

**COMMISSIONING OF THE REPLACEMENT BUILDING
MAINTENANCE FRAMEWORK AND DISABLED ADAPTAIONS
FRAMEWORK**

HOUSING & COMMUNITIES (COUNCILLOR LYNDA THORNE)

AGENDA ITEM: 8

Reason for this Report

1. To agree the approach to recommission the existing Building Maintenance Framework and Disabled Adaptations Framework. These frameworks relate to domestic properties.
2. To approve the commissioning strategy and proposed procurement models and arrangements.
3. To approve the proposed overarching evaluation criteria as detailed in the body of this report.

Background

4. The current Building Maintenance Framework has been in place since 1st January 2018 and is due to end 31st December 2021.
5. The current Disabled Adaptations Framework has been in place since 1st November 2017 and is due to end 31st October 2021.

The current Building Maintenance Framework

6. The current Building Maintenance Framework consists of 3 lots, covering the following categories of domestic maintenance for an area of the city:
 - Responsive repairs
 - Vacant repairs
 - Planned works
7. The annual value of the framework is circa £9.5 million.
8. The works are awarded via direct award to the contractor appointed to the area of the city in which the maintenance works are required.

9. In the framework procurement process there was a restriction that bidders could only be appointed to a single lot within the framework.

The current Disabled Adaptations Framework

10. The current Disabled Adaptations Framework consists of 3 lots, covering the following categories of disabled adaptation works:
 - General building
 - Stair-lifts & vertical lifts
 - Preventative services
11. The annual value of the current Framework is circa £5.7m.
12. In the framework procurement process there was a restriction that bidders could only be appointed to a single lot within the framework.

Issues with current frameworks

13. Whilst current arrangements are a significant improvement on previous arrangements' it is evident that further improvements can be made.

Lessons Learnt

14. In preparation for the recommissioning of services, workshops were held with Council managers and technical staff, and with current contractors. The concerns identified were collated as "lessons learnt". The key issues are listed in Appendix 1.
15. The main issue encountered was the withdrawal of 3 contractors from the two frameworks. Two due to their inability to deliver the works for their contracted rates. This was because they had not taken the time to read and fully understand the requirement which resulted in their submission not being costed correctly; and one due to performance issues, mainly due to the contractor's inability to appoint and manage their sub-contractors and deliver works to the contracted timescales. The improved performance monitoring enabled visibility of this and led to the claiming of performance deductions which the contractor could not sustain.
16. This prevented the benefits of multiple contractors for continuity of supply, and left the Frameworks over reliant on a smaller number of contractors.
17. It should be noted that the current arrangements have delivered improvements on the previous arrangements. In particular improved customer care and a significantly improved performance mechanism for managing and addressing poor performance.
18. The improved performance monitoring highlighted early on that one of the contractors was underperforming; and ultimately allowed the claiming of "performance deductions" as a consequence. It also provided robust

evidence to allow the managed exit of the underperforming contractor from the framework.

19. Another success was that the framework allowed for the development and growth of the “smallest” contractor who was appointed to the Building Maintenance Framework and the remaining contractors appointed to the Disabled Adaptations Framework Through partnership working and flexibility, they were able to “gear-up” to increased capacity to help fill the gap of the lost contractors.
20. The proposed new arrangements ensure that these improvements will continue to be delivered.
21. Internal stakeholders have been, and will continue to be, fully engaged with the development of the new frameworks.

Sourcing Strategy

22. The remainder of this report sets out the sourcing strategy for building maintenance and disabled adaptations.

Desired outcomes

23. To ensure that the key objectives of recommissioning are achieved, the following desired outcomes have been identified:
 - To deliver a high quality service that focuses on the customer.
 - To deliver a building maintenance service that works alongside the in-house workforce to improve and maintain flexibility of provision and provide 24/7/365 services.
 - To deliver value for money.
 - To reduce costs for the Council and suppliers alike, through electronic ordering, confirmation and payment processes.
 - To maintain the improvement in the quality of management and performance information.
 - To improve demand management for building maintenance services.
 - To take a partnership working approach to delivering and improving services.
 - To support the Council’s sustainable development agenda by maximising tender opportunities to local providers, as well as opportunities to provide training and skill development to the local workforce.
 - To support the Council’s commitment to social responsibility.

