

## CABINET

<b>Date of Meeting</b>	Tuesday 20 <sup>th</sup> June 2017
<b>Report Subject</b>	Measured Term Contract - Minor Refurbishment Works 2017 to 2021
<b>Cabinet Member</b>	Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Officer (Organisational Change)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The existing Measured Term Contract 2015/16 is due to expire on the 28<sup>th</sup> September 2017 and the Capital Programme for 2017/18 has projects that require a call off procedure in lieu of traditional tendering procedures.

A number of Measured Term Contracts have been successful since 2010 and over the last 7 years these have consistently delivered FCC's Capital Programme on time, on budget and to a high quality standard. The Measured Term Contract 2017 to 2021 will continue with this approach.

### RECOMMENDATIONS

1	Cabinet approval to proceed with the specification, procurement and delivery of a new Measured Term Contract covering the period 2017 to 2021.
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## REPORT DETAILS

<b>1.00</b>	<b>BACKGROUND &amp; OVERVIEW</b>
1.01	<p>The Council has, over a number of years, developed and procured a Measured Term Contract (MTC) to assist and support it in the delivery of its capital and maintenance programmes. These contracts provide it with a mechanism to quickly call off work from a contractor without formally tendering each work package on the basis that there has been an upfront procurement exercise which has effectively tested the construction market.</p>
1.02	<p>The existing Measured Term Contract 2015/16 is due to expire on the 28<sup>th</sup> September 2017 and the Capital Programme for 2017/18 has projects that require a call off procedure in lieu of traditional tendering procedures.</p>
1.03	<p>The MTC is effectively a flexible medium-to-long term procurement “framework” or “term” agreement. The benefits of utilising the MTC are as follows:</p> <ul style="list-style-type: none"><li>a) Fast track construction process with completion of works by the required date. This procurement method saves between 8 to 12 weeks in lieu of traditional tendering procedures. The timetable for each Contract Order will be demanding. In particular, the school building works will require commencing at the start of the summer holidays and with the completed areas fully operational at the start of the new term</li><li>b) Facilitates early contractor involvement &amp; collaboration and allows the Contractor to contribute towards the design process in respect of buildability and completeness of design information, which reduces risks within the construction phase.</li><li>c) A Partnering Charter ensures that all parties work together to achieve the project aims i.e. to ensure that the minor refurbishment works are completed within the restrictive timeframe whilst quality and “best value” are obtained for the Council. As a dedicated member of the “partnering” team the Contractor will become fully involved in all aspects of the programme including, design details, shared problem solving, continuous improvement, the logistics of running the programme on site, health and safety, supply chain issues and financial planning</li><li>d) Value engineering procedures can be adopted during the design stage to achieve a Contract Order Value within the authorised budget.</li><li>e) Flintshire County Council is committed to deliver ‘community benefit’ outcomes from its procurement activity to ensure that wider social and economic issues are taken into account when spending public money in order to achieve the very best value for money in the widest sense. The appointed Contractor will maximise the opportunities for both employment and training of residents of the region and are encouraged to employ locally based Sub-Contractors wherever possible.</li></ul>

1.04	Due to the implementation of the revised Contract Procedure Rules (CPR) in November 2016, it is a requirement under CPR rule 2.7.2 iii) that Works valued over £2,000,001.00 is approved by Cabinet via recording on a Cabinet Report with an accompanying Procurement Commissioning Form detailed in CPR 2.5. The Commissioning form is included at appendix A.
1.05	The adoption of an MTC provides the Council with another route to procure construction/refurbishment services in addition to other routes that it can use, for example individual tendering on a project by project basis, framework contracts such as the North Wales Procurement Service framework used to deliver 21 <sup>st</sup> Century Schools.
1.06	The approach supports the wider Property Service medium term strategy as it develops its Commissioning Client service enabling it to move away from an historic position which relied on a traditional design/architectural service to one of commissioning and contract management. This route has formed part of its approach to creating ongoing service efficiencies through more streamlined delivery.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>The anticipated spend under the Measured Term Contract is £1M / year and will mainly deal with the following sub-elements of the Councils Capital Programme:</p> <ul style="list-style-type: none"> <li>a) Statutory / Regulatory Section: <ul style="list-style-type: none"> <li>• DD Act - Individual pupils (£250K / year)</li> <li>• School building works (£100K / year)</li> <li>• Corporate property works (£300K / year)</li> </ul> </li> <li>b) Retained Assets Section: <ul style="list-style-type: none"> <li>• School building works (£1M / year)</li> <li>• Corporate property works (£300K / year)</li> </ul> </li> </ul>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Not applicable.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The Property &amp; Design Service has industry standard procedures for managing overall risk. The preferred Contractor will have responsibility for site specific risks and these will be monitored by Project Team Leaders / Officers and Construction (Design &amp; Management) Advisors / Principal Designers during the Construction Phase.</p> <p>The Pre-Qualification Questionnaire / Invitation To Tender (Open) follows industry standard procedures and includes (but not limited to) the following:</p>

	<ul style="list-style-type: none"> <li>• Supplier Acceptability</li> <li>• Freedom of Information</li> <li>• Economic and Financial Standing</li> <li>• Insurance</li> <li>• Equal Opportunities</li> <li>• Health and Safety</li> <li>• Sustainability</li> <li>• Capacity and Capability</li> <li>• Management</li> </ul> <p>The selection of a competent Contractor is essential to minimising site risks and any potential risks to the Council.</p>
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A, Procurement Commissioning Form.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None</p> <p><b>Contact Officer:</b> Neal Cockerton  <b>Job Title:</b> Chief Officer (Organisational Change)  <b>Telephone:</b> 01352 703169  <b>E-mail:</b> <a href="mailto:neal.cockerton@flintshire.gov.uk">neal.cockerton@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Measured Term Contract (MTC)</b> – An MTC is a flexible medium-to-longer term procurement “framework” or “term” agreement. It is appropriate for use where the Employer has a regular flow of maintenance and/or minor works (including improvements) by a contractor over a specified contract period. Orders for such work are placed on an agreed basis with the Contractor who undertakes to fulfil them, with payments calculated in accordance with a schedule of rates or (where appropriate) a schedule of hourly charges.</p>