

To: CORPORATE SERVICES COMMITTEE		Subject: RETENDERING OF HOUSING AND PROPERTY MAINTENANCE CONTRACT
From: HEAD OF DESIGN SERVICES		
Date: 10 <sup>th</sup> August 2009	Ref: CC/JC	

## 1.0 PURPOSE

- 1.01 This Report seeks approval from the Corporate Services Committee to progress the procurement process for the Housing and Corporate Property Maintenance contract with the advertisement of the contract within the Official Journal of the European Union (OJEU).

## 2.0 BACKGROUND

- 2.01 Reference is made to the Report approved by the Policy & Resources Committee on 29<sup>th</sup> April 2009, in which the strategic proposals for the contractual arrangements were set out and that further reports regarding the procurement process would be submitted to the relevant service committees.
- 2.02 In 2001 the Council entered into a partnership arrangement with Morrisons Construction Limited, to create a joint venture company for the delivery of a multi trade maintenance service including emergency, routine repairs, planned and cyclical maintenance works for Housing and Corporate Property, for a period of ten years. This contract is due to expire in January 2011.
- 2.03 It has previously been agreed that the current contract be kept broadly in its existing configuration and let as a single contract for all maintenance and planned works for both Housing and Corporate Property. This will be in line with the scope of the current Works Agreement and will be delivered through a Joint Venture Limited Company (JVLC) or Joint Venture Limited Liability Partnership (JVLLP), using a bespoke partnership agreement for works.

## 3.0 PROPOSALS/CONSIDERATIONS

- 3.01 The contract is subject to European Public Procurement Legislation and to ensure that new arrangements are in place for January 2011, it is necessary to commence the procurement process at this time by advertising the contract notice in OJEU, seeking expressions of interest from the market to tender for the works using the restricted procedure, for the establishment of a JVLC or JVLLP.
- 3.02 The contract will be for a 10 year period with an option to extend for a maximum of a further 3 years, with reviews built in at years 4 and 8 to ensure that the contract continues to deliver best value to the Council. Mechanisms will be included within the agreement to address performance, should the contractor fall below the minimum requirements set out in the agreement.
- 3.03 Subject to demonstrating best value it is proposed that all vehicles and plant will be contractor supplied. Operational depots associated with this contract will be made available to lease at market rent.

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3.04 Following a market consultation exercise that was undertaken in May/June of this year, which resulted in broad agreement to the proposed packaging outlined by the Council, the next stage in the procurement process is advertising in the OJEU. It is therefore proposed to issue the Contract Notice in due course to reflect paras. 3.01-3.03 overleaf, and in accordance with European Public Procurement Legislation.

#### **4.0 FINANCIAL/LEGAL IMPLICATIONS**

4.01 Finance and Customer Services and Legal Services are fully involved in the Member Officer Working Group, progressing this issue.

#### **5.0 RECOMMENDATION**

5.01 That the Committee note the Report and approve the progression of the contract for Housing & Property Maintenance with the advertisement of the Contract Notice in the Official Journal of the European Union (OJEU).

  
**Head of Design Services**

Members seeking further information on the contents of this Report are asked to contact Campbell Crawford, Head of Design Services on 01698 504001.