

# North Lanarkshire Council Report

## Finance & Resources Committee

approval  noting

Ref

Date 19/03/20

## Contract Award for Building Management Services

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### Executive Summary

Committee is asked to approve the award of a Contract for Building Management Services (the 'Contract') to ENGIE Services Limited.

The Contract is for an initial period of three years from 01 May 2020. The Council reserves the right to extend the Contract for additional periods up to a maximum of a further 24 months.

The value of the Contract shall not exceed three-million, six-hundred thousand Pounds (£3,600,000.00).

### Recommendations

It is recommended that the Committee approves the award of the Contract for Building Management Services to ENGIE Services Limited to the potential maximum value of £3,600,000.

This recommendation follows the completion of a contract award procedure, where the Tender recommended for award has been evaluated as providing the most economically advantageous Tender in terms of cost and quality for the Council.

### The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

### 1. Background

- 1.1 The Contract is for the provision of key operational services in a number of premises operated by the Council and North Lanarkshire Properties LLP including but not limited to reception duties, concierge services, janitorial and caretaking services and overall

management of premises i.e. room bookings, distribution of associated invoices and debt collection, on-site management of contractors etc.

- 1.2 The contract opportunity was presented as one single Lot.
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## **2. Report**

- 2.1 A user intelligence group (the 'UIG') of technical and procurement representatives was formed to review technical specifications, discuss trading processes, market conditions and trends, ways to maximise community benefits and sustainability and to agree the procurement strategy that would deliver maximum benefit for the Council and North Lanarkshire Properties LLP.
- 2.2 The value of the Contracts dictated that the contract award procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015. The contract opportunity was published in the OJEU and on the Public Contracts Scotland website. The Open procurement procedure was adopted.
- 2.3 Based on the criteria and scoring methodology set out in the procurement documents, an evaluation of the Tender responses was completed by members of the UIG. Selection stage responses were evaluated first. Tenderers who satisfied the selection stage criteria progressed to the award stage evaluation.
- 2.4 The contract award recommendation is made on the basis of the Tenderer who submitted the most economically advantageous Tender.
- 2.5 The Tender submitted by ENGIE Services Limited has been evaluated as representing the most economically advantageous Tender for this Contract.
- 2.6 Appendix 1 confirms the scoring achieved by each Tenderer, further details of the contract award procedure is provided in Appendix 2.
- 2.7 Officers from Asset and Procurement Solutions and North Lanarkshire Properties LLP will be responsible for managing the Contract which will be undertaken in accordance with the Councils agreed approach to Contract and Supplier Management.
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## **3. Equality and Diversity**

### **3.1 Fairer Scotland Duty**

The report is not about a key strategic decision and not subject to the Fairer Scotland Duty.

### **3.2 Equality Impact Assessment**

An Equality Impact Assessment is not required.

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## **4. Implications**

### **4.1 Financial Impact**

The value of the Contract is £3,600,000 including the options to extend the Contract.

The costs associated with contract delivery will be contained within existing revenue budgets across the Council and North Lanarkshire Properties LLP.

#### Savings

Based on rates received within ENGIE Services Limited Tender, the Contract is expected to demonstrate a cost increase of circa 5.5% when compared to current contract rates.

#### Price Stability

Contract pricing is fixed for the first year of the Contract. Thereafter prices have the provision to be adjusted by the application of the RPI price index.

In addition to the above price stability approach, all staff within the Contract must be paid equal to or above the minimum Scottish Living Wage. Where any amendment is made to the Scottish Living Wage throughout the duration of the Contract, an uplift on the basic hourly rate for applicable staff within the Contract shall be applied in accordance with the guidance, timescales etc. published by Living Wage Scotland.

### **4.2 HR/Policy/Legislative Impact**

#### Community Benefits

The Council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.

Within their Tender, ENGIE Service Limited did not commit to the delivery of any specific community benefits. However within their Tender, ENGIE Services Limited stated that they would *“appoint a designated CSR Manager, to plan, manage, deliver and review the Community Benefits delivered as part of this Contract. The CSR Manager will develop a Community Benefits Plan and will liaise with local schools, colleges, local agencies and employability groups to ensure our structured Community Benefits Plan targets the desired audience to deliver real value to North Lanarkshire’s communities.”*

The community benefits delivered as part of the Contract may include the creation of jobs or apprenticeships.

#### Fair Work Practices

ENGIE Services Limited has also demonstrated commitment to Fair Work practices including payment of the Scottish Living Wage to staff employed in the delivery of the Contract.

## Equalities

The procurement procedure excludes any Tenderer where a complaint had been upheld after investigation by the Equality and Human Rights commission or its predecessors and a failure to take remedial action.

### 4.3 **Environmental Impact**

There is no environmental impact arising from this report.

### 4.4 **Risk Impact**

There are no significant risk implications arising from this report.

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## **5. Measures of success**

The Contract will deliver the following outcomes;

- 5.1 Appointment of a Service Provider who has the experience and capability to deliver an innovative, high quality and responsive service;
  - 5.2 The contract award procedure is compliant with the procurement legislation and internal procedures;
  - 5.3 Best value is both demonstrable and achieved;
  - 5.4 The contract secures a range of community benefits;
  - 5.5 Contract mandates payment of the Scottish Living Wage to staff employed in the delivery of the Contract;
  - 5.6 Contract performance is proactively managed against a number of Key Performance Indicators; and
  - 5.7 A collaborative approach to the procurement of the requirement, minimising the burden on internal resource and leveraging the economies of scale.
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## **6. Supporting documents**

<b>The plan for North Lanarkshire</b>	Improve economic opportunities and outcomes, and to improve North Lanarkshire's resource base
<b>Appendix 1</b>	Summary of Evaluation Process
<b>Appendix 2</b>	Summary of Procurement Process
<b>Appendix 3</b>	SME status and location of all Tenderers

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James McKinstry

**James McKinstry**  
**Head of Asset & Procurement Solutions**

## Appendix 1 – Summary of Evaluation Process

<b>Tenderer Name</b>	<b>Final Tender Score</b>	<b>Final Rank</b>	<b>Recommended for Contract Award (Yes/No)</b>
ENGIE Services Limited	92.67%	1	Yes
Key Facilities Management UK Limited	68.20%	2	No

## Appendix 2 – Summary of Procurement Process

Contract Title	Building Management Services
Contract takes effect from	01 April 2020
Total contract period that can be adopted by the Council (months)	60 months
Maximum total contract value including extension option	£3,600,000
Governing UK Regulation	Public Contracts (Scotland) Regulations 2015
Procurement procedure adopted	Open Procedure
Interest List – number of organisations that downloaded the procurement documents from the procurement portal	16
Number of Tenders received	2
Number of non-compliant Tenders	0
Number of compliant Tenders	2
Number of recommended Tenderers	1
Basis of contract award	Most Economically Advantageous Tender  60.00% Quality 40.00% Price
Evaluation Team	Staff from Asset and Procurement Solutions and North Lanarkshire Properties LLP

**Appendix 3 – SME status and location of all Tenderers**

<b>Name of Tenderer</b>	<b>Size of Tendering Organisation (Micro, Small, Medium or Large)</b>	<b>Location (Local Authority / Council Area)</b>
ENGIE Services Limited	Large	North Lanarkshire
Key Facilities Management UK Limited	Medium	Stirling