

**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services  
Rebecca Spore, Director of Infrastructure

**To:** Policy and Resources Cabinet Committee  
14 January 2021

**Decision No:** N/A

**Subject:** Facilities Management Procurement Update

**Classification:** Unrestricted

**Past Pathway of Paper:** Policy and Resources Cabinet Committee 29<sup>th</sup> January 2020  
Policy and Resources Cabinet Committee 29<sup>th</sup> July 2020

**Future Pathway of Paper:** November 2021 and January 2022

**Electoral Division:** All

**Summary:**

This paper updates Members on progress with the Facilities Management re-procurement.

**Recommendations:**

The **Policy and Resources Cabinet Committee** is asked to **note** progress.

**1. Background**

- 1.1 The Council currently commissions Facilities Management services (including statutory compliance, planned preventative maintenance, project services, helpdesk, cleaning, catering, waste, feminine hygiene, pest control, handypersons, portorage, mail delivery, landscaping and ground maintenance, reception and security) with two providers, Amey and Skanska for the KCC Corporate Landlord Estate, and statutory checks for schools (which fall under the responsibility of KCC).. The Council also makes available waste, cleaning and catering services through separate contracts to the TFM providers.
- 1.2 The current TFM contracts have been extended to October 2022 with the option to break from May 2022. The extension was agreed to support service continuity and enable the market to re-establish itself following the COVID-19 pandemic and allowed the re-procurement of the Facilities Management (FM) contract to progress.

1.3 As set out in the paper that was presented to the Policy and Resources Cabinet Committee on 29<sup>th</sup> July 2020, the delivery model chosen is to procure one county wide hard FM contract and multiple soft FM contracts. This is a change to the current delivery model and therefore work is underway to split the current contract. The disaggregation is key to a smooth transition alongside putting in place interface agreements between the different contracts.

## **2. Update on Progress and Activity since July 2020**

2.1 Drafting of contractual documentation has been ongoing including:

- Head contract
- Specification
- Service Matrix
- Performance Model
- Performance Indicators
- Performance Schedule
- Mobilisation Schedule
- Contract Exit Strategy
- Selection Questionnaire - technical questions

2.2 Meetings have continued with stakeholders to discuss specific elements of the contract and their requirements in relation to this.

2.3 A procurement timetable has been developed along with interdependencies for the delivery of the agreed FM model moving forward.

## **3. Contract Management**

3.1 In parallel with the procurement workstream a review of the structure of the KCC Facilities Management team is underway. This looks to align the management team with the new contract structure and to ensure that the skills within the services meet the type of contracts in place and addresses the needs of the contract.

3.2 Strong contract management will be required to hold the providers to account in conjunction with clear KPIs. The KPI model is being developed alongside a reduction in the number of KPIs to focus on key areas, including a ratchet and earn back ability to further incentivise providers.

3.3 The delivery model also allows for improved closeness to the supply chain particularly in relation to the soft services which enables direct communication and the ability for companies to make suggestions for innovation and improved ways of working.

## 4. Programme

4.1 The programme has been revised and it is envisaged that the procurement activity will start in March 2021 for the Hard FM Services contract. Prior to issuing the OJEU notice, the market conditions will be reviewed considering the end date of the current contracts, which is October 2022.

4.2 The programme is split into a number of separate workstreams with the critical path running through the Hard FM contract, as this is the most complex. For the soft services there will be a number of different programmes depending on the service line and procurement route chosen. The key dates are set out below. The most important elements on the critical path are:

- Issue of OJEU notice for Hard FM Services which starts the formal procurement process
- Shortlist suppliers following Supplier Questionnaire evaluation
- Submission of bids/final bids
- Key Decision to award contract with delegated authority within specific parameters

4.3 The timetable also identifies key update points for the Policy and Resources Cabinet Committee as part of the proposed contract award.

Year	Month	Activities / Milestones
2020/21	January to March	Preparation of Draft Tender Documents for Hard Services
2021	March	Issue OJEU, Selection Questionnaire (SQ) & Draft Tender Documents
2021	April	SQ Returns & SQ Evaluation
2021	April	SQ Evaluation Report, Shortlist Approvals
2021	May	Issue Tender docs to shortlisted bidders
2021	May to July	Tender Period
2021	July to November	Negotiation and down selection of bidders
2021	November	Policy and Resources Cabinet Committee prior to a Key Decision on contract award with delegated authority to enter into contract subject to specific terms
2021	December	Final Tenders
2022	January	Evaluation Report, Approvals, Preferred Bidder, Contract Award & Standstill Period
2022	January	Policy and Resources Cabinet Committee update on final bidders and award
2022	February	Contract(s) Preparation & Signature
2022	March	Mobilisation Commences
2022	March to August	Mobilisation (includes additional 3 months contingency)
2022	August or October latest	Service Commencement

*Please note this programme is assuming that there are no further COVID-19 delays, hence the additional mobilisation period.*

## 5. Next Steps

5.1 Over the next few months the focus will be:

- Finalisation of the contract documents including the technical schedules and interface agreement
- Finalisation of Supplier Questionnaire (SQ)
- Developing the soft FM services programme and specifications

5.2 The key milestones will be completion of the specification, contract documentation and evaluation criteria for Hard FM Services, prior to the issue of the OJEU notice for Hard FM Services.

## 6. Recommendation(s)

### Recommendation(s):

The **Policy and Resources Cabinet Committee** is asked to **note** progress.

## 7. Background Documents

None

## 8. Contact details

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