



BELFAST CITY COUNCIL

Report to:	Strategic Policy & Resources Committee
Subject:	Approval for tenders and deferments for Supplies and Services for Facilities Management
Date:	17 October 2014
Reporting Officer:	Gerry Millar, Director of Property and Projects Ext: 6217
Contact Officer:	George Wright, Head of Facilities Management Ext: 5206

1	Relevant Background Information
1.1	<p>Members will be aware that under the Scheme of Delegation approval must be sought from the relevant Committee prior to inviting tenders for the supply of any goods or services. The following contracts are due for renewal.</p> <p>Tender for the Collection and Recovery of Vehicles and Mobile Plant</p>
1.2	The fleet Management unit is responsible for co-ordinating the collection and recovery of vehicles and mobile plant in circumstances where these assets have broken down on the roadside and need to be transported back to base at Duncrue Complex for repair.
1.3	The work has an annual value of approximately £20,000. The existing contract for the collection and recovery of vehicles and mobile plant is due to expire, and the unit wishes to undertake a tendering exercise in order to identify the most competitive prices available for this service.
1.4	The resulting contract will run for a period of one year with up to two further one-year extensions allowable solely at the council's discretion and subject to satisfactory performance.
1.5	<p>Tender for the Hire of specialist commercial vehicles and mobile plant</p> <p>The Fleet management Unit is responsible for the hire of specialist commercial vehicles and items of mobile plant in respect of short-term hire to cover operational need for all council services.</p>
1.6	The existing contract has a typical annual value of £35,000 but is due to expire soon. The Unit therefore wishes to undertake a tendering exercise, and seeks approval from Committee to invite tenders for the hire of specialist commercial vehicles and mobile plant.
1.7	The resulting contract will run for a period of one year, with up to two further one-year extensions allowable solely at the council's discretion and subject to satisfactory performance.
	Tenders for Planned Maintenance
1.8	Members will be aware that the Property Maintenance Unit is responsible for the development and management of a planned maintenance programme covering all council properties, and that the use of specialist and other sub-contractors is an essential

	<p>element in delivering this work.</p>				
1.9	<p>To assist the Property Maintenance Unit's delivery of this year's Planned Maintenance Programme and other client works it will be necessary to invite tenders for a number of specific projects with a total estimated value of £780,000 as listed in Appendix A.</p> <p>Tender for the provision of an energy consultancy service</p>				
1.10	<p>A review of the council's energy and carbon management was commissioned by the Sustainable Development Steering Group and completed by a specialist energy consultant in April 2012.</p>				
1.11	<p>As a result of the energy review two aspects of energy that were identified as key to delivering energy cost reductions for the council included:</p> <ol style="list-style-type: none"> 1. Energy procurement and 2. Management of energy usage. 				
1.12	<p>There has been significant progress with regard to energy procurement with Schneider appointed in July 2014 to provide a managed service for the procurement of electricity and gas. This contract is delivering:</p> <ol style="list-style-type: none"> 1. Year on year budgetary reductions of £139k from 2014/15 to 2015/16 2. Budgetary assurance for the next two financial years 3. Potential for in year savings and further budgetary reductions for 2015/16 (to be confirmed Oct/Nov 2014) 				
1.13	<p>It is critical therefore that there is now a proactive corporate approach to energy management. It is further anticipated that an improved approach to energy management can deliver further significant savings through;</p> <ol style="list-style-type: none"> 1. Reduced consumption 2. Maximising grant funding opportunities and 3. Minimising Carbon Reduction Commitment (CRC) tax payable <p>Tender for the supply and delivery of paints & Oils and Timber products</p>				
1.14	<p>Members will be aware that the Property maintenance unit stocks a range of building related products on-site which are used in the delivery of planned and reactive maintenance projects in all council properties. These products are sourced from a variety of suppliers using competitive procurement processes.</p>				
1.15	<p>As part of the approach, the unit stocks and issues timber and paints/oils products. Contracts are currently in place covering these products, but these are due to expire in October and November 2014 respectively. The typical annual value of these contracts is as follows:</p> <table style="margin-left: 20px;"> <tr> <td>Paints & Oils:</td> <td>£41,000</td> </tr> <tr> <td>Timber products:</td> <td>£32,000</td> </tr> </table>	Paints & Oils:	£41,000	Timber products:	£32,000
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1.16	<p>The unit would normally be seeking the Committee's approval to invite tenders for these products at this time, but in liaison with the procurement section it is proposed that this</p>				

	be deferred for a period not to exceed 6 months, in order to allow some refinement of the associated specifications and also to permit some re-balancing of priorities within the Corporate Procurement Services.
1.17	This would involve seeking the Committee's approval to extend the current contracts with the existing suppliers for a period not to exceed 6 months, on the basis that these suppliers agree to hold their prices at current contracted rates (adjusted for inflation) throughout this period.