Proposed Framework Arrangements

24. The following frameworks are proposed:
- **Framework 1** – Repairs & maintenance to vacant domestic properties, approx. annual value £2.9M
 - **Framework 2** – Responsive repairs & maintenance to domestic properties, approx. annual value £2M.
 - **Framework 3** – Planned works to domestic properties, approx. annual value £5.9M
 - **Framework 4** – Disabled adaptations to domestic properties, approx. annual value £6.8M.
25. It should be noted that separate arrangements are proposed for specialist works and major planned works.

Framework 1 – Repairs & Maintenance to Domestic Vacant Properties

26. Previously, the Building Maintenance Framework was the only source for the provision of vacant repairs. However, the Council now has an in-house team to deliver some of the works.
27. Following extensive consultation it has been determined that the following is the best way forward for the delivery of vacant repairs is a combination of the following:
- In-house team
 - A pool of smaller contractors that can be called upon to complete specific activities (e.g. painting, carpentry etc.) – acting as a supply chain for the in-house team
 - Framework Agreement for vacant repairs
28. The pool of small contractors would be to support the in-house workforce. In conjunction with corporate procurement and external lawyers an established way of achieving this approach has been agreed.
29. This arrangement would allow:
- Approved list of trade specific small contractors to be called upon as and when required.
 - Flexibility to allow new contractors to join the arrangement at specified times during the period of arrangement.

- Contractors would be offered the work and asked to confirm if they can meet the required timescales - work would be allocated based on an assessment of cost and past performance.
30. The approximate value of work to be delivered by the small pool of contractors in total would be less than £1M per year and will be delivered via the procurement of a separate framework. This procurement is not covered in this report.

Proposed framework model

31. The proposed framework model for vacant repairs would be to appoint two contractors to the framework, with one contractor delivering a larger portion of the work than the other contractor. The estimated annual value is £2.9M (contractor 1 would be awarded work valued at approximately £2M and contractor 2 would be awarded work valued at approximately £900K). This will allow one anchor contractor and an opportunity for a smaller contractor to develop. Both contractors will be delivering works city-wide rather than delivering works in an appointed district; work will be allocated on a rotational basis.

Framework 2 – Responsive Repairs and Maintenance to Domestic Properties

32. This framework would be to support the in-house workforce by completing works that they do not have the capacity or the specialist skills (e.g. asbestos works) to complete.

Proposed framework model

33. The proposed framework model for responsive repairs would be to appoint two contractors to the framework, both delivering a similar volume and value of works. Each contractor would predominantly deliver works in an allocated district of the city although cross district award would be permitted, for example where there are capacity issues or poor performance. The estimated annual value is £2M (£1M per contractor).

Framework 3 – Planned Works to Domestic Properties

34. This framework would be used to deliver minor planned works such as kitchen & bathroom upgrades, remedial works to major fire damaged properties and disrepairs. It would also be used to deliver unforeseen schemes.

Proposed framework model

35. The proposed framework model for planned works would be to have a framework agreement with two award mechanisms. Direct award for the minor planned works such as kitchen & bathroom upgrades, and further

competition for unforeseen planned schemes such a sheltered scheme refurbishment.

36. A total of 8 Contractors would be appointed to the Framework; the three highest ranked would be appointed to deliver minor planned works predominantly in an allocated district of the city; and all 8 would have the opportunity to bid for unforeseen planned schemes. Having a larger number of contractors bidding for scheme will help ensure value for money.
37. The estimated annual value of the framework is £5.9M. This will be split as follows: circa £2.6M for direct award works / circa £3.3M for further competition schemes.
38. It should be noted that the value of the three contracts for direct award works will be split in respect of estimated annual value as follows: district 1 £750K , district 2 £1.35M and district 3 £500K.
39. Major planned works would be procured outside of the framework and individual trade-specific arrangements would be put in place, each subject to a separate procurement process. This would include, for example:
 - External / environmental improvements
 - Roofing
 - Painting
 - Boiler installation
 - Lifts
 - Windows / doors
 - Door entry systems.

