



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**ADDITIONAL EXECUTIVE COMMITTEE**  
**29 JANUARY 2015 AT 10:00**

**Agenda Item No:**

**4**

**Report No:**

**E/392/15**

## **PROCUREMENT OF MAINTENANCE CONTRACTS AT THE LEE VALLEY VELODROME**

Presented by the Corporate Director of Parklands & Venues

### **EXECUTIVE SUMMARY**

This report requests that Members approve a waiver of Financial Regulations in order to enter into negotiated tender procedure without competition for contracts for the planned preventative maintenance of the fabric, mechanical and electrical installations at the Lee Valley Velodrome for one year.

This process is proposed to enable the original suppliers of equipment to continue to maintain it in order to maintain existing warranties and be certain that key maintenance tasks are not missed during the transition to Trust management. This will also allow the Trust the time and opportunity to best review how they wish to manage these contracts going forward.

### **RECOMMENDATIONS**

- Members Approve:
- (1) entering into maintenance contacts with the current maintenance providers and original installers of the mechanical and electrical equipment at the Lee Valley Velodrome; and
  - (2) waiving of Financial Regulations 568 to 571 in respect of recommendation (1).

### **BACKGROUND**

- 1 At the Executive Committee meeting held on 24 January 2013 (Paper E/256/13) Members agreed that the most important technical equipment in the Velodrome should be maintained by the original installers through a negotiated tender process. Undertaking the maintenance in this manner would avoid inadvertently invalidating the original warranties and guarantees for maintenance work, ensure continuity of maintenance and would be the best way in which to preserve the value of the assets. The current contractors were originally procured under an OJEU compliant tender process by the Olympic Delivery Authority as part of the Velodrome construction.

- 2 These contracts are now approaching their expiry dates and it is proposed to again follow the same process for reasons set out in paragraph 1 for another year. It will also help to ensure that key tasks are not missed during the handover and transitional phase.
- 3 The Trust will be taking over responsibility for this venue on the 1 April 2015 and during the period of the contracts the Trust can consider how maintenance will best be undertaken and procured.

#### **PROPOSED MAINTENANCE CONTRACTS**

- 4 Officers have approached the existing maintenance contractors who have all agreed to either hold their existing contract prices for a further 12 months or apply a minimal uplift in line with inflation.
- 5 There are 10 contracts to renew and the one year cost of each contract is below the current OJEU Threshold for Services so The Public Contracts Regulations 2006 (PCR2006) do not apply by virtue of paragraph 8 of the regulations.
- 6 However Financial Regulations require the Authority to follow the principles of the PCR 2006 and therefore for the reasons set out above it is proposed to waive Financial Regulations to allow a negotiated tender procedure.

#### **ENVIRONMENTAL IMPLICATIONS**

- 7 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 8 The approved budgets for the Lee Valley VeloPark are based upon the cost of the current maintenance contracts and, as set out in the report, it is anticipated no significant additional resources will be required for the renewed contracts.

#### **HUMAN RESOURCE IMPLICATIONS**

- 9 There are no human resource implications arising directly from the recommendations in this report.

#### **LEGAL IMPLICATIONS**

- 10 There are no legal implications arising directly from the recommendations in this report.

#### **RISK MANAGEMENT IMPLICATIONS**

- 11 Although the proposed process might result in slightly higher costs in the short term this approach provides a much lower risk of warranties being invalidated and of the equipment not being properly maintained during the initial transfer to the Trust.

**APPENDIX**

Appendix A Schedule of contracts (To Follow)

**PREVIOUS COMMITTEE REPORTS**

Executive	E/256/13	Procurement of Maintenance Contracts at the Lee Valley Velodrome	24/01/2013
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**LIST OF ABBREVIATIONS**

PCR 2006	Public Contracts Regulation 2006
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<b>VELODROME MAINTENANCE CONTRACTS - Existing Contract Values</b>		
<b>System</b>	<b>Frequency</b>	<b>Cost</b>
Fire Alarm System	quarterly	£3,450.59
Gas System	6 mthly	£2,093.99
PAVA System	6 mthly	£8,142.85
Disabled Refuge	annually	£254.95
Disabled Toilets	annually	£254.98
CCTV System	annually	£2,605.28
Access Control	annually	£1,206.88
intruder Alarm	annually	£1,215.01
Dry Riser	annually	£1,406.00
		<b>£20,630.53</b>
Water Treatment: water samples	quarterly/6 mthly	
LTHW system check	quarterly/6 mthly	
LTHW microbiological samples	quarterly/6 mthly	
Service chlorine dioxide units	quarterly/6 mthly	
Clean disinfect potable storage water tanks	quarterly/6 mthly	
Replace non return valves chlorine diox units	quarterly/6 mthly	£3,406.00
		<b>£3,406.00</b>
Lifts: 3 x Schindler 5400 passenger lifts	annually	
Lifts: 1 x Schindler 5300 lift	annually	
Lifts: 1 x Gartec bespoke platform lift	annually	£1,536.00
		<b>£1,536.00</b>
Lightening Protection- 12 month	annually	£195.00
		<b>£195.00</b>
PPM Contract -12 month	Daily	£139,813.00
		<b>£139,813.00</b>
UPS Maintenance Contract -12 month	annually	£3,744.00
		<b>£3,744.00</b>
<b>TOTAL FOR SITE</b>		<b>£169,324.53</b>

