

To: Procurement Sub Committee

On: 17th February 2016

Report by:

**Joint Report
by
Chief Executive and Director of Development and Housing**

Contract Authorisation Report

Measured Term Contract for the Planned Preventative Maintenance and Reactive Repairs of Laundry Equipment

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to award a Measured Term Contract for the Planned Preventative Maintenance and Reactive Repairs of Laundry Equipment.
 - 1.2 The procurement exercise RC1510_4988 (ITT_10415) was conducted in accordance with the above EU Threshold Open Procedure (Services) and the Council's Standing Orders Relating to Contracts.
 - 1.3 The contract strategy was agreed by the Head of Development & Housing Services and the Category Manager for Development and Housing in November 2015.
-

2. Recommendations

2.1 It is recommended that the Procurement Sub Committee authorise:

- 2.1.1 the Head of Corporate Governance to award the Measured Term Contract (MTC) for the Planned Preventative Maintenance and Reactive Repairs of Laundry Equipment to Electrolux Professional Limited.

2.1.2 the MTC is for a value of £68,232.94 excluding VAT for the servicing element. Reactive repairs element of the MTC are estimated to be in the region of £40,000 per year which can be met from the approved budget.

2.1.3 The contract is anticipated to commence on 27th February 2016 or alternatively, the date as specified in the Letter of Acceptance and will be for a Contract Period of 4 years.

3. Background

3.1 The Council has a requirement for a suitable qualified and experienced contractor to carry out Planned Preventative Maintenance (PPM) and reactive repairs to 471 laundry appliances located within 125 Council managed laundrettes and sheltered housing complexes throughout Renfrewshire Council area.

3.2 This contract was tendered following the Open procurement procedure for above EU thresholds for Services in accordance with the Council's Standing Orders Relating to Contracts. A contract notice advertising the opportunity was sent to OJEU via the Public Contracts Scotland portal on 26th October 2015.

3.3 The tender documentation was published on 26th October 2015 and available for immediate download through the online e-tender system.

3.4 One contractor submitted a response by the closing date of 10th December 2015. The response was evaluated by officers from the Corporate Procurement Unit, Corporate Insurance, Health and Safety and Property Services against pre-determined Bid Selection Criteria which assessed their capacity, experience & track record and their technical capabilities.

3.5 The contractor met the Bid Selection Criteria and was then evaluated against a set of Award Criteria. The Award Criteria was based on a Price/Quality ration of 80%/20%. The scores relative to the Award Criteria of tender are as follows:

	Price (80%)	Quality (20%)	Total
Electrolux Professional Limited	80	10.25	90.25

3.6 For the maintenance element of the tender, common items were specified. An evaluation of market rates for these items identified that the tender submitted by Electrolux Professional Limited is economically advantageous.

3.7 Financial costs in respect of this contract will be met by the Development & Housing Service's Revenue Budget. It is unlikely that any potential savings can be made within this contract due to the reactive nature of repairs.

3.8 Electrolux Professional Limited has committed to deliver 2 school mentoring opportunities as part of community benefits element of the contract.

Implications of the Report

1. **Financial** – The financial status of Electrolux Professional Limited was assessed as part of the evaluation process and met with the Council's minimum requirements for this contract.
2. **HR & Organisational Development** – None.
3. **Community Planning** – Electrolux Professional Limited has a commitment to deliver a number of Community benefits under this contract as detailed in section 3.8 of this report.
4. **Legal** – The tendering procedures for the establishment of this contract was in accordance with the requirements for awarding contracts under the Renfrewshire Council's Standing Orders Relating to Contracts for above EU Threshold Services contracts and the Public Contracts (Scotland) Regulations 2012, as amended.
5. **Property Assets** – Regular servicing and maintenance of laundry equipment will ensure that the council's property assets are kept to an appropriate standard and there is a continued use of this property into the foreseeable future.
6. **Information Technology** – None.
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – Electrolux Professional Limited's health and safety submission was evaluated by Renfrewshire Council's Health and Safety section at the time of awarding the measured term contract and met the minimum requirements regarding health and safety.
9. **Procurement** – The Procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – Electrolux Professional Limited's insurances have been assessed and evaluated to confirm that they have met the minimum requirement regarding risk.
11. **Privacy Impact** – None.

List of background papers - (1) N/A

Author: Beth-Joy MacLeod, Senior Procurement Specialist, Tel: 0141 618 7885.