

REPORT TO: CABINET

DATE: 17 OCTOBER 2019

TITLE: CONTRACT AWARD – NEXUS BUILDING MANAGEMENT

PORTFOLIO HOLDER: COUNCILLOR TONY DURCAN, PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT

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This is a Key Decision
It is on the Forward Plan as Decision Number I009896
Call-in Procedures may apply
This decision will affect Old Harlow Ward.

RECOMMENDED that subject to the submission of acceptable business cases and formal contract:

- A** Two maintenance contracts (for facilities and landscape management) are entered into with HTS (Property & Environment) Limited (HTS) for a period of five years with an option, at the sole discretion of the Council, to break the contract at the end of year one by giving no less than four months' notice subject to agreement of the terms and conditions and clarification on the final cost of the new services.
- B** Delegated authority is given to the Chief Executive, in consultation with the Portfolio Holder for Economic Development, to make the necessary legal and financial arrangements to award the contract.

REASON FOR DECISION

- A** To enter into a contract for Facilities Management (FM) services for the Nexus building for a period of five years with effect from December 2019 to December 2024 and for the landscape management across the Science Park from April 2020 until December 2024.

BACKGROUND

1. Practical completion of the Nexus building is now scheduled for the end of November 2019, following which the Council will take possession of the building. A FM contract will need to be in place at this point to provide a professional management service for the Council and its tenants.
2. There is a further requirement to provide a maintenance service to the landscaped areas across the Science Park such as grass cutting, hedge trimming and the care of trees, shrubs and other planting. This service will not commence until April 2020 since the landscape contractor who delivered the landscape works has a one year maintenance responsibility as part of their contract and this expires at the end of March 2020. It is proposed that, subject to a satisfactory business case submission, HTS take on this responsibility from this date.
3. Council Officers have (with the assistance of a specialist consultancy firm) prepared a detailed FM services specification which will form the basis of the FM services contract (attached as Appendix A to the report). That specification including amongst other items, cleansing, reactive maintenance, planned preventative maintenance, equipment servicing and statutory compliance, so as to ensure that the Nexus Building is managed and maintained on an ongoing basis as a high quality employment space.
4. The Council is able to award both the FM services contract and landscaping contract to HTS as it exercises control over the company similar to that which it exerts over its own departments. This control exempts the Council from the usual public procurement rules. As such, HTS have been exclusively invited to submit a Business Case for the FM services contract. A similar invite will be extended to HTS in relation to landscaping services, as the existing contractual arrangements approach expiry in early 2020.

ISSUES/PROPOSALS

5. HTS's business case submission for FM services will be reviewed by Officers to establish that:
 - a) Firstly, HTS are equipped to deliver the proposed services, and
 - b) Secondly, via detailed independent benchmarking, to ensure that their proposed pricing structure represents lawful and proper value for money.
6. In the event that the submitted tender does not provide value for money the Council may undertake a full tender process using a complaint framework and/or advertising the opportunity

7. Once Officers have satisfactorily completed a detailed evaluation of HTS' business case, it is intended that the contracts are awarded and subsequently managed by the Council's Property and Facilities Team.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

None specific.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (Includes ICT, and Property and Facilities)

The cost of the contracts will be managed through the Property and Facilities service and will be rechargeable to occupants of the Enterprise Zone through a Service Charge regime the model for which is currently being developed in readiness for implementation alongside the contract awards.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

As outlined in the report.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

The use of the business case process meets procurement rules and Council Standing Orders. When awarded the contracts will include appropriate remedies and recourse for the Council when undertaking contract administration.

Author: Simon Hill, Head of Governance

Appendices

Appendix A – Facilities Management Services Specification

Background Papers

None.

Glossary of terms/abbreviations used

FM – Facilities Management

HTS – HTS (Property and Environment) Ltd