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Tender

Servicing, Maintenance and Compliance (Gas, M&E and Buildings) of Council Managed Assets - Term Service Contract

PORTSMOUTH CITY COUNCIL

F02: Contract notice

Notice identifier: 2021/S 000-009814

Procurement identifier (OCID): ocds-h6vhtk-02adc7

Published 6 May 2021, 11:26am

Section I: Contracting authority

I.1) Name and addresses

PORTSMOUTH CITY COUNCIL

City Council

Portsmouth

PO12BG

Contact

Procurement Service

Email

procurement@portsmouthcc.gov.uk

Telephone

+44 2392688235

Country

United Kingdom

NUTS code

UKJ3 - Hampshire and Isle of Wight

Internet address(es)

Main address

www.portsmouth.gov.uk

Buyer's address

<https://in-tendhost.co.uk/portsmouthcc/asp/Home>

I.3) Communication

Access to the procurement documents is restricted. Further information can be obtained at

<https://in-tendhost.co.uk/portsmouthcc/asp/Home>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Servicing, Maintenance and Compliance (Gas, M&E and Buildings) of Council Managed Assets - Term Service Contract

II.1.2) Main CPV code

- 50712000 - Repair and maintenance services of mechanical building installations

II.1.3) Type of contract

Services

II.1.4) Short description

Portsmouth City Council - the 'Council' - is inviting expressions of interest from suitably qualified and experienced contractors for the provision of servicing, maintenance, installation and compliance checks of gas, water, heating and other associated building installations across the Council's housing stock and wider property portfolio on a term service partner basis.

Summary information in respect of the Council's property portfolio makeup and locations is included within Section II.2.3. below.

The Council is targeting to have awarded the contract by 3rd December 2021 to allow for commencement on 1st April 2022. Service requirements are currently delivered via an existing contractual arrangement with Liberty Gas Services Limited which is due to expire on 31st March 2022 following utilisation of all available extension options.

The contract will be let on an initial base term of 5 years with the option to extend by a further 10 years to a maximum total term of 15 years in increments of no more than 5 years at any one time.

The primary scope of term service and optional project works is summarised within Section II.2.14. below. The contractor will be required to resource an effective out of hours service which is available all 365 days of the year.

The value of the contract in respect of primary service and project works scope requirements could equate to approx. £7M per annum based upon current demand and therefore £105M in total if all extension options are taken up and the contract runs for the

maximum allowable term of 15 years.

A broad range of additional work elements may also be included for within the contract as described within Section II.2.14. below at the option of the Council. In the unlikely event that all of the scope increase options were taken up in any one year this could increase the annual contract value from approx. £7M for primary works only to £38M for maximum allowable scope increase.

However given that it is not probable that all of the options will be taken up over the term of agreement, and if they are taken up may be within the later years of the allowable term and on a potentially fluctuating basis, the Council estimates that over the 15 year maximum allowable term the value of the contract could range from £105M for delivery of primary works only to approx. £300M at an upper level to allow realistic take up of scope increase options.

The contract will be let using the NEC4 Term Service Option E Cost Reimbursable terms with project works let via task order with application of Z clauses which apply terms from the NEC4 ECC contract as required for the project in question.

The contract will be managed on a full open book partnership basis with adoption of a range of Vanguard Systems Thinking designed processes and performance measures. Systems Thinking methodologies have been incorporated and applied across the Council's contracts with term service providers since 2006.

The Council will undertake the procurement procedure used to award the contract in general accordance with the Restricted Procedure as set out within the Public Contracts Regulations (2015) to the following outline programme:

- SSQ Issued - Thursday 6th May 2021
- SSQ Return Deadline - Friday 11th June 2021 14:00
- ITT Issued - Monday 2nd August 2021
- ITT Return Deadline - Friday 17th September 2021
- Notification of Preferred Bidder - Monday 22nd November 2021
- Standstill Ends - Thursday 2nd December 2021
- Contract Award - Friday 3rd December 2021
- Contract Commencement - Friday 1st April 2022

Application is via completion and submission of a project specific Supplier Status Questionnaire (SSQ) by Friday 11th June 2021 14:00, which can be obtained from the Council's InTend e-sourcing solution using the following address -

<https://in-tendhost.co.uk/portsmouthcc.aspx/home>

Following assessment of SSQ submissions the top 3-4 ranked suppliers will be invited to tender.

