enables CCC to be abreast of any legislative changes to building standards which are automatically adopted as part of this license.

2.3 SFG20 was created in 1990 by the Building Engineering Services Association (BESA) and is recognised as the UK industry standard for building maintenance specifications. The database contains over 1200 maintenance schedules for more than 70 equipment types, which are kept updated by BESA. This removes the requirements of consulting the manufacturer guidelines for each asset, saving time and making it easier for an organisation to remain compliant. These schedules are updated monthly to ensure that the organisation is following industry standards, regulations and best practice and can be integrated effectively and efficiently within Concerto (CCC's new Asset Management CAFM system)

2.4 This does mean that we anticipate the cost of the Core PPM contract to increase as we ensure that every statutory compliant asset is serviced and maintained in accordance with manufacturers guidance and central government legislation as we include more assets to be serviced and maintained. We anticipate this increase to be in the region of 35% per year. It is anticipated that through the savings and outcomes of estates management actions and the corporate property strategy the uplift in costs will be contained within the overall existing budget envelope. The improved planned preventative maintenance through the SFG20 standards will reduce the need for reactive repairs because of failure, thus reducing this budget over the course of the contract. The extent of additional cost is and can only be estimated and this will be realised and actual once tenders are received from the procurement exercise.

- 2.5 New Shire Hall was not included in the current M&E contract and is currently maintained separately under a Scape Framework, to allow the constructing contractor (RG Carter) to maintain and service under defect liability. From the start of the new contract, NSH will be included in the new main contract and the budget of c£220k will be moved over and included in the core PPM contract budget.
- 2.6 Based on previous contract spend, and the upgrade to SFG20 standards, the anticipated total estimate contract value is anticipated to be circa £4.2m pa (£12.6m over the initial 3 years of the contract), this is broken down within item 2.1.
- 2.7 As we apply Asset Management Strategic principles and properties are added, removed, and altered, costs will naturally fluctuate. Reactive jobs through the helpdesk and remedial spend based on repairs following routine servicing is difficult to budget for, but the figures above are sensible estimates based on previous years, adding in some inflationary costs on materials and labour.
- 2.8 The existing estate is being reviewed as part of the new Corporate Property Asset Strategy and the move to Corporate Landlord. One of the outcomes from this will result in potential rationalisation and reduction of the estate. If the estate reduces as we review our asset strategy, then we will see a reduction in the Core PPM contract cost, and it is anticipated these potential differences will be programmed in more detail nearer the start of this new contract but will enable the existing budget to fund all work.
- 2.9 Under the current and proposed terms, other bodies can have access to the term contractor (e.g. Education Capital, School Academies) but the sole instruction of this contract will be managed through the Facilities Management team in Property Services.
- 2.10 The Facilities Management team will manage this contract, the performance and associated KPIs through the recently procured asset management system, 'Concerto'. We will be able to accurately manage and measure these KPIs against the set parameters agreed within the contract and ensure that the organisation is getting value for money and can more accurately budget and forecast each property's performance and interrogate live data and report on any discrepancies with confidence.
- 2.11 The contract specification will be based upon outputs designed to encourage cost saving and improved performance through innovation, adoption of environmentally friendly techniques and materials, recycling of expired equipment and the use of new technology and socially responsible practices.
- 2.12 Risks associated with not re-tendering the existing Mechanical/Electrical & Buildings contract are:
- 2.12.1 No proactive maintenance strategy that involves regular and routine maintenance of equipment, machinery, and other assets which would increase the likelihood of failure and not provide our statutory responsibilities.
- 2.12.2 Without a proactive approach to maintenance and addressing issues early and potentially operating an asset to the point of failure will result in an increase in cost of reactive maintenance which would then adversely affect key service delivery when a failure occurs.

- 2.12.3 Servicing and regular maintenance will increase the longevity of an asset and will allow an organisation to benefit greatly by planning a lifecycle management scheme.
- 2.12.4 Without the framework contractor, maintenance, both proactive and reactive would need to be sub-contracted for each issue raised which would be inefficient and difficult to resource
- 2.12.5 Be solely responsible for ensuring the organisation is up to date with the changing legislation for buildings and construction Health & Safety.
- 2.12.6 Be responsible for keeping an asset inventory up-to-date and compliant with any modifications documented and this includes location, serial numbers, manufacturers details and ensuring service and maintenance standards are adhered to for each asset which will be vastly different from each other.
- 2.12.7 Potential higher energy costs as equipment may not be correctly maintained or running to optimum efficiency or can interrogate the controls or set parameters.

