

Maintenance: Driving Down The Cost

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Are maintenance regimes the “Cinderella” of revenue spend?

- Maintenance is often one of the first areas examined when accountants are looking at budgets to reduce expenditure
- Quote: “What statutory testing and maintenance do we not need to do.”(BCC Accountant October 2010)

Current S.o.R. Contracts

- Extend Scope
- Outright Purchase
- Encourage main M&E contractor to engage with SME's
- Operating Protocols
- Dedicated Staff
- Training and Apprenticeships
- Whole Life Costs
- Close Working Between Design and Maintenance

Current S.o.R. Contracts

Over the life of the Contract, these measures have produced small incremental savings; however, when collated together, the contribution has been significant.

So what do we do for the future?

CONSTRUCTING WEST MIDLANDS

**A FRAMEWORK FOR CAPITAL
AND MAINTENANCE WORKS**

Framework Proposal

- Establish framework - West Midlands Region
- Available to all public sector bodies
- Procurement of building & construction works embedding 'Targeted Recruitment and Training'
- Proposed to cover all types & values of work
- Duration 4 + 2 + 2 years

Framework Key Drivers

- Collaborative & Integrated approach/working between Clients, Contractors, SME's, Supply Chains, Suppliers, End Users, etc.
- Delivery of responsive, efficient and cost effective building/construction services to participating public bodies – demonstrating measurable VFM.

Framework Key Drivers

- Continuous improvement, innovation and cost reduction (process & delivery) year on year.
- Delivering excellence in Supply Chain management.
- Creation and maximisation of opportunities for Supply Chain/SME's local to the points of delivery

Framework Key Drivers

- Creation of local jobs and training (direct/indirect) through ‘Targeted Recruitment and Training’ – delivering measurable outcomes (eg. 60 person weeks of training per £m spend to achieve NVQ’s)
- Reduction of environmental impact, carbon and waste.
- Delivery of Whole Life Value & Whole Life Carbon reduction throughout design & construction.

Framework Key Drivers

- Delivering/improving cost & time certainty.
- Delivering high quality construction (defect free) first time, every time
- Delivery against challenging KPI targets
- Supporting Total Place/Place Making agenda
- Achieving customer excellence/delight

