

# **WEST DUNBARTONSHIRE COUNCIL**

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

**Social Justice Committee: 14 June 2006**

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**Subject: Single Trade Measured Term Contracts - 2006/2010**

### **1. Purpose**

- 1.1** The purpose of this report is to inform the Committee of the current situation regarding Single Trade Measured Term Contracts for housing and property maintenance work and seek instruction in relation to contract extensions and proposed partnering arrangements.

### **2. Background**

- 2.1** Measured Term Contracts that commenced on 1 June 2002 terminate on 31 May 2006, and these cover repair and maintenance work funded from the Housing Revenue Account and the Central Repairs Account.

- 2.2** The Measured Term Contracts currently in place are:-

- (a) Bituminous Felt Roofing
- (b) Fencing, Balustrade Work
- (c) Bitumen Macadam/Asphalt Repairs
- (d) Drain Cleaning
- (e) Floor Finishes
- (f) Fire Fighting Equipment
- (g) Lift Maintenance
- (h) Mechanical Maintenance

### **3. Main Issues**

- 3.1** In compliance with Best Value principles and continuous improvement, all contracts require updating in several aspects:-

- (a) A Measured Term Contract for glazing work should be added.
- (b) All tender documentation requires to take cognisance of current versions of British Standards, Codes of Practice etc. and the recently received National Schedule of Rates update.
- (c) Contracts require to comply with current European procurement rules that may extend the tendering process.

- 3.2** As a result of the impending Voluntary Competitive Tendering (VCT) exercise for Housing Repairs and Maintenance, term contracts for items 2.2 (a) and (b) above will be split into two separate contracts with the housing element included as part of the VCT contract.
- 3.3** It is proposed that contracts 2.2 (a) to (f) above for non-housing work be prepared for tender and issued to the open market. In order to update contract documents and ensure compliance with European Regulations, a minimum six month extension of existing contracts will be required.
- 3.4** The Egan and Latham Reports commissioned by central government in the late 1990's recommended a move away from the normal "adversarial" type of construction contract arrangements. The reports advocated consideration of "open book" contract arrangements where appropriate to ensure transparency and fairness and referred to these as partnering contracts.
- 3.5** Repair and maintenance work inherently contains a number of elements which can make strategic partnering arrangements viable. These generally involve long term relationships that provide opportunities for investment, team development and improved communication, which in turn can lead to innovation. Partnering may also produce some significant benefits:-
- (a) Repeated maintenance tasks enable process efficiencies.
  - (b) Opportunities to develop joint communication systems.
  - (c) Avoiding duplication, only one person does the job on behalf of both parties.
  - (d) Focusing on co-operation rather than conflict leads to a better working environment.
  - (e) Continuous measurable improvement provides learning that can be reviewed, shared, developed and applied in later work.
  - (f) Client and supply organisations enjoy enhanced reputations resulting from successful partnering projects.
  - (g) Opportunities arise for longer term investment in projects.

- 3.6** Officers within the Property Management Section are of the opinion that the nature of the work contained within contracts 2.2 (g) and (h) above covering Lift Maintenance and Mechanical Maintenance are suited to consideration for a partnering arrangement. There is currently no model of existing partnering arrangements with private contractors within West Dunbartonshire Council that can be duplicated and amended to suit. Accordingly, significant research will be required to manage any change from traditional to partnering arrangements and to ensure that best value and probity is maintained throughout all stages of the process. To carry out this research and prepare the necessary documentation, a twelve month extension to both existing contracts will be required.

**4. Financial Implications**

- 4.1** Finance for these proposals will be contained within the Housing Repairs and Central Repairs Budget.

**5. Personnel Issues**

- 5.1** There are no personnel issues.

**6. Conclusion**

- 6.1** Arrangements require to be put in place for the continuation of services received under single trade measured term contracts for housing and property maintenance.

**7. Recommendations**

- 7.1** **The Committee is invited to note and approve the process to negotiate contract extensions on all single trade Measured Term Contracts as detailed in section 3 and to research and implement strategic partnering arrangements for Lift Maintenance and Mechanical Maintenance.**

**David McMillan**

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

**Date: 2 June 2006**

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**Wards affected:** All

**Appendix:** None

**Background Papers:** Report to Council Meeting on 28 November 2001 "Review of Measured Term Contract - Housing and Other Property Maintenance 1997/2000

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