II.1.5) Estimated total value

Value excluding VAT: £300,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 09330000 - Solar energy
- 31158100 - Battery chargers
- 31400000 - Accumulators, primary cells and primary batteries
- 31500000 - Lighting equipment and electric lamps
- 42110000 - Turbines and motors
- 42500000 - Cooling and ventilation equipment
- 45210000 - Building construction work
- 45231000 - Construction work for pipelines, communication and power lines
- 45251000 - Construction works for power plants and heating plants
- 45259000 - Repair and maintenance of plant
- 45260000 - Roof works and other special trade construction works
- 45300000 - Building installation work
- 45400000 - Building completion work
- 50413200 - Repair and maintenance services of firefighting equipment

- 50500000 - Repair and maintenance services for pumps, valves, taps and metal containers and machinery
- 50700000 - Repair and maintenance services of building installations
- 51100000 - Installation services of electrical and mechanical equipment
- 51700000 - Installation services of fire protection equipment
- 71000000 - Architectural, construction, engineering and inspection services

II.2.3) Place of performance

NUTS codes

- UKJ27 - West Sussex (South West)
- UKJ28 - West Sussex (North East)
- UKJ3 - Hampshire and Isle of Wight

Main site or place of performance

The Council's housing stock comprises approx. 15,000 properties across 7 estates located within Portsmouth and surrounding environs being:

- Portsea
- City South
- Landport
- Buckland
- Paulsgrove
- Leigh Park
- Wecock Farm

The Council's broader property portfolio encompasses a range of building types which include but are not limited to:

- Schools
- Offices

- Commercial buildings, warehouses and depots
- Care homes
- Sheltered housing and supported living properties
- Maritime port facilities

In addition the Council may require the contractor to deliver works at properties which fall outside of the Council's portfolio where the Council is commissioned by neighbouring contracting authorities situated within the English counties of Hampshire, West Sussex and the Isle of Wight to deliver property management services.

II.2.4) Description of the procurement

INTRODUCTION

Portsmouth City Council - the 'Council' - is inviting expressions of interest from suitably qualified and experienced contractors for the provision of servicing, maintenance, installation and compliance checks of gas, water, heating and other associated building installations across the Council's housing stock and wider property portfolio on a term service partner basis.

TERM & OPTIONS

The Council is targeting to have awarded the contract by 3rd December 2021 to allow for commencement on 1st April 2022. Service requirements are currently delivered via an existing contractual arrangement with Liberty Gas Services Limited which is due to expire on 31st March 2022 following utilisation of all available extension options.

The contract will be let on an initial base term of 5 years with the option to extend by a further 10 years to a maximum total term of 15 years in increments of no more than 5 years at any one time.

SCOPE, VALUE & OPTIONS

Summary information in respect of the Council's property portfolio makeup and locations is included within Section II.2.3. below.

There is a broad range of equipment and associated infrastructure installed within the Council's property portfolio. A summary inventory by broad equipment / infrastructure type and volume is included for within the Project Info & Instructions accessible via the Council's e-sourcing solution InTend using the following link:

<https://in-tendhost.co.uk/portsmouthcc.aspx/home>

In respect of water heating appliances which form the highest volume of equipment that falls under the scope of the contract this is roughly split between the following manufacturers:

- Alpha - approx. 6,660
- Vaillant - approx. 5,670
- Worcester - approx. 970

The primary scope of works which the successful contractor will be required to deliver encompass, but are not limited to the following:

- Annual gas servicing to the housing stock completing the LGSR together with undertaking response repairs to appliances, pipework, heating systems and controls or new installations as appropriate for domestic dwellings and commercial heating installations.
- Legionella testing, risk assessments and tank maintenance.
- Electrical inspections and reports (EICR) including PAT testing and emergency lighting checks.
- Security and communal fire alarm testing, servicing, repairs and new installations.
- Servicing, testing, maintenance and replacement as appropriate of dwelling smoke detectors lightning protection systems, dry risers, air conditioning, commercial catering and laundry equipment, fire extinguishers, duct and extractor systems, water pumps, sprinklers, PV, district heating systems, HIU boards and any other mechanical and electrical installations with Housing and Corporate assets as directed but not limited to existing named installations but to include emerging technologies over the life of the contract.

The contractor will be required to resource an effective out of hours service which is available all 365 days of the year.

The current annual value for delivery of the above work elements is approximately £3.7M.

In addition to these elements the contractor will also be required at the option of the Council to undertake works to install new or refurbish existing gas heating systems and other associated mechanical & electrical equipment.

The value of this work can fluctuate significantly dependent upon allocation of capital via yearly budget cycles and securing of additional grants, however the current annual value for such works is approximately £3.3M.

