

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by Director of Housing, Regeneration and Environmental Services**

**Social Justice Committee: 8 November 2006**

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**Subject: Partnering Arrangements with Measured Term Contractors**

#### **1. Purpose**

- 1.1** To update and provide further information to the Committee on the proposed implementation of partnering arrangements for specific measured term contracts.

#### **2. Background**

- 2.1** With reference to a report entitled 'Single Trade Measured Term Contracts 2006/2010' the Social Justice Committee of 14 June 2006 agreed:
- (a) to approve the process to negotiate contract extensions on all single trade Measured Term Contracts as detailed in Section 3 of the report,
  - (b) that officers be authorised to research and implement strategic partnering arrangements for lift maintenance and mechanical maintenance, and
  - (c) that a report providing further information on this matter be submitted to a future meeting of the Committee.

#### **3. Main Issues**

- 3.1** With regard to 2.1(b) above, officers from the department's Property Management Section intend preliminary research and discussions with the current measured term contractors for both the lift and mechanical (heating) maintenance contracts. Throughout any the research period advice and guidance will be sought from relevant Council officers on legal and procurement matters.
- 3.2** The Building Research Establishment through its research on building maintenance costs within the United Kingdom have identified that on average 53% of the total cost incurred is invoiced by and paid to contractors. The remaining 47% is spent on:
- a) Producing tender documents
  - b) Comparing prices
  - c) Placing orders

- d) Checking work in progress
- e) Checking work on completion
- f) Measuring completed quantities
- g) Raising invoices
- h) Validating invoices
- i) Negotiating discrepancies

**3.3** The intention of entering into partnership arrangements with term contractors is to achieve a reduction in the tasks described in paragraph 3.2 and to ensure that staff time and financial resources are used more effectively.

**3.4** There exists within the construction industry the remains of an adversarial culture which creates doubt over probity, quality and cost control. There would be considerable benefit therefore if arrangements with external contractors replicated the relationship that exists in-house with the integrated client/contractor Service Level Agreement.

**3.5** Creating and developing a partnering ethos will enable both parties to:

- (a) Minimise duplication in the various contract processes which currently exist
- (b) Create opportunity to develop joint communication systems
- (c) Develop longer term investment strategies
- (d) Focus on cooperation to ensure measurable improvements in the services provided
- (e) Create opportunities for employment and training between partners
- (f) Develop an open accounting system
- (g) Ensure significant efficiencies resulting in more work for less cost, better quality and greater stakeholder satisfaction

#### **4. Financial Implications**

**4.1** It is anticipated that partnering arrangements will result in more effective use of financial resources

## **5. Personnel Issues**

- 5.1** It is anticipated that partnering arrangements will result in more efficient use of staff resources

## **6. Conclusion**

- 6.1** With Committee agreement given the foregoing main issues, discussions with contractors and other research will commence with future progress reports being submitted for consideration by the Committee.

## **7. Recommendation**

- 7.1** The Committee is invited to:

(a) note the contents of this report

(b) instruct the Director of Housing, Regeneration and Environmental Services to submit a report to a future committee outlining progress of research and discussion into proposed partnering arrangements for specific measured term contracts.

**David McMillan**

**Director of Housing, Regeneration and Environmental Services**

**Date: 13 October 2006**

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| <b>Wards Affected:</b>    | All   |
| <b>Appendix:</b>          | None  |
| <b>Background Papers:</b> | Report to Social Justice Committee on 14 June 2006 - 'Single Trade Measured Term Contracts 2006/2010' |
| <b>Person to Contact:</b> | Don Findlay, Manager of Technical Services, telephone: 01389 608333                                   |