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Contract

## **SOL - Building Repairs, Maintenance & Construction in a Partnering Arrangement (Out of Borough) - Modification**

SOLIHULL METROPOLITAN BOROUGH COUNCIL

F20: Modification notice

Notice identifier: 2023/S 000-000868

Procurement identifier (OCID): ocids-h6vhtk-0396b5

Published 11 January 2023, 4:17pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

SOLIHULL METROPOLITAN BOROUGH COUNCIL

Council House, Manor Square

Solihull

B913QB

#### **Contact**

Corporate Procurement Service

#### **Email**

[procteam@solihull.gov.uk](mailto:procteam@solihull.gov.uk)

#### **Telephone**

+44 1217048593

#### **Country**

United Kingdom

**Region code**

UKG32 - Solihull

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.solihull.gov.uk>

Buyer's address

[www.csw-jets.co.uk](http://www.csw-jets.co.uk)

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

SOL - Building Repairs, Maintenance & Construction in a Partnering Arrangement (Out of Borough) - Modification

Reference number

CONTRACT - 00012488

#### **II.1.2) Main CPV code**

- 45210000 - Building construction work

#### **II.1.3) Type of contract**

Works

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement at the time of conclusion of the contract:**

The provision of building repairs, maintenance & construction services of all building installations.

The planned, reactive and project works will include redecoration, plastering, roofing, window replacement, flooring, landscaping, plumbing, brickwork and other associated general building trades. The work will be carried out on public buildings, such as domestic, corporate, educational, commercial and light industrial portfolio of properties.

A single operator, acting in a partnering arrangement, will be expected to support all participating contracting authorities within the UK in developing collaborative initiatives through this framework. This will include a focus on key strategic objectives including driving efficiencies through the entire supply chain, waste reduction and standardisation. Investing in local communities, providing long term training and job opportunities. In addition, the operator may be required to support contracting authorities with the delivery of long term strategic programmes of asset investment, servicing and maintenance work and also incur on-going capital set up costs for providing certain elements of the work within various sub-regional areas. The benefits of such initiatives and investment for both the operator and contracting authorities will only be realised over the longer term. Feedback from consultation with the construction industry has also supported the view that a term significantly longer than EN Standard form 02 - Contract notice 4 / 19 four years would be needed in order to realise a beneficial return on investment.

The contract is for an initial period of 7 years with an option to extend for up to 3 additional years. Solihull MBC, who is acting as the contracting authority, is working within a partnering arrangement, to deliver all of the works for the known sub-regional partnering Authorities and to include other Local Authorities' requirements that are based outside of the sub-regional area and nationally across the whole of the UK who may wish to join the partnering arrangement at a later period throughout the life of the contract.

The supplier currently provides these services to the Authority under a contract due to expire on 30 June 2023.

#### **II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Duration in months

120

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## **Section IV. Procedure**

### **IV.2) Administrative information**

#### **IV.2.1) Contract award notice concerning this contract**

Notice number: [2013/S 169-292589](#)

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## **Section V. Award of contract/concession**

### **Contract No**

CONTRACT - 00012488

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract/concession award decision:**

31 August 2013

#### **V.2.2) Information about tenders**

The contract/concession has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor/concessionaire**

John Graham Holdings Limited (trading as Grahams FM)

N. Ireland

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

NI057921

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)**

Total value of the procurement: £400,000,000

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court, Royal Court

Strand

London

WC2A 2LL

Country

United Kingdom

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## **Section VII: Modifications to the contract/concession**

### **VII.1) Description of the procurement after the modifications**

#### **VII.1.1) Main CPV code**

- 45210000 - Building construction work

#### **VII.1.3) Place of performance**

NUTS code

- UK - United Kingdom

#### **VII.1.4) Description of the procurement:**

The contract is for the extension of a partnering agreement for building repairs, maintenance and construction services. The contract to fulfil the requirement commenced on 1 July 2013. The contract provided for an initial 7-year term with an option to extend for a further 3 years as contained in OJEU Contract Notice 2013/S 169-292589 of 31/08/2013. The options to extend have been utilised and the contract is currently due to expire on 30 June 2023.

This notice confirms that an extension of 16 months until 31 October 2024 has become necessary and our intention to apply Regulation 72 (Modification of contracts during their term) of the Public Contracts Regulations 2015. We can confirm that the specification, pricing and terms and conditions of the original agreement will not materially change.

**VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Start date

1 July 2023

End date

31 October 2024

**VII.1.6) Information on value of the contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession:

£400,000,000

**VII.1.7) Name and address of the contractor/concessionaire**

John Graham Holdings Limited (trading as Grahams FM)

N. Ireland

BT26 6HX

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

NI057921

The contractor/concessionaire is an SME

No

**VII.2) Information about modifications**

**VII.2.1) Description of the modifications**

Nature and extent of the modifications (with indication of possible earlier changes to the

contract):

The modification is limited to extending the contract duration for a further 16 months, and in accordance with Regulation 72.1 (c) shall not exceed 50% of the value of the original contract.

#### **VII.2.2) Reasons for modification**

Need for modification brought about by circumstances which a diligent contracting authority/entity could not foresee.

Description of the circumstances which rendered the modification necessary and explanation of the unforeseen nature of these circumstances:

Consultation with a broad range of the supplier market was undertaken who expressed that the upturn in market conditions brought about due to recovery from COVID-19 has led a more selective and risk adverse approach to tender opportunities. In addition, despite the model of contract being similar to the current contract which when tendered had generated considerable interest, in a recent tender the contract was deemed to be unusual and unappealing by the companies consulted.

The Authority intends to conduct a thorough market engagement during the period of this contract extension in order to prepare and present an opportunity that will be of interest to the wider industry to establish a long-term partnering agreement, and at a time when the market conditions have stabilised.

Regulation 72.-(1) (c)

The need for this modification has been brought about by circumstances which a diligent contracting authority could not have foreseen. The Authority could not have reasonably foreseen the occurrence of the COVID-19 Pandemic and its resulting impacts upon the industry.

The proposed modification does not alter the overall nature of the contract and we can confirm that the specification, pricing and terms and conditions of the original agreement will not materially change.

The increase in duration would not cause the overall price to exceed 50% of the value of the original contract. The realised value of the framework to date is lower than advertised, and the cumulative value including the modification will not result in the advertised value being met or exceeded.

Regulation 72.-(1) (e) with reference to;

## Regulation 72.-(8)

a) The modification does not render the contract materially different in character from the one initially concluded, as the specification, terms and conditions of contract, and pricing will not materially change and where change is required it will only be minor.

b) The Authority considers that the modification does not introduce conditions which, had they been part of the initial procurement procedure, would have allowed for the admission of other candidates than those initially selected. This is because the specification, terms and conditions of contract, and pricing will not materially change and where change is required it will only be minor.

i. The Authority considers that the modification would not have allowed for the acceptance of a tender other than that originally accepted, because the specification, terms and conditions of contract, and pricing will not materially change and where change is required it will only be minor.

ii. The authority considers that the modification would not have attracted additional participants in the procurement procedure, as the specification, terms and conditions of contract, and pricing will not materially change and where change is required it will only be minor. We do not consider that the additional 2-year contract duration would have attracted additional participants.

iii. The modification does not change the economic balance of the contract in favour of the contractor.

c) The authority does not consider that the modification extends the scope of the contract considerably, as the specification will not materially change and where change is required it will only be minor.

d) The contract will continue to be performed by the supplier originally awarded the contract.

### **VII.2.3) Increase in price**

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £400,000,000

Total contract value after the modifications

Value excluding VAT: £400,000,000