

REPORT TO CABINET

17 October 2018

Subject:	Procurement for Office Accommodation Improvements including Replacement Lifts to Sandwell Council House
Presenting Cabinet Member:	Councillor Steve Trow – Cabinet Member for Culture and Core Council Services
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC09/09/2018
Cabinet Member Approval and Date:	Councillor Steve Trow
Director Approval:	Darren Carter
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Ward councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Andrew Rust – Principal Building Services Engineer Andrew_rust@sandwell.gov.uk Andy Jukes – Procurement Business Partner andy_jukes@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

1. Approve award of the contract for the replacement of three lifts at Sandwell Council House Oldbury to Lift and Engineering Services Ltd for the sum of £402,221.00.
2. Authorise the Executive Director Neighbourhoods and the Executive Director Resources to approve the award of any future procurement in

support of the delivery of the Office Accommodation Implementation Plan (OAIP), subject to options appraisals being undertaken to determine whether works will be executed via the Council's partnership agreement with Solihull MBC or open tender, and on-going monitoring of the capital spend is undertaken via the Capital Programme monitoring reporting process.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to seek approval for the procurement exercise to replace the three main lifts in Sandwell Council House, Oldbury. This is being funded from the Office Accommodation Implementation Plan capital budget.
- 1.2 In addition, authorisation is requested for the Executive Director Neighbourhoods and the Executive Director Resources be granted delegated authority to approve the award of any future procurement exercises in support of the delivery of the Office Accommodation Implementation Plan (OAIP) which was approved by Cabinet on 28 June 2017. This will allow for a faster and more efficient decision-making process upon conclusion of procurement exercises, in order to take advantage of market conditions at the time of requirement. The Executive Director Resources is required to report to Cabinet on the use of these funds through the Capital Programme monitoring process.
- 1.3 A procurement exercise for replacement of three lifts in Sandwell Council House was undertaken through an Efficiency East Midlands (EEM) framework agreement. Tenders were sought from the four Contractors nominated on the EEM Framework. Evaluation was based on 100% price. Two valid tenders were returned.
- 1.4 Approval is now sought to award the contract for replacement lifts to Lift and Engineering Services with a view to commencement of works in December 2018.
- 1.5 Further approval is sought to procure and appoint for other major plant replacement to Sandwell Council House in connection with the Office Accommodation Implementation Plan capital budget, namely:
 - The replacement of the main switch panel and uninterrupted power supply unit (UPS);
 - The replacement of the three main ventilation units and ductwork;
 - Any other associated works as they arise.

- 1.6 It is requested that the Executive Director Neighbourhoods and the Executive Director Resources be authorised to approve the award of these and other associated procurement exercises as outlined in 1.2 above.

2 IMPLICATION FOR THE COUNCIL'S AMBITION

- 2.1 Using pre-approved frameworks and the Council's Partnership with Solihull MBC will confirm the Council's reputation as an organisation for getting things done. It allows limited resources to be focused onto other projects, which may have a direct impact upon residents.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The existing two traction passenger lifts in the reception and the single traction passenger staff lift to Sandwell Council House are the original lifts from when the building was completed in 1991.
- 3.2 The lifts are 26 years old and have exceeded the economic life for traction passenger lifts stated in the CIBSE Guide M – Maintenance Engineering and Management which is 20 years.
- 3.3 Maintenance costs are increasing to keep the lifts operational due to wear and tear. £20,000 has been spent this financial year so far.
- 3.4 Replacement parts are becoming obsolete, or difficult to obtain. This is resulting in increased down time whilst seeking a solution for repair.
- 3.5 The lifts do not comply with the Equalities Act (EA) 2010.
- 3.6 The lift cars are, on occasion, failing to level with the landing floor, so causing a tripping hazard.
- 3.7 The interiors of the lift cars are showing signs of wear and tear.
- 3.8 Further plans have been made for the refurbishment of Sandwell Council House as part of the Office Accommodation Implementation Plan. Procurement of a new uninterrupted power supply (UPS) and ventilation systems are required along with other associated improvement works.

4 THE CURRENT POSITION

- 4.1 All three lifts are currently operational but due to the factors outlined in Section 3 are in urgent need of replacement in order to bring them to a compliant standard.

- 4.2 A cyclical maintenance regime is being undertaken, which carried out monthly basis by our term Contactor, Lift and Engineering Services Ltd.
- 4.3 Statutory inspections are being carried out on a 6-monthly basis, by the Council's insurance provider, Allianz.
- 4.4 Design and planning of building improvement works to Sandwell Council House are well underway and procurement of these works will be the next stage of delivering the Office Accommodation Implementation Plan which was approved by Cabinet on 28 June 2017.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Corporate Procurement Services – Andy Jukes, Procurement Business Partner has been consulted with regard to the route to market and obtained tenders using the EEM framework.
- 5.2 Facilities Management – Chris Bailey, Facilities Services Manager has been consulted, with regard to programme for installation and the lift car interior finishes.
- 5.3 Strategic Lead – Lee Constable for funding for fees and construction works.

