

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 16 JANUARY 2018

Title of report	CONTRACT AWARD FOR THE MATERIALS SUPPLY CHAIN TO SUPPORT THE HOUSING REPAIRS AND MAINTENANCE SERVICE
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Roger Bayliss 01530 411055 roger.bayliss@nwleicestershire.gov.uk Director of Housing 01530 454819 glyn.jones@nwleicestershire.gov.uk
Purpose of report	The report requests that Cabinet delegates authority to award the contract for the materials supply chain to support the housing repairs and maintenance service to Council homes to the Director of Housing in consultation with the Housing Portfolio Holder.
Reason for Decision	The level of expenditure on this contract exceeds the authority threshold in the Scheme of Delegation. To improve the Council's housing stock
Council Priorities	Building Confidence in Coalville Homes and Communities
Implications:	
Financial/Staff	Costs to be met from within existing approved budgets
Link to relevant CAT	Not applicable
Risk Management	Management of the contractor's performance by Housing's Asset Management Team, including regular site review meetings between both parties during the delivery of the works.
Equalities Impact Screening	Not applicable
Human Rights	No implications

Transformational Government	Not applicable
Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	None
Recommendations	THAT CABINET DELEGATES AUTHORITY TO AWARD THE CONTRACT FOR THE MATERIALS SUPPLY CHAIN TO SUPPORT THE HOUSING REPAIRS AND MAINTENANCE SERVICE TO COUNCIL HOMES TO THE DIRECTOR OF HOUSING IN CONSULTATION WITH THE HOUSING PORTFOLIO HOLDER.

1.0 BACKGROUND

- 1.1 The provision of materials and equipment to enable the Housing Services In-house Repairs Team (IRT) to deliver repairs and maintenance services to Council homes has been sourced since 2008 using a Procurement for Housing (PfH) supply chain.
- 1.2 Under the contractual agreement PfH are required to manage suppliers whilst the Council is committed through the arrangement to exclusively procure all materials from or through the local Graftons' outlet (Buildbase in Hugglescote).
- 1.3 On 8 September 2017 the Housing Technical Services Manager served notice on PfH of the Council's intention to terminate the current agreement with effect from 8 March 2018. This six month notice period was in line with contractual requirements and provided a sufficient timeframe to re-procure an alternative arrangement.
- 1.4 This decision provided a timely opportunity to test the market and ensure our repairs and maintenance service continues to deliver value for money, and to seek a reliable, efficient and effective supply chain to support the IRT's delivery over the next 5 years of the £20m Home Improvement Programme.
- 1.5 The procurement exercise to undertake these works has now been completed and the contract is to be awarded based on the most economically advantageous tender taking into consideration the following:
 - Quality 70%
 - Price 30%

2.0 PROCUREMENT ROUTE

- 2.1 The re-procurement exercise was undertaken using Spectrum Housing's National Materials Framework (Lot 1) which is an EU compliant procurement route and was deemed to be the best option to meet the needs of the Council.
- 2.2 Five nationally recognised suppliers were judged to satisfy all of the Council's necessary qualifying criteria and to have achieved the highest scores against the initial evaluation criteria within this Framework.
- 2.3 Given the significance of the effectiveness of the materials supply chain to the successful delivery of the housing repairs and maintenance service it was however, considered that a further bespoke mini-competition exercise should be undertaken with the five identified suppliers beyond the standard framework evaluation process.
- 2.4 The Council's mini-competition requirements identified the areas outlined in the table below for specific additional focus as part of the mini-competition evaluation criteria:

Service	Specific Requirement
Delivery/Collection Service	Standard counter collection Call and collect Dedicated counter service Delivery service Delivery service (next day) Dedicated managed service (optional)
Enhanced Cost Models Supported	Management fee for services (isolated from material costs) Return on sales
General	Dedicated account management Trade operative cards Acceptance of bank-based cards Printed range catalogues Decorating vouchers Waste management Ethically sourced/sustainable products Factoring products from third parties Van stock management
Invoicing	Consolidated paper invoices Flat-files (.csv)

	Web services for exchange of data Data by FTP/SFTP Provision of .xml data
IT Services	Validation of orders (job/operative number) Electronic range/catalogue files Online portal for product/range identification Full trading solution (e.g. reverse order methodologies)
Support for Social Value	Rebates/social funds Local recruitment Apprenticeships Sponsorship

- 2.5 Submissions were evaluated by a Panel of four officers, consisting of the Housing Technical Services Manager, Housing Repairs and Maintenance Manager, Interim Housing Repairs Special Projects Manager and the Housing Procurement Manager.
- 2.6 The breakdown of the procurement evaluation, the respective bidders' quality scores and the prices quoted are set out in the confidential appendix to this report (Appendix One). There was only one bidder who met all the requirements of the Council in respect of the cost and quality threshold. Officers recommend that the financial information contained within the appendix should remain confidential as it contains details of the prices submitted by the bidders and it could affect future procurement exercises run by the Council.
- 2.7 In order to award the contract in relation to the provision of these works with a view to a commencement date of 2 April 2018, Cabinet is requested to delegate authority to award to the Director of Housing in consultation with the Housing Portfolio Holder.

3.0 FINANCIAL IMPLICATIONS

- 3.1 All spend under this contract is to enable the IRT to complete approved works under the headings of reactive repairs, empty homes and capital works. All such works will be funded from existing agreed HRA revenue and capital budgets for the financial years 2018/19 to 2022/23.
- 3.2 IRT spend on materials in the past 12 months under the current PfH agreement has been £570,000. Based on the cost analysis completed as part of the Council's procurement procedures, the proposed contract is estimated to deliver an average saving of 12.56% on current prices. Over the proposed five year duration of the new contract, this would equate to an estimated saving of £358,000 for HRA funded works alone.