

Committee(s):	Date(s):	Item
Barbican Residents' Consultation Committee	12 September 2011	
Barbican Residential Committee	26 September 2011	
Subject: Extension of the Barbican Lift Maintenance Services Contract		For Decision
Report of: Director of Community & Children's Services		Public
<p style="text-align: center;"><u>Summary</u></p> <ol style="list-style-type: none"> 1. This report seeks your Committee's approval, in accordance with Standing Order 53(3) and Standing Order 52 (8), to waive the requirement to seek competitive tenders and to vary the existing Lift Maintenance Services Contract for a period of 11 months. 2. This Lift Maintenance Service is currently carried out by Guideline Lift Services Ltd. who were appointed in 2005. The contract was for a period of 5 years with the option to extend a further 2 years. The option to extend was exercised and current contract now expires on 31st January 2012. 3. Lift Maintenance Services across the City of London Corporation were to be included as one lot in the Strategic Review of Procurement and Procurement to Pay Project (PP2P). However, it became evident that as the lifts are within residential blocks, there was a requirement under the Landlord and Tenant Act (1985) to carry out Statutory Consultation. 4. To avoid a delay in the overall project and potential savings, the Lift Maintenance Services for Barbican and Housing were temporarily excluded from the PP2P Project. This would allow the project to proceed without delay and enable Barbican and Housing to be included at a later date following statutory consultation 5. The contract value for the year to 31st January 2012 is £187,122. Informal discussions with Guideline Lift Services Ltd. would suggest that they would be in agreement to the variation of the existing 		

contract and continue to provide the service until 31st December 2012 with no increase in costs. The pro rata cost for an 11 month extension to 31st December 2012 is estimated to be £171,528

Recommendation

6. That, in accordance with Standing Orders 52(8) and 53(3), your committee agrees to waive the requirements to seek competitive tenders and agrees to vary the existing contract for an extension of 11 months at an estimated value of £171,528.

Main Report

Background

7. On 1 February 2005 Guideline Lift Services Ltd. were appointed to carry out Lift Maintenance Services to all lifts operating on the Barbican Estate and Housing Estates. The contracts were for an initial period of 5 years with the option to extend a further two years. Guideline provided a very good service during the initial 5 year period and had built up extensive knowledge of the lifts during that time. The contracts were extended in 2010 by a further two years and are due to expire on 31 January 2012.
8. Your committee will be aware that PP2P (or Procurement and Procure to Pay) is one of the Strategic Reviews that forms part of the City Corporation's Change Programme. It aims to introduce modern procurement techniques, procuring in a smarter way to get a better deal on the goods and services we buy and thereby make substantial cashable savings over the next 5 years and beyond.
9. Eventually by late 2012, all procurement will be co-ordinated through one centralised team. This will ensure purchasing at the City Corporation is more joined up, quicker, easier and more efficient for everyone involved with the creation of more streamlined processes. Prior to creating the central team, the project is initially concentrating on an Early Wins Programme together with an exercise to identify savings opportunities over the next few years.
10. The PP2P Project is made up of 6 category boards:
 - Highways. Includes: Highways, Maintenance and Repair

- Buildings. Includes: Routine Building Repairs and Maintenance Services
- HR. Includes: temporary labour and recruitment advertising.
- Soft FM. Includes: Soft FM, Print, Security, Cleaning, Office Supplies, Energy
- ICT. Includes IT Hardware, IT Software and Mobile Telephony
- Construction Services. Includes: Capital Projects, Major Building Refurbishments & Installations, Minor Works.

11. Lift Maintenance Services are included in the buildings category along with building repairs and maintenance services. This category is subdivided into lots:

- Lot 1 City Surveyors Operational Portfolio
- Lot 2 City Surveyors Investment Portfolio
- Lot 3 Barbican Centre
- Lot 4 Barbican Estate
- Lot 5 Community Housing
- Lot 6 Lift Maintenance Services (across all 5 lots)

12. It became evident that in order to proceed with Lot 6, there is a requirement to carry out statutory consultation under the Landlord and Tenant Act (1985). This would require a 30 day notification of our intention to enter into an agreement to carry out lift maintenance services. The tender process would not be able to start until the completion of this consultation period. Following the tender process there would be a further 30 day period of consultation notifying leaseholders of the tender results and the recommendation.

13. The category board determined that the periods detailed in para 12 would delay the whole project and there would be a delay in the City realising potential savings. For this reason, the delivery of lift maintenance services on the Barbican Estate and Housing Estates would be temporarily removed from the tender process.

Current Position

14. The PP2P process for the remaining lots is progressing well with an estimated date for contract award early in 2012. Once the contract is in place and the various controls are in place there will be two options to consider. If value for money can be demonstrated, consideration will be given to the transfer of both contracts to the corporate repairs and maintenance contract. If value for money cannot be demonstrated then consideration will be given to carry out a separate tender for the lift maintenance services on both Barbican and Housing. The latter option will require a rigid timetable in order for a new contract to be in place by 31st December 2012.
15. Guideline Lift Services Ltd. are under contract to provide a lift maintenance service to 31st January 2012. In order to maintain the current level of service afforded to residents on the Barbican Estate it is proposed that Guideline's contract is extended to 31st December 2012. This will require your committee to approve the waiver of Standing Order 53(3) which will allow the Comptroller and City Solicitor to vary the existing contract with Guideline Lift Services Ltd. Your committee is also required to approve the waiver of Standing Order 52(8) which will waive the requirement to seek competitive tenders.

Financial Implications

16. The current annual value of the contract is £187,122. Informal discussions with Guideline Lift Services Ltd. would suggest that they would be in agreement to the variation of the existing contract and continue to provide the service until 31st December 2012 with no increase in costs. The estimated cost over the 11 period would therefore be £171,528.

Consultees

18. The Comptroller & City Solicitor and Chamberlain have been consulted in the preparation of this report and their comments incorporated.

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