

**TO: THE MONITORING OFFICER
(TOM CLARK, SOLICITOR TO THE COUNCIL)**

**RECORD OF ACTION TAKEN BY A CABINET MEMBER
UNDER DELEGATED POWERS**

Subject: To seek approval for the extension of the Mechanical and Electrical (M & E) contract for six months to end of September 2022, with option to extend by a further six months to end March 2023.	
Cabinet Member: Councillor Jonathan Ash-Edwards- Leader	
Has the Cabinet Member received a report prior to making the decision?	Yes
In the case of a key decision where the Cabinet Member has received a report, please state the date a copy of the report was made available to the Chair of the relevant Scrutiny Committee and placed in the public domain:	N/A
Record of decision taken: It is recommended to: <ul style="list-style-type: none">- Extend the existing contract for M&E works by six months to the end of September 2022 with the option to extend by a further six months to end March 2023 and increase costs by 5.21% in accordance with CPI data in accordance with contract.	
Date of decision: 28 January 2022	
Statement of reasons for making the decision: The original tender was competitively tendered and the current incumbent submitted the most economically advantageous tender. The contract contained an option to extend by a further 2 years in one year increments to the end March 2022, which was previously agreed. Plans for re-procurement of these works in time to renew when the existing contract came to an end in March 2022 were postponed whilst the scope of the Council's Public Realm Contract (PRC) was considered and agreed. Now this is complete, and it has been agreed that M&E works are not within the scope of the PRC, the Council still requires these works to be delivered. Given the time passed however, agreement is now sought for a further 6 month extension to end September 2022 to enable decisions to be made on future re-procurement of M&E works. The annual uplift is based upon the CPI which equates to 5.21%. The current contractor has a thorough working knowledge of all our assets, an understanding of the different operational requirements of our properties and has developed close working relationships with the hirers/users of our buildings that enables them to carry out works efficiently and effectively whilst causing minimal	

disruption, which is particularly advantageous given the additional H&S measures required due to Covid.	
Alternative options considered and rejected: Starting the re-procurement process immediately thereby reducing the necessary extension to approx. 3 months. This would not however allow for a full review following the Council's restructuring.	
Code of Conduct Interest of Cabinet Members? If yes, please advise on the nature and whether dispensation in place. No.	
Is the decision to be protected from call-in? (<i>i.e</i> if any delay would seriously prejudice the Council's or the public's interest) - see Scrutiny Procedure Rule 14 (M)	No
If so, please state:	

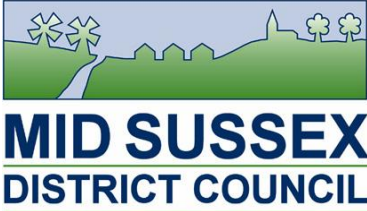


Signed:.....
Cabinet Member

This record must be forwarded immediately to the Monitoring Officer (TC) and copied to the relevant Cabinet Member.

For Monitoring Officer

Date of publication of Member Information Service Bulletin	2/2/2022
Date of decision can be implemented (on the Thursday after publication of the Member Information Service Bulletin, unless already protected from call-in)	10/2/2022



Report on Extension of Term Contract for Mechanical and Electrical Maintenance and Reactive Repairs

Report of: Peter Stuart, Head of Corporate Resources
Contact Officer: Tony Johnson, Team Leader Facilities and Services
Corporate Estates and Facilities.
tony.johnson@midsussex.gov.uk
Wards affected: All
Key decision: No
Report to: Jonathan Ash- Edwards - Leader
Report date: 28th January 2022

Purpose of Report

1. This report seeks Cabinet Member approval to extend the existing contract for Mechanical and Electrical Works.

Recommendation

2. To initially extend the existing contract for a further six months to end of September 2022.
3. If a longer period is required, to extend by further 6 months using 3 month rolling options with 1 month's notice to contractor by agreement, up to a maximum overall total of 12 months to end March 2023,
4. Apply an increase of 5.21% on current costs in accordance with contract terms.

Background

3. The current contract covers Mechanical and Electrical works to all Council maintained buildings throughout the District including Oaklands Offices and Park Pavilions.
4. The contract commenced in December 2016 for a period of 3 years and 15 weeks to run through to the end of March 2020. The contract contained an option to extend by a further 2 years in one year increments which was agreed.
5. The terms of the contract provided for fixed prices for the period to end March 2020, which would then be revised based upon The Consumer Price Index (CPI) for any extension period.
6. Plans for re-procurement of these works in time to renew when the existing contract came to an end in March 2022 were postponed whilst the scope of the Council's Public Realm Contract (PRC) was considered and agreed. Now this is complete, and it has been agreed that M&E works are not within the scope of the PRC, the Council still requires these works to be delivered. Given the time passed however, agreement is now sought for a further 6 month extension to end September 2022 to enable decisions to be made on future re-procurement of M&E works.

7. Although not currently envisaged
 8. This has been discussed with the contractor who indicate they will accept this proposal if approved by the Council.
 9. The Council's Procurement Code requires approval of the relevant Cabinet Member for extension of contracts above a value of £50,000.
 10. This contract equates to a current expenditure of approximately £265,000 per annum.
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- 8 Using the relevant CPI data the increase for this further 6 month period equates to 5.21%. This is based on the difference between the latest available December 21 index (115.1) and the March 21 index (109.4).

Financial Implications

- 9 A rise of 5.21% equates to an approximate cost increase of £13,800.00 per year based on historical use of this contract.

Benefits of Extending Contract for a Further Year

- 10 The current contractor has a thorough working knowledge of all our assets, an understanding of the different operational requirements of our properties and has developed close working relationships with the hirers/users of our buildings that enables them to carry out works efficiently and effectively whilst causing minimal disruption, which is particularly advantageous given the additional H&S measures required due to Covid.

Form of Contract

- 11 The contract is the JCT Standard Form of Measured Term Contract 2011.

Risk Management and Other Implications

- 12 The extension of the existing contract reduces the Council's risks in relation to performance and cost over procurement of a new contract.
- 13 The future procurement of this contract will be reviewed to ensure that it provides best value for the Council.