

REPORT TITLE: FRAMEWORK AGREEMENT FOR ROOF REPLACEMENT
WORKS TO COUNCIL HOUSING STOCK

10 MARCH 2021

REPORT OF CABINET MEMBER: CLLR KELSIE LEARNEY, CABINET MEMBER
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WARD(S): ALL

PURPOSE

The Council spend over £6m annually on major repairs to its Housing stock. The replacement roofing programme forms the largest single component of this programme, with a projected £10m commitment over the next four years. This report seeks approval to procure, award and enter into a 4 year Framework Agreement to undertake roof replacement works on Council owned housing stock.

RECOMMENDATIONS:

1. That Cabinet authorise the Strategic Director – Services to procure, negotiate, award and enter into a contract to secure the services of contractors to undertake roof replacement works to Winchester City Council owned housing properties, by means of a Framework Agreement.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The proposals in this report support the commitment to provide decent affordable housing as part of the priority for “Homes for All”
- 1.2 In addition, the “Your Services Your Voice” priority aims to ensure the Council provides good value compared to other similar authorities and delivers continuous improvement in cost-effectiveness. A robust approach to procurement for major repairs services will directly support this priority.
- 1.3 The existence of a multi-contractor Framework Agreement for roofing replacement works supports the asset management strategy for the Council’s housing stock. The works delivered under the Framework Agreement will ensure the roofing elements of the housing stock are in a condition to maintain the Housing Quality and Decent Homes Standards.
- 1.4 The framework would also support the local economy, providing opportunities to local suppliers and contractors operating within the district.

2 FINANCIAL IMPLICATIONS

- 2.1 This Framework Agreement has a likely expenditure of £10,000,000 across the 4 year period. It will cover all roofing replacement works undertaken by the Council in relation to its own housing stock. This will be delivered within existing budgets.
- 2.2 The Framework Agreement once awarded will include a Schedule of Rates for prescribed works. These rates will be competitively tendered thereby ensuring the Council achieves value for money.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The procurement process will involve awarding and entering into a framework agreement, in line with the Council’s Contract Procedure Rules and Public Contract Regulations 2015 (PCR2015).
 - 3.2 Under section 1 of the Localism Act 2011, the Council has the power to undertake any activity a normal person could undertake, for the benefit of the authority, its area or persons resident or present in its area. The Council is satisfied it has the enabling power(s) to procure and award a contract for services which follow a robust procurement exercise.
- 4 The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The legal team have been involved throughout the initial process and the project team remain in contact. Additionally the framework agreement has been reviewed and

legal advice supports the recommendations in this report. The forms of contract to be utilised for the Framework Agreement are building industry standard to ensure consistency and compliance.

5 WORKFORCE IMPLICATIONS

- 5.1 The preparation and letting of the tender for the framework agreement will be undertaken by Council officers from the Housing Services (Property Services), Legal, Finance and Procurement teams, within existing resources.

6 PROPERTY AND ASSET IMPLICATIONS

- 6.1 By ensuring the appropriate maintenance and replacement works are carried out within required time scales, this will support the sound management of Council owned assets and ensure appropriate standards are met.

7 CONSULTATION AND COMMUNICATION

- 7.1 Consultation and communication will be undertaken as part of the procurement process, in line with Council policy and procedures for the letting of Council works tenders. This will include a Prior Information Notice to be issued in advance of any tender, as a means of advising the market of a potential tender. It may include a potential pre-tender market engagement event for which they may register interest or an opportunity for a pre-tender phone discussion with the Planned Maintenance Manager. This notice will be issued at least 35 days before any official tender notice. A draft specification will be made available. Any feedback received from contractors through the pre-tender engagement process will be considered and potentially changes made to the final tender.
- 7.2 The proposed Framework Agreement will be a qualifying long term agreement under Section 20 of the Landlord and Tenant Act, (Section 151 of the Commonhold and Leasehold Act), and a consultation with all of the Council's Leaseholders will be undertaken as part of the procurement.
- 7.3 At the TACT & Repairs Service Delivery Group held on 21st January 2021 a summary briefing on this report was given. The group were in general agreement with the council's proposed approach for procuring roofing works.

8 ENVIRONMENTAL CONSIDERATIONS

- 8.1 Consistent with the emerging Procurement and Contract Management Strategy, the procurement process will apportion a minimum of 10% to Environmental and Social Value evaluation criteria. We will be seeking for bidders to provide innovative solutions to assist the Council in achieving carbon neutrality by 2024.
- 8.2 As part of all roof replacement work, the Council's Ecology/Biodiversity Officer reviews and inspects all proposed works to ensure biodiversity issues are not

compromised. In addition, the Council will provide swift boxes at all appropriate locations as part of roofing programmes.

9 EQUALITY IMPACT ASSESSEMENT

9.1 By default of the nature of this tender it must uphold the principles of equality, transparency and fairness of all suppliers. Therefore the Council will include a discretionary question in the Selection Questionnaire regarding any complaints in the last three years which were upheld following an investigation by the Equality and Human Rights Commission (or equivalent).

9.2 An EqIA assessment will be undertaken at all relevant points of the process.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 There will no data protection impacts associated with the tendering of this Framework, as no personal information will be given to any prospective tenderers other than that which is already in the public domain. The tenders will be assessed following the Council's procurement procedures ensuring that confidentiality and data protection is ensured.

