

WIRRAL COUNCIL

CABINET

14 APRIL 2011

SUBJECT:	<i>PROPOSED EXTENSION OF FACILITIES MANAGEMENT CONTRACT FOR CHESHIRE LINES BUILDING</i>
WARDS AFFECTED:	<i>ALL</i>
REPORT OF:	<i>DIRECTOR OF LAW, HR & ASSET MANAGEMENT</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>COUNCILLOR S. HOLBROOK</i>
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks the approval of members to extend the current facilities management contract for the Cheshire Lines Building with the present provider, 1 - Call Business Solutions, for a period of up to 18 months.

2.0 RECOMMENDATION

- 2.1 That the current contract for facilities management services at Cheshire Lines Building be extended for a further period commencing on 26 April 2011 and not exceeding 18 months on the terms now reported.

3.0 REASON FOR RECOMMENDATION

- 3.1 The existing contract has previously been extended to allow it to fit in with revised corporate facilities management arrangements. Work is still under way to develop such arrangements. In the meantime, service provision under this contract is good, and a reduction in the contract price has been negotiated with the current service provider. An extension of the current arrangements is considered to offer the best value to the Council.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 At it's meeting on 25th April 2006, cabinet approved the acceptance of the lowest tender submitted for the provision of Facilities Management Services at Cheshire Lines for a two year period with "a two year extension option subject to the satisfactory performance by the appointed contractor".
- 4.2 The two year extension option was taken up and approved by cabinet on 12 December 2007, making the contract expiry date 25 April 2010. It was also reported at this meeting that the renewal of the Facilities Management contract for Cheshire Lines from April 2010 would align with whatever option the Council agreed for the future of Corporate Facilities Management Services across the authority.

- 4.3 Cabinet approved at its meeting on 24 September 2009 a one year extension to the Facilities Management contract at Cheshire Lines Building with the present service provider (1 - Call Business Solutions). That company has carried out the Facilities Management contract at Cheshire Lines Building since April 2006, and has performed to a high standard across all areas of the contract.
- 4.4 Work is now in progress through the Facilities Management Project within the Strategic Change Programme to develop options and a recommended way forward for corporate facilities management. A business case will be reported to the Programme Board in June 2011. Depending on the agreed way forward, implementation of new arrangements could take up to a further 15 months if a procurement exercise was undertaken.
- 4.5 Whilst this work is in progress, arrangements are also being developed to accommodate the departure of facilities management staff through the recent early retirement and voluntary severance exercise.
- 4.6 Given these priorities it is considered that the most appropriate way forward would be to extend the existing arrangements pending the implementation of a new corporate solution. At the same time, and having regard to the financial situation, the opportunity has been taken to see if savings can be made on current costs.
- 4.7 Discussions have taken place with 1 – Call Business Solutions and the following agreement has been reached, subject to approval:-
- 1 - Call Business solutions will continue to provide the current level of service for a further period of 12 – 18 months (as required by the Council).
 - They will reduce their charges to the Council by 15% (approximately £27,800 p.a)
 - Other terms to continue as existing.
- 4.8 This proposal is recommended for acceptance because it is considered to offer the most cost-effective provision of services whilst the current corporate facilities management review is progressed.

5.0 RELEVANT RISKS

- 5.1 1 - Call Business Solutions have a high level of knowledge of the Cheshire Lines building particularly the Mechanical and Electrical installation including CCTV installation, access systems, fire and intruder systems. Service continuity could be weakened during a transitional period for a change of contractor or if other temporary arrangements are introduced.
- 5.2 Retendering at this stage would require the input of significant staff resources and could divert attention and resources from the wider facilities management project.
- 5.3 Continuation of the existing arrangements presents the lowest risk to service continuity and delivery, and to staff working in the building, pending agreement on future corporate facilities management arrangements.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 Allow existing arrangements to continue without review. Whilst existing service standards are good, this would forego the opportunity to achieve savings for the Council. It is not recommended.
- 6.2 Retender a contract for the Cheshire Lines building in isolation. The current review of corporate facilities management arrangements is intended to deliver an integrated approach to facilities management across the Council's building stock, where at present there is a range of contracts and approaches. The Cheshire Lines building will be dealt with in those revised arrangements, and a tender for this building alone would only be a short term arrangement. It is considered that such an exercise would not offer value for money and is likely to be of limited appeal to the market. It is therefore not recommended.
- 6.3 Bring the management of the building in-house. Given the departure of staff under early retirement and voluntary severance plus the priority given to developing future facilities management options there is no in-house capacity to do this at the present time, and it is not recommended.

7.0 CONSULTATION

- 7.1 The Head of Central Procurement has been consulted and agrees the recommended approach.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are no implications under this heading.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 Staff from the Department of Law, HR and Asset Management will manage the contract extension.
- 9.2 All costs related to this service are contained within the Cheshire Lines Complex budget. The current cost of the service is £185,818.36 p.a.
- 9.3 Members should note that if approved the contract extension will be delivered for a cost of £157,945.61 p.a. This equates to a 15% saving as a result of negotiations between Asset Management and 1 – Call Business Solutions. This saving of £27,873 contributes towards overall savings within the Facilities Management Project within the Corporate Change Programme.
- 9.4 All issues relating to the management and supervision of the service provider are undertaken by existing employees as part of their normal duties.

10.0 LEGAL IMPLICATIONS

- 10.1 None arising from the report other than to document the contract extension.

11.0 EQUALITIES IMPLICATIONS

11.1 There are no specific implications in this report for equal opportunities, including women, ethnic minorities or the elderly.

11.2 An Equality Impact Assessment (EIA) is not required

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are no specific implications in this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no specific implications in this report.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet - Proposed extension of facilities management contract for Cheshire Lines Building	24 September 2009