

Decision taken

Made by an Executive Member or Chief Officer



MANCHESTER
CITY COUNCIL

Decision maker	Deputy Chief Executive and City Treasurer
Date of decision	27 May 2022
What is the decision?	To award a 12-month extension with effect from May 2023 to the contract for planned and preventative maintenance to MCC public buildings – including reactive repairs and small works via a Measured Term Contract to Equans, the current provider. The contract has an annual value of £5.65m and, as a result of the extension will end in April 2024.
Reasons for the decision (but excluding any exempt or confidential information)	<p>To ensure continuity of service provision for 12 months beyond the expiry date of the current contract in April 2023 for repairs and maintenance of the council's civic estate and to engage the supplier's expertise on a range of decarbonisation projects affecting the council's operational estate and housing stock.</p> <p>Given current uncertainty and disruption in the construction and facilities management marketplaces this proposal will provide cost certainty for these services until 2024 after which time, the current disruption (labour and materials shortages, unprecedented levels of inflation and heavy demand for zero-carbon schemes) may have subsided.</p> <p>This proposal, is part of a package of 4 workstreams (Zero Carbon Design Consultancy, PSDS Capital Works (c£7m), Major Decarbonisation projects (£10m) and Minor Works (£3.5m)) to provide consultancy services and works supporting delivery of decarbonisation projects to public buildings and to the council's housing stock. The package will provide savings of £706k across 4 workstreams.</p> <p>This extension to the repairs and maintenance contract has been made under Regulation 72 of the 2015 Public Contract Regulations. The grounds for the award are that the council could not have foreseen the current market conditions for delivery of construction works which affects each of the workstreams which include government funded programmes of works associated with national infrastructure and decarbonisation at a time of exceptionally high inflation rates, delays to delivery of construction materials due to the effects of the war in Ukraine and shortages of labour and materials as a result of Covid-19 and the UK exit from the EU</p>

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Alternatives considered and rejected	<p>Tendering for these services was the alternative option considered. This was rejected for the following reasons:</p> <ul style="list-style-type: none">• The PSDS3 programme must be completed by end of March 2023 and, in current market conditions, there is a clear possibility that this deadline would be missed or that costs of works would exceed the available budget which would place additional strain on council resources and potential loss of benefits of these zero carbon measures.• The Repairs and Maintenance of public buildings contract expires in April 2023 with no further option to extend. A tender process would be required to put a new contract into place and would need to be issued imminently. Current market conditions place significant uncertainty on the outcome of a tender with the likelihood of limited numbers of tenders and higher than expected costs as contractors transfer risks relating to cost inflation and other cost pressures.• This arrangement with Equans will provide cost certainty, access to renowned expertise and resources in this area and a firm timescale in which various elements of the zero carbon programme will be delivered
Interests Declared	None
Officer contact details For any further information	Richard Munns. richard.munns@manchester.gov.uk

Register of Key Decisions

Register of Key Decisions Reference	2022/06/26B (https://democracy.manchester.gov.uk/mglIssueHistoryHome.aspx?IId=15068&PlanId=153&RPID=9329582)
OR – if not published in the Register of Key Decisions	
Reasons for special urgency such that this was not published in a Register of Key Decisions	N/A

Scrutiny Call In

Call-in deadline	8 June 2022
OR – if Exempt from Call-in	

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Advice as to how any delay would seriously prejudice the legal or financial position of the Council	Delivery of the PSDS3 decarbonisation projects would be unlikely to be achieved if this contract award is delayed leading to potential loss of government funding, delay is realisation of council's decarbonisation programme.
Scrutiny Chair who agreed the urgency	Not applicable
Date this notice was published	30 th May 2022