

Finance and Resources Committee

10.00am, Thursday, 11 October 2018

Engineering Inspection Renewal

Item number	7.11
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	

Executive Summary

This report seeks approval to extend the contract for engineering inspections with Zurich Municipal from 1 July 2018 for a period of 1 year to allow the Council to meet its mandatory statutory compliance obligations. The total value of the extension is £274,036 excluding VAT.

The Council requirements for the Engineering Inspection Renewal is dependent on the outcome of the Repairs and Maintenance (R&M) project which has been subject to delays.

A report on the Repairs and Maintenance (R&M) project was approved at Finance and Resources Committee on 16 August 2018 and this extension waiver is required to provide the Council with sufficient time to re-procure both the R&M and the Engineering Inspection Renewal in tandem.

Engineering Inspection Renewal

1. Recommendations

- 1.1 That Committee:-
 - 1.1.1 Approves the extension of the engineering inspection contract to Zurich Municipal for a period of 12 months; and
 - 1.1.2 Notes that the contract expired on 30 June 2018 and this extension is therefore sought as a Waiver to the Council's Contract Standing Orders.

2. Background

- 2.1 The Council has approximately 600 operational buildings and the engineering inspection in these buildings is delivered by Zurich Municipal. The existing contract expired on 30 June 2018.

3. Main report

- 3.1 Engineering inspections are carried out on various items of equipment within each building and a report provided for each piece of equipment inspected. This includes critical equipment such as boilers, electrical distribution boards, lifts, and fixed gym equipment. The report highlights any defects within the equipment enabling the Council to carry out repairs to ensure continued safe operation of buildings and remain compliant with statutory duties.
- 3.2 The Council requirements for the Engineering Inspection Renewal is dependent on the outcome of the larger Repairs and Maintenance (R&M) project which has been subject to delay principally to give due consideration to the strategy for the future delivery of reactive and planned preventative maintenance.
- 3.3 A report on the Extension to the Existing Property Repair and Maintenance Contracts project was approved by the Finance and Resources Committee, on 16 August 2018, and this extension waiver is required to provide the Council with sufficient time to re-procure both the R&M and the Engineering Inspection Renewal in tandem.
- 3.4 It is vital to continue this Council critical service whilst the re-procurement process is undertaken.

4. Measures of success

- 4.1 Enabling business continuity whilst the re-procurement process is undertaken.
- 4.2 The delivery of an effective and customer focused Engineering Inspection Programme.
- 4.3 Provision of a validated inspection plan for each building across the operational estate as part of an integrated asset management approach.

5. Financial impact

- 5.1 The forecast value of the contract is £274,036 excluding VAT with the cost contained within the Property and Facilities Management Service Repairs and Maintenance revenue budget.

6. Risk, policy, compliance, and governance impact

- 6.1 There are significant health and safety and service delivery failure implications of having no engineering inspection programme.
- 6.2 The procurement risk of approving this waiver is assessed as low as the Council will shortly be approaching the market for the re-tendering of the service.

7. Equalities impact

- 7.1 The potential failure of the Council's operational estate such as schools or care homes would impact on some of the city's most vulnerable groups. A planned engineering inspection programme would help mitigate that risk.

8. Sustainability impact

- 8.1 A planned engineering inspection programme will help enhance the life cycle of the properties and mitigate the risk of uncontrolled failures. This reduces material waste and enables improved energy efficiency.

9. Consultation and engagement

- 9.1 Not applicable.

10. Background reading/external references

- 10.1 [Extension to the existing Property Repair and Maintenance Contracts](#) – report to Finance and Resources Committee, 16 August 2018

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11. Appendices

- 11.1 None.