Framework 4 – Disabled Adaptations to Domestic Properties

40. This framework would be used by the disabled facilities team to facilitate grant funded adaptations for individuals.

Proposed framework model

41. The proposed framework model for disabled adaptations would be to split the framework into 3 lots, each delivering different aspects of adaptations, and structured as follows:
 - Lot 1: general building adaptations
Estimated annual value - £4M

6 contractors with an even split of the work, city wide on a rotational basis.

- Lot 2: stairlifts, vertical lifts and hoists

Estimated annual value - £1.8M

2 contractors with an even split of the work, city wide on a rotational basis.

- Lot 3: safety at home works (minor adaptations)

Estimated annual value - £1M

1 contractor (other framework agreements can be utilised to deliver these works should the contractor experience capacity issues).

Applicable to all frameworks

The following will be applicable to all frameworks:

42. It is proposed that these framework arrangement will be for two years (with the option to extend for a further 2 years); and rates will be adjusted on an annual basis using an appropriate financial index.
43. Given the nature of the client groups for these frameworks, the service specification and both pre-qualification and tender evaluation will place significant emphasis on the quality of service delivery.

Advantages of the proposed models

44. The advantages of the proposed models are as follows:
 - The value of the contracts would be high enough to attract competition and drive value for money, but low enough to allow access by small and medium enterprises.
 - Having multiple contractors active at all times for in scope works would mitigate the risk to continuity of supply, with each provider capable of delivering similar works.
 - The number of providers would be balanced to provide robust and sustainable provision, while also ensuring that contract management/administration is manageable.
45. These proposals are considered to provide the best balance between value for money and sustainability.

High level tender evaluation criteria

46. Given that continuity, quality & timeliness of supply and customer care are key components of the Council's requirements, these will be set out

in detail in the service specification. The service specification will include detailed requirements regarding:

- Customer care standards,
- Effective complaint resolution,
- Management of subcontractors
- Taking a “whole job” approach and minimising time on site and disruption to clients.

47. This will ensure that an appropriate level of performance and behaviour is built into the services and that this is expected as standard.
48. As part of the quality evaluation, bidders will be required to provide responses to a number of questions, setting out how they will meet the service standards required. The Council will then specifically evaluate the bidders’ responses against each quality requirement to determine the likelihood of them being achieved.
49. Advice was taken on how quality questions within the invitation to tender can be drafted to ensure the quality responses can be measured and evaluated accurately. For example, where proposed operational delivery models are either in part or in whole reliant on delivery of works by sub-contractors; how contractors engage, monitor and manage their supply chain to ensure a quality service provision.
50. The proposed tender award evaluation criteria and weighting for each framework is shown below:

| No | Framework | Cost | Quality |
|----|--|------|---------|
| 1 | Repairs & Maintenance to Domestic Vacant Properties | 40% | 60% |
| 2 | Responsive Repairs and Maintenance to Domestic Properties | 40% | 60% |
| 3 | Planned Works to Domestic Properties | 50% | 50% |
| 4 | Disabled Adaptations to Domestic Properties: <ul style="list-style-type: none"> • Lot 1 – General building adaptations • Lot 2 – Stairlifts, vertical lifts, hoists • Lot 3 – Safety @ Home | 30% | 70% |

