

CABINET

Date of Meeting	Tuesday, 17 th July 2018
Report Subject	Housing Asset Management – Procurement for Voids and Repairs Support Service
Cabinet Member	Deputy Leader of the Council and Cabinet Member for Housing
Report Author	Chief Officer (Housing and Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

To seek approval from Cabinet to procure a framework of contractors, to support the internal repairs team to deliver the void (empty property) and repair service.

The 'voids' team utilise contractors for works to empty properties that is unable to be resourced or delivered via the Direct Work Force. The Repairs & Maintenance team also utilise these contractors when works are either too large or complex to manage.

The current schedule of rates tender is due to expire shortly and a new contract to replace the current contract needs to be prepared and then tendered.

RECOMMENDATIONS

1	Cabinet approve the Housing Asset Management Team to procure a framework of contractors; to support the Internal Repairs team on Void and Repairs work, to Council owned properties.
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REPORT DETAILS

1.00	BACKGROUND
1.01	The Council has approximately 7,200 social housing properties in Flintshire.
1.02	The Council experiences 400-500 void properties per year and, overall, the cost of bringing these back into a 'lettable' standard equates to approximately £2,300,000 per year. £1,800,000 is Capital Works and £500,000 is revenue based. The total value for the framework period is an estimated £11,500,000.
1.03	As this service is over the Open Journal of the European Union (OJEU) threshold of £164,000 (service contract), the regulations dictate that it must go through the full OJEU process for procurement.
1.04	In accordance with the Council's Contract Procedure Rules (CPR), the procurement will be carried out through the council's 'Proactis' procurement portal.
1.05	The Council will evaluate tenders as detailed above, and enter into a JCT framework agreement with the three most favourable contractors. The timetable for the process will be set out in the tender documents but it is envisaged that the process will take four months from approval.
1.06	The Framework will be for a total duration of five years in accordance with OJEU regulations. There is no extension option on frameworks and, as such, this will need re-procuring in 2023.
1.07	The most economically advantageous tenderer, based on price and quality will be allocated work as first choice and this will continue unless the client feels the tenderer's financial threshold is exceeded. The second most economically advantageous tenderer will then be allocated work, and the same rules will apply. The third most economically advantageous tenderer will then be allocated work on the same principal.
1.08	The Articles of Agreement will be the binding JCT Framework Agreement 2016 (FA) issued by the Joint Contracts Tribunal under the sanction of the Royal Institute of British Architects, the Building Employers Confederation and other interested parties.
1.09	Due to the implementation of the revised Contract Procedure Rules (CPR) in November 2016, it is a requirement under CPR rule 2.7.2 iii) that Works valued over £2,000,001 is approved by Cabinet via recording on a Cabinet Report with an accompanying Procurement Commissioning Form detailed in CPR 2.5.

2.00	RESOURCE IMPLICATIONS
2.01	Officers from Capital Works will be involved in the procurement process.
2.02	Annual budgets are set and approved annually by Cabinet members.
2.03	Spend on void services for Flintshire County Council in 2017/18 was approximately £2,265,000.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Customer representatives, such as volunteers from the Tenant's federation, will be involved in the procurement process at the interview stage.

4.00	RISK MANAGEMENT
4.01	Risk is managed by Senior Management in the usual way through Contract Administration, site meetings, KPIs and contractor reports. CDM is managed through Monthly Reports and utilising our external consultants; Setters.

5.00	APPENDICES
5.01	Appendix 1 - Procurement Commissioning Form.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Sean O'Donnell Telephone: 01352 701642 E-mail: sean.o'donnell@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	OJEU – Open Journal of the European Union – section of the EU which sets regulation for procurement within the European area Proactis – Procurement portal shared with Denbighshire CC. Allows the

council to go out to tender securely under the terms of OJEU

Capital Programme - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.

Supply Chain - A system of organisations, people, activities, information, and resources involved in moving a product or service from supplier to customer. Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer.

JCT – Joint Contracts Tribunal - Standard form of contract used throughout construction contracts in the UK.