2	Key Issues
	<p>Tender for the Collection and Recovery of Vehicles and Mobile Plant, Tender for the Hire of Specialist Commercial Vehicles and Tenders for Planned Maintenance</p> <p>2.1 Tenders will be evaluated in liaison with Corporate Procurement Services, and appropriate evaluation criteria will be developed based on both cost and quality. Further details on tenders required with estimated costs and duration for planned maintenance are detailed in Appendix A.</p> <p>Tender for the appointment of an Energy Consultant</p> <p>2.2 The case for improved energy management has been highlighted through a number of recent reviews and interventions.</p> <p>2.3 As part of an ongoing improved energy management approach, the Council needs to continue to manage energy usage levels down to deliver further savings. This is critical at a time of potential increased usage, associated costs and carbon taxes and particularly given the strategic considerations for energy management presented by LGR; transformation of the leisure estate and consolidation for office accommodation.</p> <p>2.4 The 2012 energy review recommended the establishment of an Energy Investment Unit within Property and Projects which would have responsibility for ongoing cost reduction and implementation of future energy related improvements. To progress this work more quickly permission is sought to seek tenders to appoint an Energy Consultant for a period of 12 months to help deliver these cost reductions and implementation of future energy related improvements.</p> <p>2.5 It is proposed to align existing resources across the council who have an energy remit within their job descriptions or current roles with that of an appointed interim manager to implement energy improvements. It is envisaged that the costs associated with the appointment of an interim strategic management solution will be able to be recouped given the potential scope for savings through energy management improvements.</p> <p>2.6 The cost of appointing an Energy Consultant and the associated specialist support services will be in the region of £100-£150k.</p>

3	Resource Implications
3.1	<p>Human Resources</p> <p>There are no direct HR implications in respect of this report.</p>
3.2	<p>Finance</p> <p>With the exception of the planned maintenance and energy consultant, provision for this expenditure has been made within the existing revenue budget of the Facilities Management Unit. Planned Maintenance, supplies and services have been included for within the Property Maintenance Unit's planned maintenance programme budget or from</p>

3.3	<p>non-recurring sources. In relation to the energy consultant provision for the expenditure will be made from a mixture of in-year savings over and above the energy procurement savings and from the corporate invest to save budget.</p> <p>Assets</p> <p>There are no direct asset implications in respect of this report. Regarding planned maintenance, having a range of experienced and efficient contractors available is an important factor in delivering effective property maintenance to the Council.</p>
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4	Equality and Good Relations Implications
4.1	There are no equality or good relations implications arising from this report.

5	Recommendations
5.1	<p>Committee is asked to approve, for the purposes of those tenders outlined in Section 2:</p> <ol style="list-style-type: none"> 1. The seeking of tenders for the above categories, including work packages as listed on Appendix A, using pre-determined evaluation criteria to include both quality and cost. 2. The acceptance of successful tenders to be delegated to the Director of Property and Projects, under the Scheme of Delegation. 3. The extension of current contracts for Paints & Oils and Timber products by up to six months on the basis of existing contracted prices, in order to permit the refinement of specification and the re-balancing of overall procurement priorities by the relevant Section.

6	Decision Tracking
<p>The Director of Property and Projects is responsible for approval of the recommended tenders. If approved it is anticipated that the relevant tender exercises will be initiated in January/February 2015.</p>	

7	Documents Attached
Appendix A – Schedule of planned maintenance tenders	

8	Key to Abbreviations
None	

Schedule of tenders:

Goods & Services	Estimated Value per year	Period of Contract	Proposed Start	Anticipated advert date
Installation of roof edge protection system to various locations	£ 110,000	To be agreed	Jan 15	Nov 14
Repair, maintenance & minor works to Building Energy Management System	£ 40,000	1 year plus 2 optional	Apr 15	Dec 14
Wedderburn Bowling & Changing Pavilions Installation of new gas heating & domestic hot water system	£ 60,000	To be agreed	Mar 15	Jan 15
St Georges Market, Supply of New General Lighting Systems	£ 70,000	To be agreed	Mar 15	Jan 15
Supply & delivery of electrical items	£300,000	1 year plus 2 optional	Apr 15	Jan 15
Supply & delivery of paper & degradable plastic sacks	£ 150,000	1 year plus 2 optional	May 15	Jan 15