



REPORT TO CABINET

10 June 2020

Subject:	Urban Design and Building Services Water Hygiene Services
Presenting Cabinet Member:	Cllr Wasim Ali - Cabinet Member for Inclusive Economic Growth
Director:	Interim Director – Regeneration and Growth – Tammy Stokes
Contribution towards Vision 2030: 	
Key Decision:	Yes
Cabinet Member Approval and Date:	Cllr Wasim Ali
Director Approval:	Tammy Stokes
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Boroughwide
Scrutiny Consultation Considered?	Scrutiny has not been consulted
Contact Officer(s):	<p>David Harris Service Manager - Strategic Assets & Land David_harris@sandwell.gov.uk</p> <p>David Webb Principal Building Services Engineer – Strategic Assets & Land David_webb@sandwell.gov.uk</p>

DECISION RECOMMENDATIONS

That Cabinet:

- a) Note that Interim Director – Regeneration and Growth in consultation with the Section 151 Officer are presently in the process of procuring external providers in support of the council Water Hygiene Management Services across all council operational sites in support of statutory compliance.
- b) Authorise the Interim Director – Regeneration and Growth in consultation with the Section 151 Officer to award contracts for Water Hygiene Services following the conclusion of the current procurement exercise.
- c) Authorise the Section 151 Officer, Director – Regeneration & Growth and the Director Law and Governance and Monitoring Officer to agree terms and enter into a contract with relevant third parties as part of the proposed Water Hygiene Contract for the delivery of Water Hygiene Services to third parties accessing services from the Sandwell MBC contract.
- d) subject to (1 and 2 above), the Director of Law and Governance and Monitoring Officer enter into or execute under seal any documentation in relation to award of the Water Hygiene Services contracts and/or other agreements as may be deemed necessary.

1 PURPOSE OF THE REPORT

- 1.1 To seek approval to procure and award contracts for Water Hygiene Services in support of statutory compliance requirements. upon completion of the current procurement exercises.

2 IMPLICATION FOR VISION 2030

- 2.1 Ambitions 3,4,9,10, The renewal of these contracts will enable the council to ensure buildings are compliant with statutory requirements, operational and safe.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council's current arrangements for Water Hygiene Services are due to terminate on the 30th September 2020, having been extended to facilitate a review of future needs which will lead to a more efficient and effective delivery of services. This also includes combining previously separately procured arrangements for service providers to public buildings and housing estate management function.
- 3.2 The estimated value of works to be undertaken by Sandwell MBC is as follows:
- a. Water Hygiene Consultancy (Lot 1) - £300k over 4-year contract period.
 - b. Water Hygiene Monitoring (Lot 2) - £1.6m over 4-year contract period.
- 3.3 There is considered to be an opportunity to procure the Water Hygiene Services arrangements as a Framework which can be made available for other public bodies to use, subject to an access agreement and fee. This will further enable us to promote the use of a local employee base and the associated training and development opportunities.
- 3.4 However, depending on the use of the framework by other Contracting Authorities, this value may increase to the following values for the 4 years duration of the framework:
- a. Lot 1 - Risk Assessments, Consultancy Services and Training - £1,750,000
 - b. Lot 2 Monitoring and Remedial Works - £12,000,000
- 3.5 The proposed access fee arrangement would consist of a fixed access charge of £2000, plus 2% of contract turnover. This would be based on a direct access arrangement between the council provider and any interested third-party organisation. For a council of similar size to SMBC that would equate to somewhere in the region of £8000 per annum.
- 3.6 Given the current Covid-19 situation, the number of sites requiring water testing may be reduced. Therefore, the proposed contract will be on a 'call off' contract basis and therefore should our estate change in the future the contract will allow that flexibility.

4 THE CURRENT POSITION

- 4.1 A procurement exercise has commenced with a programme for the new arrangements to commence on 1 October 2020. The anticipated value of these proposals will be above the relevant EU tender threshold, and the proposals will be in full compliance with the Public Contracts Regulations 2015 and assessed in accordance with the social value tool kit and community wealth building principles.
- 4.2 Delegated Director authority to award these contracts upon completion of tender evaluation during July 2020 will ensure that mandatory standstill requirements are observed, and sufficient time is available for contractors to comply with any potential TUPE requirements (between private contractors not of council employees). Furthermore, it will allow for an appropriate mobilisation period to be implemented. It is recommended that whilst authority is Delegated to the Director(s) that a further report is provided to the Cabinet Member for Inclusive Economic Growth to update on the preferred contractors.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Consultation has been undertaken with stakeholders as part of routine customer satisfaction monitoring and they are in agreement with this course of action.

