

Ref: Leathermarket JMB Lift PPM Contract

The current PPM Contract in force at Leathermarket is a basic contract with repairs, callouts and upgrades being previously priced by way of a detailed schedule of rates (SOR). These SOR's are extensive, and encompass almost every single component and eventuality on every type of lift, and have been developed over many years. To produce a brand new SOR for a new contract would be a considerable undertaking, consisting of many hours of surveying equipment and producing the actual schedules.

The existing SOR in force is one which has been produced by the London Borough of Southwark, and all rights of use remain with them. Leathermarket JMB would only be able to replicate these documents with the express consent of LBS.

The current Lift PPM Contractor, Liftec Lifts, has maintained the lifts within Southwark and Leathermarket for several years, and for the last 2 years lift availability has been approximately 99%, which indicates a full and undoubted understanding of Client expectations and lift stock, particularly given the age of some of it. It also indicates that the current system of basic Contract with SOR's works exceptionally well. Whilst on newer stock it may be possible to obtain comprehensive cover, with older stock this is not possible, and in any case would not offer any more than the 99% availability currently observed, and would incur considerably higher initial costs.

The current Contract in force with Southwark was competitively tendered via OJEU, which means any bona-fide Lift Contractor from the European Union was invited to submit an interest, at which point they would have been issued a pre-qualification questionnaire. Passing this stage would have meant they were granted an invitation to tender, and would have submitted non-negotiable costs in a signed and sealed tender return, which would have been evaluated against all the others submitted. Liftec Lifts were successful in this process, not only on costs, but on deliverables, including their familiarity with the Client and stock.

To adopt the offer from Southwark to utilise their Contract for the ongoing PPM on the lifts makes absolute sense, both from a financial, but also from a logistical perspective. To re-tender the works would involve drawing up of Contract, Specification and Tender Documents, along with all the surveys and professional fees involved with not only this, but producing new SOR's. This would be extremely costly, certainly up to £10,000 in professional fees alone, after which it would be highly unlikely that any cost savings would be obtained, as the tender would only be for the units managed by Leathermarket JMB. The additional costs of tendering would not be recoverable through the term of the Contract.

In our professional opinion absolutely no benefit whatsoever could be gained from not utilising the conditions of and tender costs offered by adopting the Southwark Contract. The Contract is very robust and along with the SOR's has been developed over many years, and offers the maximum protection for the lift owners, users and leaseholders in the event of any potential litigation. It also is a proven recipe, with the current good lift performance effectively in part attributable to it.



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