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Contract

RegenerationMK

Milton Keynes City Council

F20: Modification notice

Notice identifier: 2025/S 000-009478

Procurement identifier (OCID): ocds-h6vhtk-04ed68

Published 14 March 2025, 2:37pm

Section I: Contracting authority/entity

I.1) Name and addresses

Milton Keynes City Council

Civic Offices, 1 Saxon Gate East

Milton Keynes

MK93EJ

Contact

Corporate

Email

contracts@milton-keynes.gov.uk

Telephone

+44 1908691691

Country

United Kingdom

Region code

UKJ12 - Milton Keynes

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.milton-keynes.gov.uk/>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

RegenerationMK

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.2) Description

II.2.2) Additional CPV code(s)

- 45210000 - Building construction work
- 45453100 - Refurbishment work
- 50000000 - Repair and maintenance services
- 70330000 - Property management services of real estate on a fee or contract basis
- 71200000 - Architectural and related services

II.2.3) Place of performance

NUTS codes

- UKJ12 - Milton Keynes

Main site or place of performance

UKJ12

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

To secure a long term strategic partner to work with Milton Keynes Council (now Milton Keynes City Council) (the "Council") and other legal entities connected to or forming part of the Council to deliver maintenance and improvements to the Council's social housing portfolio and other assets, and further enable the development a Regeneration programme of refurbishment, new build housing and other new build assets as part of a

wider place making strategy.

On 29 March 2016, the Council entered into partnership agreement to deliver the regeneration programme which was delivered through a joint venture company YOURMK LLP. The partnership agreement was terminated in 26 March 2021 and YOURMK LLP was wound up on 26 April 2022.

On 29 March 2016, the Council and Mears Limited entered into two separate contracts in respect of the Council's maintenance programme for existing social housing and other assets being a Term Partnering Agreement for the provision of repairs and maintenance services (the "TPA") and a Project Partnering Agreement for the provision of planned repairs and maintenance services (the "PPA").

The term of the TPA commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration. The term of the PPA also commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration.

On 30 September 2020, having exercised its option to extend both contracts, the Authority entered into deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further of three years commencing on 1 April 2021 and ending on 31 March 2024.

On 13 December 2023, having exercised its option to extend both contracts, the Authority entered into further deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further 12 months commencing on 01 April 2024 and ending on 31 March 2025.

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

Duration in months

180

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2016/S 085-150300](#)

Section V. Award of contract/concession

Contract No

CU2359

Title

RegenerationMK

V.2) Award of contract/concession

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

29 March 2016

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

Mears Limited

1390 Montpellier Court

Brockworth

GL3 4AH

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

02519234

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: £130,000,000

Section VI. Complementary information

VI.3) Additional information

Total value of the procurement: £130,000,000

This was broken down over the initial five-year term of the TPA and the PPA as follows:

- Repairs and Maintenance (including refurbishment) - GBP 10 to GBP 12 million per annum.
- New Build - GBP 12 to GBP 14 million per annum.
- Share of surplus generated from new build opportunities.

The term of the TPA commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration. The term of the PPA also commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration.

On 30 September 2020, having exercised its option to extend both contracts, the Authority entered into deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further of three years commencing on 1 April 2021 and ending on 31 March 2024.

On 13 December 2023, having exercised its option to extend both contracts, the Authority entered into further deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further 12 months commencing on 01 April 2024 and ending on 31 March 2025 (the "2023 Deeds of Variation").

The Council published a modification notice (2023/S 000-037208) on the Find a Tender Service on 18 December 2023 in relation to 2023 Deeds of Variation. The stated values included in Section VII.2.3 (Increase in Price) of that notice did not account for all increases in the contract value between 2019 and 2024. Therefore the figures in that

notice (2023/S 000-037208) should have made clear that the updated total contract value before the modifications under the 2023 Deeds of Variation was £295,200,000 and the total contract value after the modifications was £320,000,000.

As the date of publication of this modification notice, the total anticipated contract value to 31 March 2025 is estimated to be £336,900,000 as set out in Section VII.2.3 (Increase in Price) below.

VI.4) Procedures for review

VI.4.1) Review body

The High Court

Royal Courts of Justice

London

WC24 2LL

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 45000000 - Construction work

VII.1.2) Additional CPV code(s)

- 45210000 - Building construction work
- 45453100 - Refurbishment work
- 50000000 - Repair and maintenance services
- 71200000 - Architectural and related services

VII.1.3) Place of performance

NUTS code

- UK - United Kingdom

VII.1.4) Description of the procurement:

The Council has modified the TPA and the PPA under Regulation 72(1) (b) of the Public Contracts Regulations 2015 to extend the terms of both contracts for a further period of four (4) months and three (3) days commencing on 1 April 2025 and ending on 3 August 2025. The purpose of this modification is to allow the Council to instruct Mears to provide repairs and maintenance services to its social housing and other assets under the TPA and the PPA for a period of four (4) months and three (3) days as further detailed in Section VII.2.2 below. The Council is currently in the process of procuring a new long term housing repairs and maintenance works and services contract, which is due to be awarded in May 2025 following which there will be a three (3) month mobilisation period before the commencement of the housing repairs and maintenance works and services under the new contract on 4 August 2025.

