

CABINET

Date of Meeting	Tuesday, 16 th March 2021
Report Subject	Delivery of Aspects of the Capital Programme Through a Measured Term Contract
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Housing and Assets)
Type of Report	Strategic

EXECUTIVE SUMMARY

Members of the Council approved the Capital Programme 2021/22 to 2023/24 and its three year funding requirements at its meeting held on the 17th November 2020. The purpose of this report is to propose a procurement process that will deliver a programme of projects (circa £1M per year) e.g. Disability Discrimination Act works, Fire Risk Assessment works, School building works, Corporate property works, etc. on time, on budget and to a high standard. The proposed JCT Measured Term Contract (MTC) is planned to commence September 2021 and expire September 2025 (incorporating options to terminate / extend) with an anticipated spend of £4M over this period. The individual works will range from £10K to £300K.

Since 2010, the Property Maintenance and Design Consultancy team within the Housing and Assets team have used a JCT MTC contract tendered on a Quality / Price basis with a partnering / collaboration ethos in order to deliver this type of work. As part of the quality submission, this included Community Benefits e.g. local SMEs, local supply clauses, local spend, etc. To date, this procurement process has delivered circa £14M of projects on time, on budget and to a high standard.

The MTC is an Industry Standard Form of Contract specifically for use in delivering multiple projects efficiently, ensuring time and cost constraints are achieved. If approved, this will be tendered on Sell2Wales in accordance with the Contract Procedure Rules (CPRs)

RECOMMENDATIONS

1	Cabinet support and approve the procurement method noting the requirement is in compliance with Contract Procedure rules and will support delivery of elements of the Capital Programme 2021/22 to 2023/24.
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REPORT DETAILS

1.00	EXPLAINING THE PROCUREMENT PROCESS TO DELIVER ELEMENTS OF THE CAPITAL PROGRAMME
1.01	Members of the Council approved the Capital Programme 2021/22 to 2023/24 and its three year funding requirements at its meeting held on the 17 th November 2020.
1.02	The purpose of this report is to propose a procurement process that will deliver a programme of projects (circa £1M per year) e.g. Disability Discrimination Act works, Fire Risk Assessment works, School building works, Corporate property works, etc. on time, on budget and to a high standard. The proposed JCT Measured Term Contract (MTC) is planned to commence September 2021 and expire September 2025 (incorporating options to terminate / extend) with an anticipated spend of £4M over this period. The individual works will range from £10K to £300K.
1.03	Since 2010, we have used a JCT MTCs tendered on a Quality / Price basis with a partnering / collaboration ethos in order to deliver this type of work. As part of the quality submission, this included Community Benefits e.g. local SMEs, local supply clauses, local spend, etc. To date, this procurement process has delivered circa £14M of projects on time, on budget and to a high standard.
1.04	If approved, this will be the 6 th iteration of the MTC over the past 11 years, having successfully delivered over 198 projects to the overall value of £13,618,000 supporting local supply chain spend and local employment.
1.05	The Social Value Officer has been contacted and further discussions are on-going to agree the levels of Social Value, Key Performance Indicator (KPI) requirement, these can be flexible to and adapted to suit individual projects and Client portfolios who have sought to use the MTC through the design consultancy service.
1.06	The MTC is an Industry Standard Form of Contract specifically for use in delivering multiple projects efficiently, ensuring time and cost constraints are achieved. If approved, this will be tendered on Sell2Wales in accordance with Contract Procedure Rules.

1.07	This report satisfies the requirements of Contract Procedure CPR 2.7.2iii) i.e. “£2,000.001 and over: by Cabinet – recorded on a Cabinet Report with an accompanying Procurement Commissioning Form detailed in CPR 2.5”
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2.00	RESOURCE IMPLICATIONS
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2.01	<p>Capital: The three year funding requirements were approved at Council on the 17th November 2020. The specific elements of the Capital Programme 2021/22 to 2023/24 to be procured under the JCT Measured Term Contract are listed below.</p> <ul style="list-style-type: none"> a) Equalities Act – Individual Pupils (Statutory / Regulatory) - £0.9M (part only) b) School building works (Statutory / Regulatory) - £0.3M (part only) c) Corporate property works (Statutory / Regulatory) - £0.9M (part only) d) School building works (Retained Assets) - £4.2M (part only) e) Corporate property works (Retained Assets) - £0.9M <p>Additional funding may be provided by Welsh Government grants, Section 106 monies, direct funding from schools, etc.</p> <p>Human Resources: there are no implications for additional capacity or for any change to current workforce structures or roles.</p>
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3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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3.01	<p>The key risks of not approving the MTC procurement route are:</p> <ul style="list-style-type: none"> 1 Longer procurement periods for tendering individual projects 2 Ability to manage multiple project being delivered simultaneously and impact management and resources 3 Missing critical windows of opportunity to carry out the construction works e.g. Summer holidays 4 Unable to spend any grant funding by the required deadline <p>Each scheme is approved by the relevant Client Department with associated cost codes provided prior to any instructions being issued.</p>
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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4.01	None required as part of this report.
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5.00	APPENDICES
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5.01	Appendix 1 - Procurement Departments Approved Commissioning Form in accordance with CPR 2.5 [Note: e-mail confirmation approval received
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	from Team Manager, Head of Service, Section 151 Officer, Monitoring Officer (Legal) and Lead Cabinet Member for Corporate Management and Assets]
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required as part of this report.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Neal Cockerton, Chief Officer (Housing and Assets) Telephone: 01352 703169 E-mail: neal.cockerton@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>JCT Measured Term Contract (MTC) – The Joint Contracts Tribunal (JCT) provide industry standard contract forms. There’s a range of building contracts to suit all projects and procurement options. The MTC is a flexible medium-to-longer term procurement ‘framework’ or ‘term’ agreement:</p> <ul style="list-style-type: none"> • The MTC is used by Employers who have a regular flow of maintenance and minor works, including improvements, to be carried out by a single contractor over a specified period of time and under a single contract. • where the work is to be instructed from time to time and measured and valued on the basis of an agreed schedule of rates; and • where a Contract Administrator is to administer the conditions. <p>Contract is based on a priced Schedule of Rates to be followed by a series of Orders for each separate item of work which might include a written description and drawings where relevant. Price is based on measurement and valuation for each separate Order, using the figures in the priced Schedule of Rates as adjusted by the contractor and accepted by the Employer.</p> <p>The Measured Term Contract requires the Employer to:</p> <ul style="list-style-type: none"> • list the properties to be covered by the contract and state the period and the type of work which may be required from time to time during that period (the period is envisaged as being not less than 12 months and it is recommended not to exceed 36 months, however, a one year option to extend the MTC will be included; • estimate the total annual value of the work for the whole contract period, and indicate the minimum and maximum value of any one Order given;

- appoint a Contract Administrator who will issue the Orders from time to time describing the work to be completed under each Order and the completion date;
- pay for each item of work covered by an Order, as certified by the Contract Administrator, following measurement and valuation according to the relevant rates and prices in the priced Schedule of Rates, which are to be adjusted by applying the contractor's quoted percentage addition or deduction.

This contract is appropriate notwithstanding that a large number of Orders may be placed with the contractor over the period of the contract and that they include Orders of widely differing values and cover various different trades.