

REPORT TO: Executive Board Sub Committee
DATE: 29th March 2012
REPORTING OFFICER: Strategic Director Children & Enterprise
PORTFOLIO: Resources
SUBJECT: Award of Term Maintenance Contracts
WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to seek approval to award a number of term contracts with regards the maintenance of the Council Property portfolio.

2.0 RECOMMENDATION: That the award of the electrical and building term maintenance contracts covering both Widnes & Runcorn to Picow Building Services, and the award of the Mechanical term maintenance contracts covering both Widnes & Runcorn to Sure Mechanical Services be approved, each contract is to be awarded for a 3 year period with the potential for a 1 year extension.

3.0 SUPPORTING INFORMATION

3.1 A procurement process has been undertaken through The Chest with regards the term maintenance contracts which were broken down into 6 separate lots, covering electrical, mechanical and general building works in both Widnes & Runcorn. The overall value of the contracts are estimated at slightly over £1m per annum the breakdown being as follows:-

Mechanical – Widnes	£190,000
Mechanical – Runcorn	£165,000
Electrical – Widnes	£300,000
Electrical – Runcorn	£200,000
Building – Widnes	£100,000
Building – Runcorn	£100,000

- 3.2 Contractors were initially invited to submit expressions of interest following which they were required to submit a PQQ document which was evaluated in order to obtain a short list of contractors for each lot, these contractors were then taken through to tender stage. The tender submissions were evaluated on both price and quality on a 60/40 ratio, an interview/site visit stage being undertaken as part of the quality element for the leading contractors which allowed for 10% of the overall mark.
- 3.3 The results of the evaluation process for lots 1 & 2, the mechanical maintenance contracts are indicated below, as can be seen taking into account the marks for the notional tender price, the marks for quality and the interview stage, Sure maintenance were positioned first for both the Widnes and Runcorn contracts. The prices submitted by Sure represent a saving of circa 7% over current prices, giving a potential saving of circa £25,000 per annum

Lot 1 Mechanical Widnes

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 Interview/site visit	Final score
Sure	29.54	58.05	87.59	10	97.59
HBS	28.6	60	88.6	8	96
Enterprise	28.04	59.03	87.07	5	92.07

Lot 2 Mechanical Runcorn

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 Interview/ site visit	Final score
Sure	29.54	58.30	87.84	10	97.84
HBS	28.6	60	88.6	8	96.6
Enterprise	28.04	59.99	88.03	5	93.03

- 3.4 The results of the evaluation process for the Electrical maintenance contracts are indicated below, as can be seen taking into account the marks for the notional tender price, the marks for quality and the interview stage, Picow Building Services were positioned first for both the Widnes and Runcorn contracts. The prices submitted by Picow represent a saving of circa 10% over current prices, giving a potential saving of circa £50,000 per annum.

Lot 3 Electrical Widnes

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 interview/ site visit	Final score
Picow	28.38	60	88.38	9	97.38
Intergral	28.85	50.62	79.47	7	86.47

Lot 4 Electrical Runcorn

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 Interview/ site visit	Final score
Picow	28.38	60	88.38	9	97.38
Intergraj	28.85	47.88	76.73	7	83.73

- 3.5 The results of the evaluation process for the Building maintenance contracts are indicated below, as can be seen taking into account the marks for the notional tender price, the marks for quality and the interview stage, Enterprise were actually positioned first for both the Widnes and Runcorn contracts with Picow positioned second.

Lot 5 Building Widnes

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 Interview/ site visit	Final score
Enterprise	27.99	60	87.99	5	92.99
Picow	26.9	53.27	80.17	8	88.17
Intergral	29.32	50.79	80.11	8	88.11

Lot 6 Building Runcorn

Contractor	Quality score	Price score	Total score Stage 1	Stage 2 Interview/ site visit	Final score
Enterprise	27.99	60	87.99	5	92.99
Picow	26.9	53.27	80.17	8	88.17
Intergral	29.32	50.79	80.11	8	88.11

- 3.6 There are a number of reasons why we wish to appoint the second placed contractor rather than Enterprise who are our current providers. Since the procurement process commenced there have been a number of issues with Enterprise which have given us serious cause for concern. They have gone through some form of internal reorganisation which has resulted in a change of personal and office location, the service now being delivered out of the Chester & Cheshire West offices. The level of service being delivered by them during this period has deteriorated significantly which has been raised in numerous meetings with no significant improvement. There has been a major problem with the invoicing side of their business due to their excessive use of sub contractors, which has caused us great difficulty with budgeting. The cost of their quoted work seems to have become excessively high, and we are aware that there have been issues with payments to sub contractors within their supply chain.
- 3.7 Some other issues which have caused us concern is the fact that within their submission document they claimed that no sub contractors would be used, they also claimed to be using the latest type of modern IT technology within their work processes. Following the interview stage it became evident that neither of these were correct and we felt that their submission had been misleading
- 3.8 It is for the above reasons that we strongly recommend that the building maintenance contracts are awarded to Picow. The prices submitted by Picow still represent a saving of circa 9% over current prices, giving a potential saving of circa £18,000 per annum.

4.0 POLICY IMPLICATIONS

- 4.1 There are no real policy implications with regards the awarding of these contracts, the procurement process has been undertaken in accordance with the Council's procurement policy having gone through the process to ensure we are obtaining best value.

5.0 OTHER IMPLICATIONS

- 5.1 The awarding of these contracts will ensure that we continue to deliver best value in terms of the maintenance works undertaken on the Council's property portfolio.
- 5.2 The rates offered in these contracts represent an average saving of 8.8% which in monetary terms represent an efficiency saving of circa £93,000 per annum.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

The awarding of these contracts will ensure that best value is obtained with regards maintenance of the Authorities Educational establishments.

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 RISK ANALYSIS

The risk associated with awarding the building contracts to Enterprise is that the poor level of service which has been delivered over recent months is likely to continue which may impact on the

8.0 EQUALITY AND DIVERSITY ISSUES

All maintenance works undertaken as part of these contracts will be done so in a manner to ensure there is no negative impact on the above issues. The DDA regulations will be complied with throughout.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.