

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	18th January 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Maintenance of Municipal Buildings - General Response Maintenance Contracts
REPORT NUMBER:	EPI/10/33

1. PURPOSE OF REPORT

The report advises Members of the options available for the future delivery of services in respect of Maintenance of Operational Properties (general response maintenance contracts). The report seeks Committee approval of the preferred option in the context of overall Best Value to the Council. It should be noted that a separate report has been submitted (by the Procurement Unit) in respect of the re-tendering of other contracts in relation to Non-Housing Maintenance.

2. RECOMMENDATION(S)

It is recommended that the Committee:

1. Approve in principal the carrying out of general response maintenance works in connection with Non-Housing Maintenance city-wide by the in-house Building Service team.
2. Instruct relevant officers to establish a framework for the charging of actual costs to the Non-Housing Repair & Maintenance Fund.

3. FINANCIAL IMPLICATIONS

It is anticipated that a like for like saving of approximately £30K per annum could be made to the revenue Non-Housing Repair & Maintenance Fund. Depending on 2011/12 budget approval this could either be taken as a saving or used for much needed additional works to maintain the operational condition of the Council's existing operational property portfolio.

4 SERVICE AND COMMUNITY IMPACT

Corporate - This section should include links to the Community Plan, the Single Outcome Agreement, the 5 year Corporate Business Plan, individual Service Plans, and *Vibrant, Dynamic & Forward Looking*.

Please refer to the Single Outcome agreement and VDFL for this information. Both are available on the Zone.

Public - This report will have no direct interest or impact on the public

5. OTHER IMPLICATIONS

The employment status of staff from the current contractor, Banchory Contractors, who deliver the service in the old 'North' area is being assessed.

6. BACKGROUND/MAIN ISSUES

The current arrangements for building maintenance and repairs to operational properties was established in 2002 following a best value review. With the current range of contracts coming to a conclusion a detailed reflection on the existing arrangements, practice elsewhere within the Council, and the relative costs of options has been undertaken.

The contracts are based on a schedule of dayworks rates with the evaluation of tenderers being considered on a quality/price apportionment of 60%/40% respectively.

Three tendering exercises were undertaken and the current service providers are as follows;

Central	-	Aberdeen City Council Building Services
North	-	Banchory Contractors Ltd*
South	-	Aberdeen City Council Building Services

*The in-house contractor did not bid for the north contract due to the distribution of tradesmen and the lack of available capacity at the time.

The current position with the three general response maintenance contracts is:

<u>Contract</u>	<u>Contract Start Date</u>	<u>End of 3 Year Period</u>	<u>Current Contract End Date</u>
North Contract	1 st Aug 2007	30 th Jun 2010	30 th Sep 2011
Central Contract	1 st Apr 2007	31 st Mar 2010	30 th Jun 2011
South Contract	1 st July 2006	30 th Jun 2009	30 th Jun 2011

For the majority of service areas it has been deemed that amalgamation of the three separate contracts into one city wide contract is the best option for the way forward bringing efficiencies in tendering procedures and possible economies of scale in contractor's pricing. In some cases these are being jointly procured with other Public Bodies and full details are the subject of a separate report by the Procurement Unit.

From a review of the price evaluation the historic trend data shows that the in-house contractor is significantly cheaper than private sector equivalents. Historically the quality submission from the in-house contractor was the weaker element of their bid.

Since the original tenders were submitted there has been significant steps taken by the in-house contractor to deploy updated back office systems which if adopted corporately would provide more than adequate supporting evidence of costs etc on an open book basis.

It is therefore proposed that the Council terminates the contract held by Banchory Contractors at its conclusion on 30th September 2011 and award the work to the in-house contractor on a city wide basis.

It is further proposed that the relevant officers develop suitable processes and monitoring regimes in order to ensure auditable records are available and performance can be subsequently reported to service committees through the adoption of Key Performance Indicators. All costs will be monitored on an open book basis.

In order to manage the additional workload this will put on the Building Services Team it is proposed that there is a transfer of staff from the existing Facilities Management Team to the Building Services Team. Currently it is proposed to transfer 3 Building Inspectors, 2 Electrical Inspectors and a Mechanical Inspector. The remaining Inspectors will be employed for at least part of their time in monitoring the work, ensuring standards are maintained and that the agreed Building Condition Index is Maintained

As part of the transfer of the workload TUPE Regulations would need to be applied. Staff currently employed by Banchory Contractors who are wholly or mainly assigned to the contract with the Council would have the right to transfer with the contract and would need to be


employed by the Council (at the same terms and conditions as they are currently employed) if this was the wish of the employee/s.

7. BACKGROUND PAPERS

Report to Resources Management Committee 6th December 2002
Non-Housing Maintenance Service Review

Report to Resources Management Committee 7th February 2007
Maintenance of Municipal Buildings 2007/09 - Central Area
Tender Report

8. REPORT AUTHOR DETAILS

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