The nature of the works provided at the commencement of the extensions to the TPA and the PPA are the same as immediately prior to the extension of the terms of both contracts.

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

Start date

1 April 2025

End date

3 August 2025

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

Total value of the contract/lot/concession:

£14,200,000

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

Mears Limited

1390 Montpellier Court

Brockworth

GL3 4AH

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

02519234

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 term of the TPA commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration.

The term of the PPA also commenced on 1st April 2016 and expired on 31 March 2021 with an option, at the Council's discretion, to extend for a further period or periods of up to ten years in duration.

On 30 September 2020, having exercised its option to extend both contracts, the Authority entered into deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further of three years commencing on 1 April 2021 and ending on 31 March 2024.

On 13 December 2023, having exercised its option to extend both contracts, the Authority entered into further deeds of variation to the TPA and the PPA to extend the terms of both contracts for a further 12 months commencing on 01 April 2024 and ending on 31 March 2025.

The Council has now further exercised its option to extend both the TPA and the PPA. The TPA and the PPA have been modified under Regulation 72(1) (b) of the Public Contract Regulation 2015 to extend the terms of both contracts for a further period of four (4) months and three (3) days commencing on 1 April 2025 and ending on 3 August 2025.

The purpose of this modification is to allow the Council to instruct Mears to provide repairs and maintenance services to its social housing and other assets under the TPA and the PPA for a period of four (4) months and three (3) days. The Council is currently in the process of procuring a new long term housing repairs and maintenance works and services contract, which is due to be awarded in May 2025 following which there will be a three (3) month mobilisation period before the commencement of the housing repairs and maintenance works and services under the new contract on 4 August 2025.

VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

The Council requires additional works and services to be carried out by Mears under the TPA and the PPA during the period of 1 April 2025 to 3 August 2025 which were not included in the original procurement.

The reason for this modification is to allow the Council to instruct Mears to provide repairs and maintenance services to its social housing and other assets under the TPA and the PPA for a period of four (4) months and three (3) days whilst the Council concludes its procurement for a new long term housing repairs and maintenance works and services contract. The Council is due to award its new contract in May 2025 following which there will be a three (3) month mobilisation period before the commencement of the housing repairs and maintenance works and services under the new contract on 4 August 2025.

A change in contractor cannot not be made for the following economic and technical reasons:

A change in contractor cannot be made as it would not be technically possible for a new contractor to be appointed so that it can deliver the housing repairs and maintenance services and capital works schemes during the period 1 April 2025 and 3 August 2025. The Council would be required to carry out a procurement exercise to appoint any new contractor. Following that procurement exercise, due to the complexity of the housing repairs and maintenance services and the capital works schemes that are provided under the TPA and PPA, a new contractor would require a mobilisation period of at least three (3) months before it would be able to start to deliver housing repairs and maintenance services and commence delivery of capital works schemes. Any new contractor would require this mobilisation period in order to set up its operation which would include requiring access to extensive asset information and data relating to the properties covered by the TPA and the PPA and associated IT systems.

A change in contractor would cause significant inconvenience or substantial duplication of

costs for the contracting authority:

A change in contractor would cause significant inconvenience and result in a substantial duplication of costs, time and resource for the Council if it was required to carry out another procurement to cover the provision of the works and services covered by the TPA and the PPA for a period of four (4) months and three (3) days. This is because the Council has already incurred considerable cost and expense as well as having dedicated considerable time and resource carrying out its procurement for a long term housing repairs and maintenance works and services contract.

Increase in price does not exceed 50% of the value of the original contract.

The value of the works that Mears will be instructed to carry out under the TPA and the PPA during the extension period total £14,200,000 (excluding VAT) which is less than 50% of the anticipated value over the initial five year term as set out in the advertised contract notice (£130,000,000 excluding VAT) which was broken down as follows:

- Repairs and Maintenance (including refurbishment) - GBP 160 to GBP 12 million per annum.
- New Build - GBP 12 to GBP 14 million per annum.
- Share of surplus generated from new build opportunities.

and is less than 50% of the value of the original contract as set out in the contract award notice (£130,000,000 excluding VAT).

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: £336,900,000

Total contract value after the modifications

Value excluding VAT: £351,100,000