

Finance and Resources Committee

10.00am, Thursday, 9 December 2021

Award of Waiver Extension to Contract for Mechanical and Electrical Servicing Works for Housing Services

Executive Wards Council Commitments	Executive All 2, 3 and 7
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 approves the award of an extension, through a waiver of the Council's Contract Standing Orders (CSO), to the contract to BAM FM Limited for the supply and delivery of Mechanical and Electrical Servicing works for Housing Services to support the Council's reactive and planned maintenance works to the Council's Domestic Estate. The estimated value of the contract is £450,000 for the 5-month extension.
 - 1.1.2 Notes the contract commencement would be 1 November 2021 for a period of 5 months until 31 March 2022.

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Executive Director of Place

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Award of Waiver Extension to the Contract for Mechanical and Electrical Servicing Works for Housing Services

2. Executive Summary

- 2.1 This report seeks Committee approval to award an extension, through a waiver of the Contract Standing Orders, of the existing contract to BAM FM Ltd for the provision of Mechanical and Electrical Servicing Works for Housing Services.
- 2.2 The extension will be backdated to commence on 1 November 2021 for a period of 5 months until 31 March 2022.
- 2.3 The estimated value of the contract is £450,000 for the 5-month period.

3. Background

- 3.1 The Council has an estate of approximately 20,000 homes with a significant and diverse range of property types, usage and tenure.
- 3.2 The Council is responsible for annually maintaining all Life, Limb, Fire and Health and Safety system in place in its housing stock. This contract supplies the vital maintenance works which allows the Council to meet these obligations, both regulatory and legislatively, maintaining these systems for the safety of tenants, staff and members of the public.
- 3.3 The Council currently contracts out all individual trade disciplines that make up the overall contract for Mechanical and Electrical Servicing. BAM FM Ltd are the current contractors who undertake the works.
- 3.4 The current contract expired on 31 October 2021. To ensure compliance with the Council's regulatory and legislative obligations, the procurement of a replacement contract was necessary. However,, the completion of the procurement process to replace this contract could not be completed in advance of the contract's expiry.
- 3.5 Due to the nature of this life and limb work the Council require to have a contract in place at all times. BAM FM Ltd have agreed to continue with this contract on the same terms and conditions as their previous contract. For this reason and to ensure

both legal and regulatory compliance, officers are recommending that this extension is approved by Committee.

4. Main report

- 4.1 The Council must maintain this area of work for both legal and regulatory reasons.
- 4.2 BAM FM Ltd have agreed to carry on this contract for another 5 months on the same terms and conditions of their now expired contract.
- 4.3 BAM FM Ltd have provided this service to the Council since April 2015.
- 4.4 BAM FM Ltd were suitable to carry out this contract, as they are able to supply all the suitable contractors, to carry out all required trades within the contract..
- 4.5 The Council's intention is to tender all individual trades under separate contracts, to ensure each contract is easier to manage by dealing directly with each contractor.
- 4.6 Due to the complexities involved in splitting up the larger contract into individual ones and the ongoing operational impact of responding to the covid-19 pandemic, additional time is required to complete the replacement of the current contract.
- 4.7 The Key Performance Indicators (KPIs) built into the contract allow the Council to monitor performance and quality throughout the duration of the contract.
- 4.8 The 5-month period of the proposed CSOs waiver will give the Council necessary additional time required to complete a comprehensive procurement exercise.

5. Next Steps

- 5.1 Subject to the Committee's approval this will allow the Council to maintain its legal and regulatory obligations to their tenants, staff and members of the public, by carrying out the Mechanical and Electrical Serving Works for housing stock.
- 5.2 The Council will progress the procurement exercise and bring a further report seeking approval to award new contracts to Committee in March 2022.

6. Financial impact

- 6.1 The estimated contract value is essential spend, due to the nature of the works covered within its scope. The Council has to maintain these services to meet its legal and regulatory obligations. Contract spend will be monitored on an ongoing basis.
- 6.2 The budget will be met from the Housing Revenue Account (HRA).
- 6.3 The costs associated with procuring this framework are estimated to be between £20,000 and £35,000.

7. Stakeholder/Community Impact

- 7.1 Robust KPIs have been included within this contract which will help ensure effective contract management for the duration of this contract, providing value for money to the Council and ensuring the continuity of service.
- 7.2 BAM FM Ltd have committed to paying the Real Living Wage to all employees on the contract and will not utilise zero-hour contracts.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 N/A.