The value of the contract in respect of primary service and project works scope requirements could equate to approx. £7M per annum based upon current demand and therefore £105M in total if all extension options are taken up and the contract runs for the maximum allowable term of 15 years.

A broad range of additional work elements may also be included for within the contract as described within Section II.2.14. below at the option of the Council. In the unlikely event that all of the scope increase options were taken up in any one year this could increase the annual contract value from approx. £7M for primary works only to £38M for maximum allowable scope increase.

However given that it is not probable that all of the options will be taken up over the term of agreement, and if they are taken up may be within the later years of the allowable term and on a potentially fluctuating basis, the Council estimates that over the 15 year maximum allowable term the value of the contract could range from £105M for delivery of primary works only to approx. £300M at an upper level to allow realistic take up of scope increase options.

CONTRACT FORM & MANAGEMENT

The contract will be let using the NEC4 Term Service Option E Cost Reimbursable terms with project works let via task order with application of Z clauses which apply terms from the NEC4 ECC contract as required for the project in question.

The contract will be managed on a full open book partnership basis with adoption of a range of Vanguard Systems Thinking designed processes and performance measures. Systems Thinking methodologies have been incorporated and applied across the Council's contracts with term service providers since 2006.

Improvements to the system of management are made based on knowledge gained using the Systems Thinking method by undertaking Check, Plan, Do, together with using the Council's principles of work.

The stages for the model for 'Check' to gain knowledge of the existing service include the following:

- Understand demand
- Identify purpose

- Use of measures
- Map flow
- Identify system conditions
- Understand management thinking

The principles of work used are:

- Customer sets the nominal value
- Only do the value work
- Pull not push
- Best resource at the front end
- Single piece flow
- Work flows 100% clean

A suite of measures will be used to enable assessment of how specific areas of the service is performing. These measures will be derived from the work and will be used by managers, staff and contractors to make improvements. The importance of each measure will fluctuate as learning is gained and they will be a key aspect of making informed decisions and assessing outcomes.

The type of measures used will include:

- Demand
- Capacity
- Capability (E2E)
- Quality
- Cost
- Customer Satisfaction

Further information on System Thinking can be freely accessed via the Vanguard site using the link below.

<https://vanguard-method.net/the-vanguard-method-and-systems-thinking/>

The contractor will be required to adopt the Council's working practices and utilise its IT systems and a high level of contract specific local level autonomy on the part of the contractor will be required.

In addition to working in close partnership with the Council the Contractor will also be required to work in partnership with the Council's other existing term service contractor partners.

SOCIAL VALUE

The Council have recently adopted a new Social Value Policy. The Council will require the contractor to deliver against a range of social value outcomes which may include but are not limited to considerations related to local employment, opportunities for disadvantaged groups, inclusivity, local supply chain / sub-contractor utilisation, skills and apprenticeships, environmental impact, etc. For further information suppliers are referred to Appendix 5 Social Value Policy and Appendix 6 Implementation Road Map which is accessible via the Council's e-sourcing solution InTend.

PROCUREMENT PROCEDURE & PROGRAMME

The Council will undertake the procurement procedure used to award the contract in general accordance with the Restricted Procedure as set out within the Public Contracts Regulations (2015) to the following outline programme:

- SSQ Issued - Thursday 6th May 2021
- SSQ Return Deadline - Friday 11th June 2021 14:00
- ITT Issued - Monday 2nd August 2021
- ITT Return Deadline - Friday 17th September 2021
- Notification of Preferred Bidder - Monday 22nd November 2021
- Standstill Ends - Thursday 2nd December 2021
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Application is via completion and submission of a project specific Supplier Status Questionnaire (SSQ) by Friday 11th June 2021 14:00, which can be obtained from the

Council's InTend e-sourcing solution using the following address -

<https://in-tendhost.co.uk/portsmouthcc/asp/home>

Following assessment of SSQ submissions the top 3-4 ranked suppliers will be invited to tender.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £300,000,000

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

Duration in months

60

This contract is subject to renewal

Yes

Description of renewals

The contract will be let on an initial base term of 5 years with the option to extend by a further 10 years to a maximum total term of 15 years in increments of no more than 5 years at any one time at the option of the Council.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

Maximum number: 4

Objective criteria for choosing the limited number of candidates:

Applications will be assessed in accordance with the criteria stated within the Project Info & Instructions document accessible via the Council's e-sourcing solution InTend using the following address:

<https://in-tendhost.co.uk/portsmouthcc.aspx/home>

The top 3-4 ranked suppliers will then be invited to tender. The Council is departing from the requirement to invite a minimum of 5 suppliers to tender under standard Restricted Procedure as set out within Regulation 65 3) of the Public Contracts Regulations (2015) due to the likely significant resource requirement needed to submit high quality compliant tender submissions.

