

**Wiltshire Council**

**Cabinet (Capital Assets) Committee  
21 March 2012**

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**Subject: Award of Facilities Management Service Contracts**

**Cabinet Member: Councillor John Noeken – Resources**

**Key Decision: No**

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**Executive Summary**

As part of the Council's Procurement and Commissioning Programme, Strategic Property Services are in the process of rationalising its existing contractual arrangements for the management and maintenance of its facilities.

Service Contracts relating to various aspects of Facilities Management (FM) on non-residential Council-occupied property stock is currently undertaken by a large number of contractors. Each of these contracts has its own individual service specification and contract terms, inherited from legacy arrangements that were in place prior to the creation the Unitary Authority. As such it is very difficult to ensure consistency across our facilities, and particularly difficult to manage performance, cost and risk across such a high number of disparate contractual arrangements.

In parallel with these operational difficulties, the Council is substantially rationalising its property stock, and in the process rapidly changing the way its buildings are used. The next two years are therefore seen as a period of change where the status quo of existing arrangements are untenable, but entering into long-term contractual arrangements is unadvisable due to the amount of change that will result over a relatively short period of time. In that period of time, the operating model for new Community Campus buildings will also become clear. The proposed contracts will therefore have a term of 2 years, with an ability to extend beyond that.

Procurement of new FM Service contracts is being conducted under the overarching governance of the Procurement and Commissioning Programme. An analysis of existing contractual arrangements has been completed ensuring that existing service provision is understood and lessons are learned from previous contracts, and that opportunities are identified, captured and implemented to maximise the opportunities to develop a consistent and pragmatic model through the procurement process.

A contract strategy has been devised and is being implemented to reduce considerably the total number of separate servicing contracts and to achieve efficiencies and economies of scale. Three main facilities functions are being procured through this exercise as separate "lots" within the exercise – Cleaning, Security and Keyholding, and Catering. The contracts are being procured under the OJEU Restricted Procedure comprising a Pre-qualification stage followed by a Tender stage, and tenders for the first contracts were returned during the week of 5<sup>th</sup> March 2012, with a view to award of contract in April to enable a transition between existing and new contracts to take effect

in the following months leading up to the occupation of the new MECH building on completion of Phase 1 of the County Hall refurbishment project.

The early stage of procurement included a bidders day, advertised locally and in the OJEU notice, and well attended by local Small and Medium-sized Enterprises as well as larger national firms, to explain the Council's aims with respect to the proposed new contracts, the nature of change across the estate and the longer term plans for future procurement of the services. At this event, representatives of the Wessex Chamber of Commerce were available to offer support to small business unfamiliar with such a procurement process. The tender shortlist has included a number of local SMEs on merit.

On receipt of tenders, the submissions from shortlisted firms will be evaluated against quality and price objectives determined within the tender documents.

### **Proposal**

That Cabinet (Capital Assets) Committee authorises the Cabinet Member, Resources to use delegated authority to award FM Service Contracts for Cleaning, Security and Keyholding and Catering, following the satisfactory conclusion of the formal tendering processes.

### **Reason for Proposal**

To put in place the means to consistently and cost effectively manage the Council's built facilities over a period of significant change in both service levels and occupied properties.

**Carlton Brand**  
Corporate Director