6 ALTERNATIVE OPTIONS

- 6.1 There is no alternative to replacing these lifts as they have now exceeded their expected life and need to be replaced for both health and safety and economic reasons.
- 6.2 The alternative route to market would be through the Council conducting its own tender exercise rather than a further competition exercise through a framework agreement. However, this was ruled out as the EEM framework is a fully OJEU compliant agreement containing the main contractors in a specialised market. This agreement has recently been used in the project to replace lifts in Mountford House.
- 6.3 With regard to the delegation of authority to the Executive Director Neighbourhoods and the Executive Director Resources to award contracts for further works under the approved OAIP, the alternative option would be to seek Cabinet approval for each procurement activity. This would result in delays to the delivery of the OAIP. Progress of the OAIP and spend against the funds allocated to this project is already subject to regular reporting to Cabinet through Capital Programme monitoring.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Funding to replace the lifts and major plant replacement has been identified from the Office Accommodation Implementation Plan capital budget. This was previously presented to and approved by Cabinet on 28 June 2017.
- 7.2 The lift specification for the installation has been procured from internal resources through the Lift section of Building Services in Regeneration and Growth.
- 7.3 The Corporate Risk Management Strategy has been complied with to identify and assess the risks associated with the decisions being sought. This has not identified any significant risks that require reporting.
- 7.4 If approved, the actions noted at paragraphs 1.4 in respect of the UPS and 11.2 in respect of security will both contribute to the mitigation of two risks identified in the strategic risk register in respect of emergency planning and security and business continuity management, both currently assessed as amber.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The EEM framework has been reviewed by Legal Services and confirmed to be a compliant agreement. The Council has been a signed member of the agreement since 26 June 2017.
- 8.2 The Council's existing Partnership Agreement with Solihull MBC for Building Works and Mechanical & Electrical Works allows for planned projects of the nature proposed to be undertaken. All procurement projects undertaken will be subject to review by Legal Services to ensure compliance with Public Procurement Regulations. All costs will be benchmarked to ensure value for money is obtained.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 Clauses included within the EEM terms and conditions of contract for framework providers comply with all Acts and Codes of practice applicable and have been employed in the established framework agreement.
- 9.2 The procurement exercise will ensure the replacement lifts are compliant with the requirements of the Equalities Act 2010.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 The framework provider, EEM have certified that both they and the framework providers comply with all relevant Data Management regulations and requirements.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 The doors giving access to the staff areas off reception protected are protected by an access control system. The existing lifts do not have this facility, making upper floors vulnerable to unauthorised access.

11.2 It is proposed to provide a card reader of the access control system to the two lifts in the reception in-lieu of standard lift call buttons to provide the required security protection. This will ensure that only escorted visitors will have access to upper floors.

12 SUSTAINABILITY OF PROPOSALS

12.1 It is predicted that improved energy efficiency will be gained by using more efficient motors than those currently installed.

12.2 More energy efficient LED lighting will be installed to lift cars, lift motor room and lift shaft.

12.3 Other works to be undertaken to Sandwell Council House to electrical and ventilation systems will incorporate more modern energy efficient technology.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 The lifts will be installed to comply with the requirements of the Equalities Act (EA) 2010, which will include push buttons at 1.0m above floor level, voice announcements, mirrors of the back wall to assist wheel chair users and braille push buttons.

13.2 Other proposed works to Sandwell Council House such as the ventilation system will improve the working environment of employees.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 The proposed works will be an improvement and investment in the Council building stock.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 Following a compliant procurement exercise in accordance with the terms of the EEM framework agreement, the tender of Lift and Engineering Services Ltd has been confirmed as technically and arithmetically correct.
- 15.2 Lift and Engineering Services Ltd are a Sandwell based company who currently provide lift maintenance services to corporate premises and Neighbourhoods housing premises. They have also recently been awarded a contract to replace lifts in Mountford House following a similar procurement exercise. They are a very experienced contractor and there are no technical or procurement reservations to the award of this contract.
- 15.3 It is therefore recommended that Lift & Engineering Services be awarded the contract for the installation of replacement lifts at Sandwell Council House to enable works to commence as soon as possible.
- 15.4 It is also proposed that any decisions made in connection with additional procurement of works to Sandwell Council House in connection with the Office Accommodation Implementation Plan be delegated to the Executive Director-Neighbourhoods and the Executive Director-Resources. This will allow for a faster decision-making process whilst maintaining appropriate oversight.

16 BACKGROUND PAPERS

- 16.1 None

APPENDICES:

None

Darren Carter
Executive Director – Resources