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

See Sections II.2.7. and II.2.14.

II.2.14) Additional information

PRIMARY SCOPE OF WORKS

The primary scope of works which the successful contractor will be required to deliver encompass but are not limited to the following:

- Annual gas servicing to the housing stock completing the LGSR together with undertaking response repairs to appliances, pipework, heating systems and controls or new installations as appropriate for domestic dwellings and commercial heating installations.
- Legionella testing, risk assessments and tank maintenance.
- Electrical inspections and reports (EICR) including PAT testing and emergency lighting checks.
- Security and communal fire alarm testing, servicing, repairs and new installations.

- Servicing, testing, maintenance and replacement as appropriate of dwelling smoke detectors lightning protection systems, dry risers, air conditioning, commercial catering and laundry equipment, fire extinguishers, duct and extractor systems, water pumps, sprinklers, PV, district heating systems, HIU boards and any other mechanical and electrical installations with Housing and Corporate assets as directed but not limited to existing named installations but to include emerging technologies over the life of the contract.

The current annual value for delivery of the above work elements is approximately £3.7M.

In addition to these elements the contractor will also be required at the option of the Council to undertake works to install new or refurbish existing gas heating systems and other associated mechanical & electrical equipment. The value of this work can fluctuate significantly dependent upon allocation of capital via yearly budget cycles and securing of additional grants, however the current annual value for such works is approximately £3.3M.

The value of the contract in respect of primary scope requirements could therefore equate to approx. £7M per annum and therefore £105M in total if all extension options are taken up and the contract runs for the maximum allowable term of 15 years.

SECONDARY SCOPE OF WORKS & ENERGY EFFICIENCY PROJECTS

Over the term of the agreement the contractor may also be called upon at the option of the Council and subject to competency and capacity of the contractor to deliver secondary scope of works elements which will may encompass but are not limited to:

- Compliance checks including third party accredited inspections such as fire risk assessments and asbestos surveys together with resulting maintenance work such as fire stopping or asbestos removal.
- Energy funding support and installation of energy related projects or technology to improve energy efficiency and reduce carbon.

If the additional compliance checks and associated works listed were incorporated within the contract this could increase the annual contract value by approx. £1M. In respect of energy related projects this value could fluctuate significantly depending upon allocation of Council capital funds and / or securing of additional grant funding from central government or other funding agencies but could equate to an additional £5M increase to the annual contract value in any given year.

CONTINGENCY SCOPE OF WORKS

On a contingency basis over the term of the agreement the contractor may be called upon

at the option of the Council and subject to capacity to deliver a general responsive repairs service which covers broad range of work types including for but not limited to carpentry, joinery, plumbing, flooring, drainage, electrical works, decoration, glazing, brickwork, fencing, groundworks, roofing and general multi-discipline refurbishment works.

The Council currently has arrangements in place for the delivery of these works and this contract would only be utilised for delivery of these works types in the event of non-performance by existing contractors. In the event that these works were brought into the scope of the contract this could increase the annual value of the contract by a further £12M.

ADDITIONAL CONTRACTING AUTHORITY WORKS - COUNCIL MANAGED SERVICE

In addition the Council may require the contractor to deliver works at properties which fall outside of the Council's portfolio where the Council is commissioned by neighbouring contracting authorities situated within the English counties of Hampshire, West Sussex and the Isle of Wight to deliver property management services. However it is unlikely that the Council will significantly expand its operations on a volume and associated value basis due to resource constraints so it is likely that any expansion would only equate to a further £8M annual increase to the contract value.

PRIVATE SECTOR WORKS

The Council may also direct private sector customers in receipt of grant funding allocated by the Council to the contractor for the delivery of energy efficiency and other associated works on either a signposting or mandatory basis. The value of such works may fluctuate significantly dependent upon how funds are made available by central government and other funding agencies but could add a further £5M per annum to the value of the contract in any one year where significant funds are made available.

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Restricted procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

11 June 2021

Local time

2:00pm

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

2 August 2021

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: Yes

Estimated timing for further notices to be published: Spring 2026 in the event that extension options to increase the initial 5 year term are not taken up.

VI.4) Procedures for review

VI.4.1) Review body

The High Court of Justice

The Strand

London

WC2A 2LL

Country

United Kingdom