

AGENDA MANAGEMENT SHEET

Name of Committee Leader Decision Making Session

Date of Committee 22 July 2010

Report Title Tender for the Servicing of Gas Fired Products and Associated Heating Systems – CMS Ref: 2878

Summary This report seeks approval from the Leader of the Council and stated Portfolio Holders to commence a procurement process for the above services.

For further information please contact:

James Viggers Procurement Officer Tel: 01926 414 131 jamesviggers@warwickshire.gov.uk	Frank Richards Engineering Manager Tel: 01926 452 365 frankrichards@warwickshire.gov.uk
--	--

Would the recommendation decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision] No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s) N/A
- Other Elected Members Cllrs Naylor and Roodhouse - for information
- Cabinet Members Cllr Farnell
Cllrs Saint, Hayfield and Wright – for information
- Chief Executive
- Legal Suzanne Burrell
- Finance David Clarke, Strategic Director, Resources – reporting officer
- Other Chief Officers
- District Councils Via the Warwickshire Property Officers Group. This group also includes representatives from the

local NHS Trust and Police, etc.

- Health Authority As Above.....
- Police As above.....
- Other Bodies/Individuals

FINAL DECISION Yes

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Leader Decision Making Session - 22 July 2010.

**Tender for the Servicing of Gas Fired Products and
Associated Heating Systems – CMS Ref: 2878**

Report of the Strategic Director, Resources

Recommendations

1. That the Leader approves proceeding with a tender for the provision of Servicing of Gas Fired Products and Associated Heating Systems with a new contract to commence 1st April 2011
2. That the Leader approves and authorises the Strategic Director of Resources to enter into all relevant contracts for the provision of Servicing of Gas Fired Products and Associated Heating Systems on terms and conditions acceptable to the Strategic Director of Customers Workforce and Governance.

1. Background

- 1.1 The Maintenance and Projects Group within Property Services are responsible for carrying out and managing multiple contracts for the maintenance and improvement of the Council's building stock. Contracts that primarily focus on servicing building systems such as heating and boiler controls, lifts and installed security systems fall within this area under the heading of Service Contracts. There are over forty contracts under the Service Contracts title with an aggregate annual value of £8 million.
- 1.2 The Strategic Procurement Unit has been working with Property Services to develop a more effective procurement strategy for the management of these service contracts going forward. Following a period of detailed spend analysis, the first action was to group related and similar service contracts to bring forty contracts down to a more manageable number. This action identified the possibility of lowering the total number of contracts to be let and managed to under twenty.
- 1.3 The Council has legal and health and safety obligations to meet as landlord of its building stock. Many items such as lifts and heating systems require periodic maintenance services.

2. This Procurement Exercise

- 2.1 The procurement exercise under consideration is for a new contract arrangement. This procurement plans to amalgamate five existing contracts which are all currently tendered and managed separately:

Contract Title	Contract Value
(i) Servicing and Maintenance of Oil & Gas Direct Fired Heaters	£61K
(ii) Servicing and Maintenance of Oil & Gas Fired Burners	£1.5M
(iii) Servicing and Maintenance of Overhead Radiant Heaters	£59K
(iv) Servicing and Maintenance of Heating Pressurisation Sets	£125K
(v) Servicing and Maintenance of Central Heating Systems	125K

- 2.2 The intention is to create a single Framework contract broken down into lots as detailed in point (I) to (V) above but with the option for providers to offer price benefits based on being awarded some or all of the 5 available Lots.
- 2.3 In addition to the potential price benefits, our expectation is that the potentially bigger work package will attract more tenderers to compete for this work and this more competitive environment may encourage new innovative responses.

3. Collaboration

- 3.1 The framework contract will be used to provide services for Warwickshire County Council as a landlord and to its clients where they choose to use the Maintenance and Projects Group to spend their own funding. The framework contract will also be open for use by Coventry, Solihull and Warwickshire Property Officers Group (current members include North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Stratford on Avon District Council, Warwick District Council, Rugby Borough Council, Coventry City Council, Solihull MBC, Warwickshire Police, Warwickshire Primary Care Trust, Coventry and Warwickshire NHS Trust and Warwickshire County Council) and any subsequent members.

4. Conclusion

- 4.1 This procurement is the first step to delivering a more strategic procurement approach to the service and maintenance contracts that Property Services need to award to effectively maintain the Council's building stock. This contract offers the opportunity, not only to re-test the market but also to secure more attractive pricing, reduce the procurement costs associated with running several contracts and supports the sub-regional procurement agenda.

DAVID CLARKE
Strategic Director, Resources
Shire Hall
Warwick
07 July 2010