



Ms. Sarah Cremin
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2.

23 November 2022

Your Ref: S1063 PAC33

Dear Ms. Cremin,

Further to your letter of 28th October last please find enclosed information as requested in relation to Measured Term Maintenance Contracts.

I trust all is in order.

Yours sincerely,

A handwritten signature in dark ink, reading 'Maurice Buckley'.

Maurice Buckley
Chairman



Note for the Committee of Public Accounts (PAC) Re: Measured Term Maintenance Contracts

At a meeting on 6 October 2022, the Committee of Public Accounts requested a note on the OPW's Measured Term Maintenance Contracts (MTMCs) in advance of the PAC's engagement with the OPW on 15 December 2022. Details are as follows:

1. Background

In the past, the OPW employed direct labour to carry out maintenance works for the entire portfolio of over 2,300 properties within the OPW's remit. This delivery method had the advantage of direct control, with flexibility in the application of resources, to meet the priorities of the OPW but did not have the capacity to meet necessary and increasing maintenance requirements across the portfolio.

In recent years, the facilities management and maintenance expertise requirements broadened beyond a service provided in-house by traditional trades. This, together with the growing volume of properties, required more comprehensive maintenance services from the OPW and resulted in the necessity for external service providers to respond rapidly and provide a wider range of services.

The OPW continues to retain a small number of in-house operational staff in the Building Maintenance Services (BMS) who provide a direct maintenance service at Heritage sites, buildings and protected structures predominantly in the Dublin Regions.

The OPW now maintains approximately 600 buildings in the Dublin Regions, which generate circa 6,000 work orders per annum through the MTMC. The MTMC provides a responsive delivery model, which ensures cost certainty and compliance with the Capital Works Management Framework (CWMF) requirements.

2. Work Delivered through the MTMC

The MTMC provides for a broad range of works including but not limited to the following:

- Building maintenance and fabric works;
- Day-to-day operational support and building maintenance needs of the OPW and various client Departments/Offices;
- Minor repairs, replacement and minor works;
- The OPW's Planned Preventative Maintenance (PPM) regime; and
- Reactive maintenance including the provision of a 4-hour emergency response time service for 365 days of the years.

3. MTMC – 2018 Contract

The OPW procured a MTMC for the Dublin Regions in 2018 through an EU competitive tendering process. The estimated value of this contract was €5m per annum. This contract was in place for approximately 4 years resulting in a cumulative estimated value of €20m.

During the course of the 2018 MTMC, the OPW was tasked by Government to deliver urgent Brexit infrastructure requirements in Dublin and Rosslare, with a cumulative value of €71m approximately. The MTMC was the only available contractual option to deliver the Brexit infrastructure within the Government's timeframe. The MTMC provided access to a compliantly procured service, with a detailed schedule for rates, which covered some 3,000 construction items. The final expenditure under the 2018 MTMC will be up to €128m.

The last work order placed under the 2018 MTMC was on 2 May 2022. At the end of 2021, there were approximately €25m¹ contractual commitments to be completed under the 2018 MTMC of which €8.5m relates to Brexit works.

4. Review of Measured Term Maintenance Contracts

Following the Comptroller & Auditor General's report on 'Expenditure under a maintenance contract' the OPW restructured and retendered the 2022 MTMC into two separate contracts to broaden the supplier base for maintenance services and minor works to the OPW. This MTM Framework commenced on 3 May 2022. The estimated value of this Framework is €10m per annum with a cumulative estimated value of €40m over four years. Since 3 May 2022, all new MTM work items are being delivered via the 2022 MTM Framework.

In addition, to complement the MTM service delivery the OPW appointed an external Contract Administrator (CA) with quantity surveying expertise. The CA carries out various tasks including:

- Evaluation, categorisation and prioritisation of requests for services,
- Monitoring and valuation of works in line with the Schedule of Rates,
- Carrying out site visits to ensure accuracy of measurements and value of works.

The OPW has also developed and implemented a number of new rapid response alternatives for project delivery. They include two further separate frameworks, the Dublin Fit-Out and Refurbishment Framework, and an Integrated Services Project Delivery Framework, which is a nationwide delivery option available since 2021. These alternatives substantially reduce the reliance on the MTM Framework for the delivery of works going forward.

¹ Figures were calculated to end of October 2022