

Building Maintenance Framework
Housing Options Appraisal

1. A key aim of the project to recommission building maintenance services is to ensure that the limitations and issues experienced with the current arrangements are recognised and that improvement in delivery is achieved.
2. In Summer of 2014 officers commissioned Construction Excellence Wales to undertake a review of the current framework arrangements. The views of council officers, schools and elected members were sought and a number of issues were identified. These issues have been used as to inform the new arrangements.
3. In preparation a number of workshops were run key officers to understand the issues with the current arrangements and a review of available data was undertaken. This identified some common themes that required consideration when procuring the next framework.
4. The information from the Construction Excellence Wales report and the workshops have been combined to produce a Lessons Learnt action plan and to identify desired outcomes to be achieved from the recommissioning. A number of these lessons learnt are key factors to be considered in the structure of the new framework arrangements and these are listed below:
 - Flexibility and Support
 - Accessibility to specialist contractors
 - Reduce/ eliminate on costs/ uplifts
 - Clear definition of roles, responsibility and ownership
 - Workable/manageable performance indicators / monitoring
 - Mitigate capacity issues and reliance on ranked one prime contractor
 - Value for money

A number of approaches were considered and option which best met the requirements is a Hybrid approach, this consists of a general framework and separately commissioned specialist arrangements it was felt that this offered the flexibility and support required whilst offering access to specialist contractors and reducing sub contractor up-lifts. It would also address the issue of supply chain management and move the responsibility of managing specialist contractors back with the Council. By further considering the structuring of the arrangements the over reliance on one contractor can be removed.

A number of detailed options around this Hybrid approach were then drafted and each one considered in detail. The preferred option is Option 4 which includes three general contracts based on a geographical area with a range of specialist works contracted for separately. The advantages and disadvantages of each option are set out below:

OPTION 1

6 Work Category-Specific Lots – With a different Provider in each Lot

LOT 1 – RESPONSIVE
(£1,000,000 per annum)

LOT 2 – RESPONSIVE
(£1,000,000 per annum)

LOT 3 – MINOR PLANNED WORKS
(£1,350,000 per annum)

LOT 4 – MINOR PLANNED WORKS
(£1,350,000 per annum)

LOT 5 – VACANTS
(£1,750,000 per annum)

LOT 6 – VACANTS
(£1,750,000 per annum)

Major Planned Works (procured via individual arrangements)

* External / Environmental Improvements (£2.375m) * Boiler Installation – Domestic / Commercial (£1.625m)
 * Roofing (£1.125m) * Door Entry Systems (£50k)
 * Lift Upgrades & Renewals (£250k) * Window & Door Upgrades (£2.25m)
 * Painting (£600k)

(Indicative Annual Spend figures)

PROS	CONS
<ul style="list-style-type: none"> * Lot values allow access to opportunities for SME's * Mitigates risk to continuity of supply 	<ul style="list-style-type: none"> * Lot values less attractive to bidders – could affect performance * Dis-aggregation of spend highly likely to affect VFM * Contract Management / Administration too resource heavy * Potential Tupe implicaitons
<p>NOT A VIABLE OPTION</p>	

OPTION 2

3 Districts – With a different Provider in each Lot (2 Lots per District)

District 1 (Lot 1) <u>£1,567,000 per annum</u> Responsive: £667k Minor Planned Works: £900k	District 2 (Lot 2) <u>£1,567,000 per annum</u> Responsive: £667k Minor Planned Works: £900k	District 3 (Lot 3) <u>£1,567,000 per annum</u> Responsive: £667k Minor Planned Works: £900k
District 1 (Lot 4) Vacants: £1.16m per annum	District 1 (Lot 4) Vacants: £1.16m per annum	District 1 (Lot 4) Vacants: £1.16m per annum

Major Planned Works (procured via individual arrangements)

<ul style="list-style-type: none"> * External / Environmental Improvements (£2.375m) * Roofing (£1.125m) * Lift Upgrades & Renewals (£250k) * Painting (£600k) 	<ul style="list-style-type: none"> * Boiler Installation – Domestic / Commercial (£1.625m) * Door Entry Systems (£50k) * Window & Door Upgrades (£2.25m)
(Indicative Annual Spend figures)	

PROS	CONS
<ul style="list-style-type: none"> * Lot values allow access to opportunities for SME's * Mitigates risk to continuity of supply 	<ul style="list-style-type: none"> * Lot values less attractive to bidders – could affect performance * Dis-aggregation of spend highly likely to affect VFM * Contract Management / Administration too resource heavy * Potential TUPE implications
NOT A VIABLE OPTION	

OPTION 3

2 Districts – With a different Provider in each Lot (2 Lots per District)

District 1 (Lot 1)
£2.35m per annum

Responsive: £1m
Minor Planned Works: £1.35m

District 2 (Lot 2)
£2.35m per annum

Responsive: £1m
Minor Planned Works: £1.35m

District 1 (Lot 3)

Vacants: £1.75m per annum

District 2 (Lot 4)

Vacants: £1.75m per annum

Major Planned Works (procured via individual arrangements)

- * External / Environmental Improvements (£2.375m)
- * Roofing (£1.125m)
- * Lift Upgrades & Renewals (£250k)
- * Painting (£600k)
- * Boiler Installation – Domestic / Commercial (£1.625m)
- * Door Entry Systems (£50k)
- * Window & Door Upgrades (£2.25m)

(Indicative Annual Spend figures)

PROS	CONS
<ul style="list-style-type: none"> * Lot values allow access to opportunities for SME's * Mitigates risk to continuity of supply * Contract Management / Administration manageable 	<ul style="list-style-type: none"> * Grouping responsive with sporadic minor planned works may not be attractive to bidders (could affect interest / performance) * Dis-aggregation of spend likely to affect VFM * Only 2 providers for each work category is less sustainable * Potential TUPE implications
VIALE OPTION	

OPTION 4

3 Districts – With a different Provider in each Lot (1 Lot per District)and the structuring of arrangements not to rely on one prim contractorn

<p align="center"><i>District 1 (Lot 1)</i> <i>£2,667,000 per annum</i> Responsive: £667k Minor Planned Works: £900k Vacants: £1.16m</p>	<p align="center"><i>District 2 (Lot 2)</i> <i>£2,667,000 per annum</i> Responsive: £667k Minor Planned Works: £900k Vacants: £1.16m</p>	<p align="center"><i>District 3 (Lot 3)</i> <i>£2,667,000 per annum</i> Responsive: £667k Minor Planned Works: £900k Vacants: £1.16m</p>
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Major Planned Works (procured via individual arrangements)

* External / Environmental Improvements (£2.375m) * Boiler Installation – Domestic / Commercial (£1.625m)
 * Roofing (£1.125m) * Door Entry Systems (£50k)
 * Lift Upgrades & Renewals (£250k) * Window & Door Upgrades (£2.25m)
 * Painting (£600k)

(Indicative Annual Spend figures)

PROS	CONS
<ul style="list-style-type: none"> * Lot value attractive to bidders * Value allows access to opportunities by SME's * Mitigates risk to continuity of supply * Mix of work in each lot – encourages good performance (solves the issues of responsive performance) <p>Contract Management / Administration manageable</p>	<ul style="list-style-type: none"> * Some dis-aggregation of spend which could affect VFM * Potential TUPE implications
<p>PREFERRED OPTION</p>	