

To: Procurement Sub Committee

On: 29th March 2017

Joint Report

By

Chief Executive and the Director of Development and Housing Services

Contract Authorisation Report

Measured Term Contract for Kitchen, Bathrooms and Rewiring - Year 8 conducted via a mini competition under Lot 1 of the Framework Agreement for Housing Capital Investment Internal works Programme (Years 6-9) reference RC1407_2637 (ITT 5324)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award the Year 8 Measured Term Contract (MTC) under the Councils Framework Agreement for the Housing Capital Investment Internal Works Programme (Years 6-9): RC1407_2637 (ITT 5324).
 - 1.2 The Council's Framework Agreement was tendered in accordance with an above EU Threshold Open Procedure for Works and the Council's Standing Orders Relating to Contracts. A contract Strategy was approved by the Procurement Manager and the Head of Housing Services on 27th August 2014.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub-Committee authorise the Head of Corporate Governance to award the Year 8 MTC under lots 1 and 2 of the Framework Agreement for the Housing Capital Investment Internal Works Programme (Years 6-9): RC1407_2637 (ITT 5324) to Mitie Property Services (UK) Limited.

- 2.2 The MTC will be for a Contract Period of 12 months from the award of this Package Order. The anticipated date of award is the 7th April 2017, however the actual date will be confirmed in the Council's letter of Acceptance for this MTC. The anticipated spend for the Contract Period will be up to £1m, excluding VAT.
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3. Background

- 3.1 The Framework Agreement for the Housing Capital Investment Internal Works Programme (Years 6-9) was approved by the Procurement Sub-Committee on 3rd December 2014.
- 3.2 The first MTC (Year 6) made under the framework agreement was issued on 2 February 2015. On the anniversary date of the MTC for Year 6, all three contractors awarded onto the framework submitted a review of their prices for Year 7.
- 3.3 On the anniversary date of the MTC for Year 7, all three contractors awarded onto Lot 1 of the framework again submitted a review of their prices for Year 7 which were approved by the Procurement Sub Committee on the 16th March 2016.
- 3.4 The submission of prices for Year 8 was evaluated and given a commercial (Price) score out of 60%, the score for each contractor was then added with their Quality score evaluated and identified at the original Framework Agreement award stage. The cumulative score bringing together the Price and Quality elements for each tenderer is noted as follows:

	Price (60%)	Quality (40%)	Total (100%)
Keepmoat Regeneration Limited	60.00	36.65	96.65
McTear Contracts Limited	No Bid Received		
Mitie Property Services (UK) Limited	59.93	37.90	97.83

- 3.5 The evaluation of submissions received identified that the submission by Mitie Property Services (UK) Limited was the most economically advantageous.
- 3.6 Financial costs in respect of this contract will be met by the Service's Capital Budget.
- 3.7 The MTC will be for a value of no more than £1m throughout the duration of its term. There is no guaranteed value or level of works within this project as requirements cannot be foreseen at time of award and will only be identified as the contract term progresses.

- 3.7 Community benefits were secured at inception of the Framework: as stated below. Specific Community Benefits for Year 8 will be agreed with Mitie Property Services (UK) Ltd in line with those stated below following contract award.

Community Benefit	No of People / Activity
Modern Apprenticeships	2
Graduates	1
Jobs for the Unemployed	2
Trainee Position	1
Career Events	2
Supply Chain Briefings with SME's	2
Business Support Social Enterprises, Supported Businesses, Third Sector Organisations	2
Mentoring Third Sector Organisations	2
S/NVQ's or equivalent for Existing Employees	5
S/NVQ's or equivalent for New Entrants	2
S/NVQ's or equivalent for Sub-contract staff	2

Implications of the Report

1. Financial

The financial status of Mitie Property Services (UK) Limited was assessed on Wednesday 15 March 2017 by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

No TUPE implications have arisen or are anticipated.

3. Community Planning

Mitie Property Services (UK) Limited has a commitment to deliver a number of Community Benefits under the framework agreement as detailed in section 3.7 of this report.

4. **Legal**

The tendering procedures for the establishment of the Framework Agreement were in accordance with the Renfrewshire Council's Standing Orders Relating to Contracts and the Public Contracts (Scotland) Regulations 2012 (as amended). This MTC has been awarded in accordance with the Framework Agreement requirements and the Council's Standing Orders relating to Contracts.

5. **Property Assets**

The refurbishment of kitchens and bathrooms, rewiring and the upgrading of heating systems will ensure that the council's property assets are kept up to a modern standard.

6. **Corporate Services**

None

7. **Equality Opportunities**

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 because for example it is for noting only. 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**

The contractor's health and safety was vetted as part of the establishing of the Framework Agreement.

9. **Procurement**

The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. **Risk**

Insurance levels were provided by Corporate Risk and insurance for the initial framework agreement. Updated certificates were submitted as part of the procurement which detailed that Mitie Property Services (UK) Limited have sufficient cover in place.

11. **Privacy Impact**

A full Privacy Impact Assessment has been completed by the Senior Solicitor (Information Governance). As some Personal Data will be transferred for the purposes of the contract, a Data Processor Agreement will be put in place with the Contractor

List of background papers

- (a) Background Papers - Contract Authorisation: Framework Agreement for Housing Capital Investment Internal works Programme (Years 6-9) RC1407_2637 (ITT 5324)

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