11 RISK MANAGEMENT

11.1 Ensuring the Council has an appropriate Framework in place is essential in managing the delivery of the Council's replacement roofing programme, to ensure the housing stock is kept in the required state of repair to achieve national standards and for the Council's tenants.

11.2 In addition, the Framework will demonstrate that the Council is operating in a transparent, fair and appropriate manner in regards to the Constitution, Contract Procedure Rules and PCR2015, when allocating roof replacement works to contractors.

Risk	Mitigation	Opportunities
<i>Property</i> <i>Decent homes standard not maintained</i>	Reputable and suitable contractors employed to undertake works. Regular reporting on DHS compliance undertaken.	Enhancement to visual amenity of property
<i>Community Support</i>		Local suppliers and businesses may benefit from the works being undertaken by the Framework Contractors.
<i>Timescales</i> <i>Framework to be in place to commence delivery of</i>	Paper to be considered at the March Cabinet meeting. A Prior Information Notice will be	

<i>services during quarter 3 of 2021.</i>	submitted prior to despatch of the OJEU notice to speed up the tender return times.	
<i>Project capacity</i>	This framework will apply to all housing properties owned and maintained by Winchester City Council within the district.	
<i>Financial / VfM</i> <i>There is a need to ensure value for money when letting contracts for roof replacement works.</i>	By setting up a Framework which includes a Schedule of Rates, this will ensure the Council achieves value for money and saves officer time when commissioning all prescribed works. In addition, the framework will save time for both suppliers and officers as large value work will be awarded more quickly than the normal RFQ/tender process as it will avoid standstill periods.	Reduction in officer time in issuing works and compliance with procedure rules is ensured as the Framework is fully compliant. Tender exercise to be conducted via the Council's own online portal which will reduce officers and bidders time.
<i>Legal</i> <i>Procedures and Regulations not adhered to.</i>	Procured in line with the Council's Contract Procedure Rules and Public Contract Regulations 2015(PCR2015) to ensure compliance.	
<i>Innovation</i> <i>Non effective delivery of works and services.</i>	Contractor's will be invited to detail proposals for delivering the services, including innovations to improve efficiency and the process.	
<i>Reputation</i> <i>Low level of satisfaction from tenants on delivery of services on WCC's behalf</i>	Reputable and suitable contractors employed to undertake works.	Enhanced reputation with suppliers.
<i>Other - none</i>		

12 SUPPORTING INFORMATION:

- 12.1 The Council is responsible for maintaining c.5,000 properties within its housing stock across the Winchester district. The 30 year maintenance and replacement programme for the stock identifies roof replacement works and due dates and the Council engages external contractors to undertake the works.
- 12.2 The Council has previously invited competitive quotations and tenders for the works from a varied list of suppliers. The Council's 30 year maintenance and replacement programme identifies circa £3m of work per annum and due to the value a Framework Agreement is a more appropriate method of delivering the roof replacements and will in turn save staff time in repeatedly inviting quotations.
- 12.3 The service the Council has received from the suppliers appointed via the quotation and tender process has differed from contract to contract. The formation of a long term Framework Agreement will ensure working practices and requirements are embedded and remain consistent for the term.
- 12.4 Adopting a new Framework Agreement will rationalise the current arrangements and provide a number of benefits including ensuring the Council:-
- a) Operates a fair and transparent process for undertaking roof replacement works across its housing portfolio.
 - b) Achieves value for money through a competitive tendering process which includes a Schedule of Rates for prescribed works.
 - c) Has access to a flexible, consistent and responsive workforce.
 - d) Uses approved and reputable contractors thereby minimising the risk to the Council.
 - e) Is better able to plan and budget for works, as the prices will be known for a four year period (including any increases in the cost of labour/materials over the lifetime of the framework).
- 12.5 Assuming approval is given to proceed with the tender process to procure a framework, further work will be required to detail the selection and objective award criteria. This will be based on 60% on price and 40% on quality, in line with the Council's procurement process for (i) appointing suppliers to the framework and (ii) fairly calling-off and awarding individual pieces of work from the established framework (ie "Objective Conditions for determining which of the economic operators that are part to the framework agreement shall perform them (Regulation 33, PCR 2015)"). This call-off protocol will need to be transparent and imbedded in the tender documents at advertisement stage. Options may include (i) direct award (without reopening to further competition) and (ii) mini-competition using the same or similar

objective criteria. A cascade method of issuing works is proposed amongst a maximum of 8 best placed bidders to ensure work is easily distributed and best value is obtained.

13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 Existing Framework Agreements for roof replacement works were investigated and discounted, (eg Hampshire County Council's Construction Framework) as the works content and specifications did not meet the Council's requirements. In addition, the letting of a bespoke WCC Framework Agreement will give an opportunity to support local suppliers, contractors and particularly SME's working within the District. A Dynamic Purchasing System was considered and officers concluded the ongoing administration of such an agreement would be time consuming for officers and the proposal for including 8 bidders on the framework agreement mitigated the risk of not being able to change contractors during the framework term.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

No recent reports

Other Background Documents:-

None

APPENDICES:

None