6 ALTERNATIVE OPTIONS

- 6.1 As the previous long-term agreements have now been extended and are due for retender, alternative options have already been explored. The most economically advantageous solution is still to conduct tender processes in compliance with the Public Contracts Regulations 2015.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The proposed contract values of £1.9 million (£475,000 per annum) for Sandwell MBC, for the provision of Water Hygiene Services is included within the Property Maintenance Account, the Schools Repairs Accounts and Housing Revenue Account.

- 7.2 The new contract will place a pressure on the existing budgets due to the enhanced nature of the proposed service delivery model. This however is required to keep pace with ever increasing legislative requirements as with all other compliance requirements currently. The budget pressure will be offset against the existing budgets. This however will impact on other non-critical elements of the service delivery, mainly around reactive and any planned works.
- 7.3 The approval of the recommendations will assist in the mitigation of the risk included in the directorate risk register re statutory compliance (non-asbestos).

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The tendering process has been fully supported by colleagues within Procurement.
- 8.2 Following approval, all contracts will be awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 The sharing of any relevant data for the delivery of this contract will be in compliance with the General Data Protection Regulations.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no crime and disorder issues relating to the consideration of this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 There are no anticipated changes to current legislation, however the proposals do reflect changes to current operational arrangements which are anticipated to improve the efficiency and effectiveness of the management of Water Hygiene Services going forward and give the council greater control over the operation and performance of the Contractor. This also enables us to work closely with the contractor to ensure a local focus is applied with the opportunity to create wealth,
- 12.2 engagement and opportunity in the local community.
- 12.3 Landlord supplies to residential properties such as high-rise blocks, sheltered housing schemes, including offices and depots will be managed and maintained by the council and all the associated costs will be met from within the Housing Revenue Account.
- 12.4 Public buildings will be maintained through the council's existing annual building maintenance budget.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE).

- 13.1 Social Value and Community Wealth building commitments have been built in to the tender evaluation criteria to ensure the successful contractor(s) complies with locally and nationally recognised standards and contributes to the council's Vision 2030 ambitions.
- 13.2 In support of the council's social value charter the tender sets out the following question which forms part of the overall scoring process.

To comply with the Public Services (Social Value) Act 2012:- Please demonstrate how you would configure and operate your site processes to deliver a positive impact on the social, economy and environmental well-being of the local area. Please note that potential suppliers should demonstrate evidence of supporting Social Value and local integration within the requirements and scale of the contract; examples include but are not limited to; Identifying job and apprenticeships as consequence of contract; Identifying and supporting a local school/community need with the area of works; promotion of environmental awareness; highlighting the benefits of recycling and carbon reduction; working with local SME's and supply chain. Please demonstrate how you will engage with the council to help identify residents and businesses, regarding promotion and communication of the scheme to the public during the contractual period.

The council recognises that the tenderer's responses will be proportionate to the size, complexity length and value of this project.

13.3 The outputs will be monitored throughout the delivery of the contract to ensure that the commitments made are honoured and further development is encouraged.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 The award of the Water Hygiene Services contracts will enable Sandwell council to fulfil the statutory and regulatory health and safety compliance requirements aligned with maintaining water services in buildings.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The extensions to previous long-term contract agreements will expire on the 30 September 2020.

15.2 Revised procurement exercises are currently being undertaken with a view to combine previously separated arrangements for public buildings and landlord supplies to housing related buildings such as high-rise blocks, sheltered housing schemes, including offices and depots.

15.3 In order to complete the procurement exercise and award the new contracts in time for an October 2020 commencement, delegated authority is sought to enable the Director – Regeneration and Growth in consultation with the Executive Director – Resources to approve the successful contractor recommendation submitted by Procurement Services.

16 BACKGROUND PAPERS

16.1 None

17 APPENDICES:

None

Tammy Stokes
Interim Director – Regeneration and Growth