Framework Category Proposal

Quality/Price split 50/50

Quality/Price split 60/40

£0 – 500k

£500k upwards

Category 1

Repair & Maintenance works

Planned/Reactive

Minor Building works

Category 2

Major Public Construction Projects

Major Programmes of Work

Framework Lots

Quality/Price split 50/50

£0 – 500k

Category 1

Lot 1 - Legionella – North

Lot 2 - Legionella – South

Lot 3 - Elec. & Mech. - North

Lot 4 - Elec. & Mech. - South

Lot 5 - Building - North

Lot 6 - Building – South

One contractor per Lot and only
North or South per discipline

Quality/Price split 60/40

£500k upwards

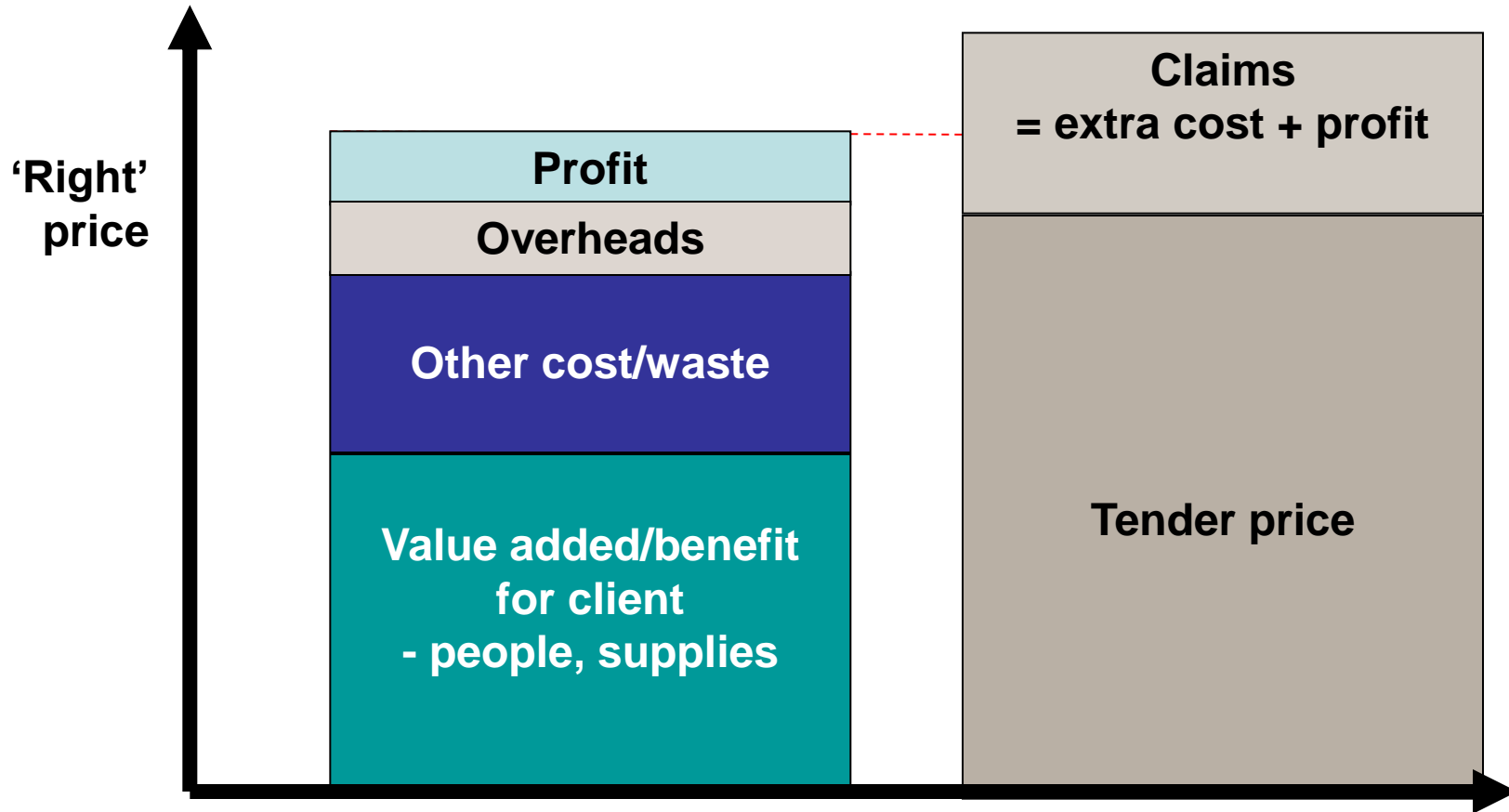
Category 2

Lot 7 – Capital Projects or
Programmes of work

Up to 4 contractors

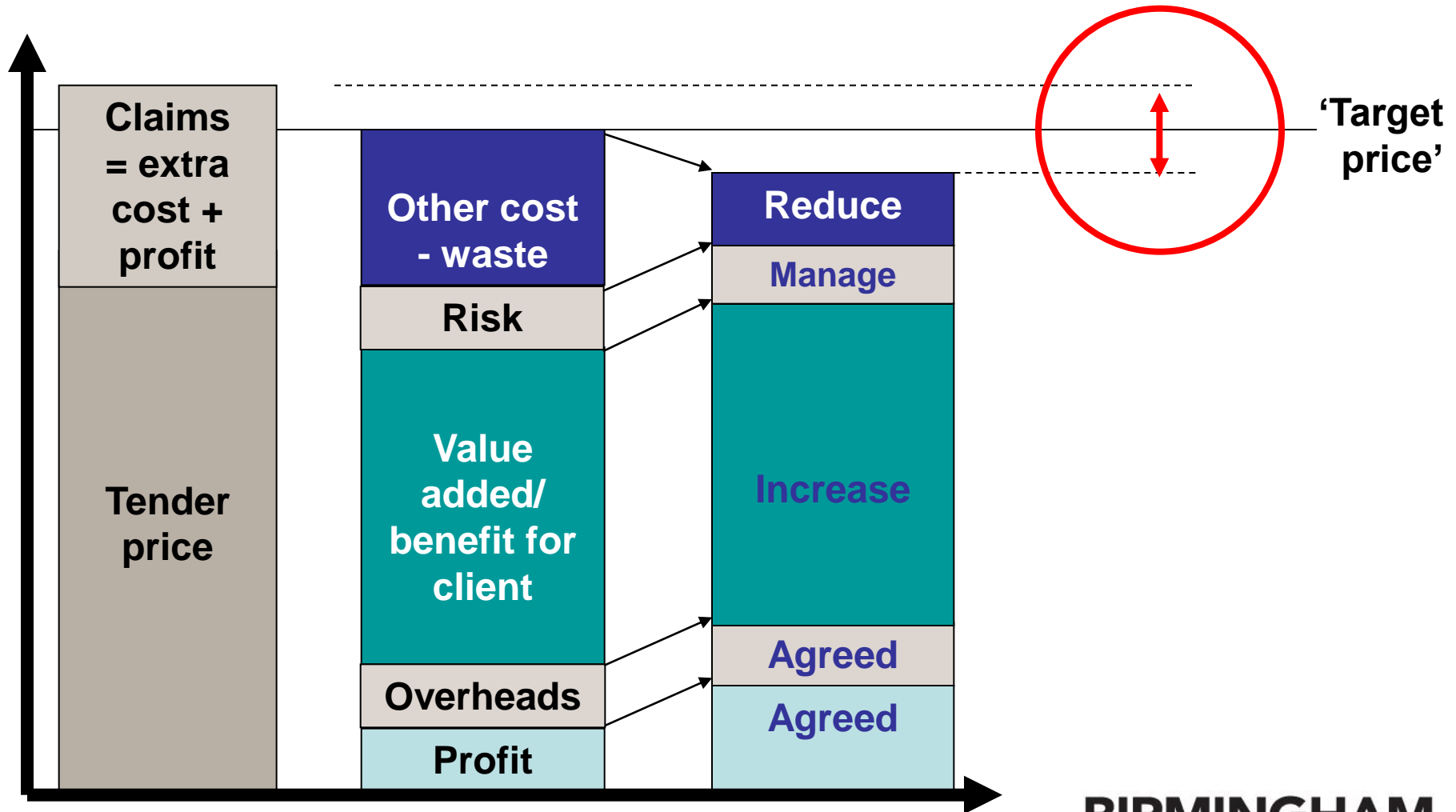
Old understanding of “price”

- Tender price, outturn price, claims



New understanding of “cost”

- value, budget, target price, cost, risk, profit



Any Questions?