### 3. Alignment with ambitions

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.

The following bullet points set out details of implications identified by officers:

- The contract will be assisting the organisation to continue implementing strategies and processes to reduce energy consumption.
- Minimise waste and look at new methods for recycling materials.
- Promote sustainable practices within our estate.
- Educate employees by influencing behaviour and practices by encouraging the organisation to implement carbon-saving practices.
- Having a contractor who understands and is supporting and aligned with the council's decarbonisation ambitions and able to handle every aspect of building and asset management and will help the organisation to innovate.

- 3.2 Travel across the county is safer and more environmentally sustainable.

The following bullet points set out details of implications identified by officers:

- The contractor will need to ensure that as service and maintenance is provided to the estate, that every effort is made to promote sustainability by reducing travel and their carbon footprint where possible.
- The organisation will seek to procure a contractor that takes sustainable travel seriously, this may involve the provision of electric fleet where practicable.

- 3.3 Health inequalities are reduced.

There are no significant implications for this ambition.

- 3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs.

There are no significant implications for this ambition.

- 3.5 Helping people out of poverty and income inequality.

There are no significant implications for this ambition.

- 3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised.

The following bullet points set out details of implications identified by officers:

- The contractor will be responsible for servicing and maintaining public services assets and therefore their efficiency, and purpose will be fit for use, safe, and accessible.
- The contractor will work with the Council to ensure we understand the needs of the local population, which are ever changing, therefore providing opportunities for everyone to access such facilities thus creating greater fairness in our society.

- 3.7 Children and young people have opportunities to thrive.

The following bullet point set out details of implications identified by officers:

- Well maintained, safe and fit for purpose buildings will enable Children and young people to thrive in this environment.

## 4. Significant Implications

### 4.1 Resource Implications

Should this contract not be re-tendered there will be major significant resource implications as the compliance servicing and testing can not be completed by CCC employees.

### 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The Cambridgeshire County Council (CCC) Procurement Team have been working closely with the service area to agree the procurement strategy.

The procurement will be issued as an OPEN (FTS) tender and be an above threshold procurement that will be fully compliant with the councils contract procedure rules.

We have engaged with Pathfinder Legal already to inform them of this upcoming re-procurement process, to ensure there are no delays.

### 4.3 Statutory, Legal and Risk Implications

The provision of service, repair and maintenance of our corporate buildings is required to ensure that the Council meets numerous statutory obligations in relation to Health & Safety,

current legislation and best practice. Failure to provide such services could lead to enforcement or legal action being taken against the Council.

#### 4.4 Equality and Diversity Implications

There are no significant implications within this category.

#### 4.5 Engagement and Communications Implications

There are no significant implications within this category.

#### 4.6 Localism and Local Member Involvement

There are no significant implications within this category.

#### 4.7 Public Health Implications

There are no significant implications within this category.

#### 4.8 Climate Change and Environment Implications on Priority Areas:

##### 4.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive Status:

Explanation:

Implementing strategies and processes to reduce energy consumption, minimize waste, and promote sustainable practices within the organisation's facilities.

##### 4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status:

Explanation:

Not Applicable

##### 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/neutral/negative Status:

Explanation:

Not Applicable

##### 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status:

Explanation:

Not Applicable

##### 4.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status:

Explanation:

Not Applicable

##### 4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status:

Explanation:  
Not Applicable

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status:

Explanation:  
Not Applicable

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes Name of Legal Officer: Emma Duncan

Have the equality and diversity implications been cleared by your EqIA Super User?  
No N/A Name of Officer:

Have any engagement and communication implications been cleared by Communications?  
Yes or No Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? No Name of Officer: n/a

Have any Public Health implications been cleared by Public Health? Yes  
Name of Officer: Kate Parker

If a Key Decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer? Yes Name of Officer: Emily Bolton

## 5. Source documents

5.1 None.