Proposed timescales for procurement processes

51. The proposed timescales for recommissioning are set out in the table below:

| Activity | 1 Vacant Repairs | 2 Responsive Repairs | 3 Planned Works | 4 Disabled Adaptations |
|--|---------------------------------|-------------------------------------|--------------------------------|---------------------------------------|
| Supplier event | Jan 21 | Jan 21 | Jan 21 | Jan 21 |
| Cabinet report / ODR | Feb 21 | Feb 21 | Feb 21 | Feb 21 |
| Leaseholder consultation stage 1 | N/A | Mar 21 | Mar 21 | N/A |
| Contract notice | Mar 21 | Apr 21 | Apr 21 | Mar 21 |
| Pre-qualification questionnaire (PQQ) stage | Mar/Apr 21 | Apr/May 21 | Apr/May 21 | Mar/Apr 21 |
| ITT stage | Jun/Jul 21 | Jun/Jul 21 | Jun/Jul 21 | May/Jun 21 |
| ODR (award) | Jul/Aug 21 | Aug 21 | Aug 21 | Jul 21 |
| Leaseholder consultation (stage 2) | N/A | Sep/Oct 21 | Sep/Oct 21 | N/A |
| Contract award | Sep 21 | Oct 21 | Oct 21 | Aug 21 |
| Implementation/mobilisation | Sep/Dec 21 | Oct/Dec 21 | Oct/Dec 21 | Aug/Oct 21 |
| Framework start date | 01.01.22 | 01.01.22 | 01.01.22 | 01.11.21 |

Reason for Recommendations

52. To commence the process to enable the Council to appoint contractors to the proposed frameworks to deliver building maintenance works and disabled adaptations works.

Financial Implications

53. The expenditure that would fall under the proposed frameworks is significant. The specification and respective assessment between price and quality should ensure that the outcomes required are met having regard to affordability in order to ensure value for money from limited resources available for works as well as service and quality. Pressures on these budgets are currently being experienced as a result of increasing demand and prices and the proposed weightings for cost proposed are lower than that of quality.
54. Any works proposed as part of these procurements should be clearly linked to asset management plans and be based on systems in place which accurately record the condition of assets. Any works on Council properties should be in accordance with the responsibilities of Council as landlord and accurately recorded at inception between revenue and capital expenditure.

55. Any procurement should have regard to terms and conditions of any external grants that support expenditure; for example the annual Major Repairs Allowance grant from Welsh Government which demonstrate a requirement for value for money.
56. Systems should be set in place by the Directorate to monitor both costs and volumes of work, with benchmarking undertaken and reporting on performance undertaken periodically as part of service delivery and contract monitoring.

Legal Implications

57. The report recommends approving the commissioning strategy and proposed procurement models and arrangements to put in place four new frameworks for Domestic Housing Repairs & Maintenance and Disabled Adaptations. Legal advice should be sought to ensure that each of the procurement exercises is designed in a way which complies with the Public Contracts Regulations 2015. Detailed legal advice should also be obtained with regard to: i) the drafting of the procurement documentation (including the terms of the framework agreements and the processes for awarding work under them); and ii) the procurement process, including the evaluation and award criteria.

Consultation and Equality Impact Assessment

58. A supplier forum was held in January 2021 to provide the market with an understanding of the desired outcomes, potential solutions, tender process and timescales.
59. An equality impact assessment of the proposals has been carried out and can be found at Appendix 2.

HR Implications

60. There are no HR implications for this report as it does not affect the employees which the Council directly employs to carry out repairs and maintenance to domestic properties.

Property Implications

61. There are no property implications for this report.

RECOMMENDATIONS

Cabinet is recommend to

1. Approve the commissioning strategy and proposed procurement models and arrangements for Domestic Housing Repairs & Maintenance and Disabled Adaptations.
2. Delegate authority to the Director, Adults, Housing and Communities, in consultation with the Cabinet Member for Housing and Communities and

the Corporate Director, Resources and County Solicitor, to deal with all aspects of the procurement relating to Building Maintenance and Disabled Adaptations, including further development and setting of the contract evaluation criteria and the award of contracts.

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| SENIOR RESPONSIBLE OFFICER | JANE THOMAS Director of Adults, Housing & Communities |
| | 19 February 2021 |

The following appendices are attached:

Appendix 1 Lessons learnt action plan

Appendix 2 Equality impact assessment