

<b>Title of Report</b>	<b>AWARD OF HOUSING MATERIALS SERVICES CONTRACT</b>	
<b>Presented by</b>	Councillor Roger Bayliss Housing, Property and Customer Services Portfolio Holder	
<b>Background Papers</b>	None	<b>Public Report:</b> Yes
		<b>Key Decision:</b> Yes
<b>Financial Implications</b>	The direct procurement will have no financial implications. The proposed value of the final award contract is within existing budget envelopes of the HRA.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	Advice on procurement has been sought from Corporate Procurement and Legal Services. A dynamic purchasing system is a permitted form of procurement under the Public Contract Regulations 2015. The proposed call-off contract has been reviewed.	
	<b>Signed off by the Monitoring Officer:</b> Yes/No	
<b>Staffing and Corporate Implications</b>	There are no direct staffing implications. This proposal supports Council Priorities.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To seek Cabinet approval to for the delegation of authority to the Strategic Director to award the Housing Materials Services Contract.	
<b>Reason for Decision</b>	The level of expenditure on the proposed contract exceeds the authority level in the Scheme of Delegation.	
<b>Recommendations</b>	<p><b>THAT CABINET:</b></p> <p><b>APPROVES THE DELEGATION OF AUTHORITY TO THE STRATEGIC DIRECTOR TO AWARD THE HOUSING MATERIALS SERVICES CONTRACT IN CONSULTATION WITH THE SECTION 151 OFFICER AND PORTFOLIO HOLDER.</b></p>	

## **1.0 BACKGROUND**

- 1.1 The Council has circa 4,200 homes. In 2022-23, the Housing Asset Management and Compliance and Commercial Services Teams are budgeted to spend nearly £19,000,000 on repair, maintenance, improvement or replacement (New Build) programmes.  
£7,163,000 of this sum will be by Commercial Services' In House Repair Team (IRT), £4,500,000 will be under the Home Improvement Programme (HIP) and £2,663,000 on responsive and empty homes repairs.
- 1.2 Current IRT establishment is 58 operatives and six apprentices. Materials used by IRT are provided under a materials services contract where the vast majority of materials are supplied by a sole provider. The current contract is with Travis Perkins Trading Company Ltd, let on a three-year plus one plus one managed service basis and which expires on 1 April 2023. The contract was procured and drafted through a framework managed by The Procurement Partnership Limited (TPPL). TPPL has also provided price and contract management services throughout the life of the contract.
- 1.3 When the contract was let in 2018 the expenditure on materials over the five-year term was estimated to be between £5 and £10million. This broad spectrum of expenditure covered materials required for repairs to tenanted properties and empty homes but also provided for the potential growth of the IRT to undertake future HIP works although there were no guarantees of the latter to the supplier.
- 1.4 Based on the forecast expenditure on materials required over the next five years for repairs and HIP (some of which may be substituted if the IRT undertakes work in future years under proposed Energy Efficiency programs) the value of the new contract is £15.5million.

## **2.0 PROPOSED AWARD**

- 2.1 It is proposed to award a five-year contract to a single supplier procured as a call-off under the TPPL-managed NEPO219 Building Materials and Modular Buildings Dynamic Purchasing System (DPS). The DPS commenced 3 February 2020 and is a procurement route compliant with all relevant UK and EU Regulations and the Council's own procedure rules.
- 2.2 A DPS (unlike a framework) allows new approved suppliers to join the DPS at any time during its lifetime. On 19 July, the 10 suppliers listed under DPS Category 1: Managed Store/One-Stop Shop/Dedicated Store received our mini-competition documentation via the secure NEPO Portal. The 10 suppliers are:
  - Bradfords
  - City Plumbing Supplies
  - Crown Paints
  - Huws Gray
  - JT Dove
  - Jewsons
  - Sovini Trade
  - Stax Trade Centres
  - Wolseley
  - Travis Perkins

2.3 The contract specification seeks provision of a one-stop shop stores service from a site opened and managed by the successful merchant (“Primary Location”). It covers (but is not limited to) provision or supply of the following from the Primary Location:

- General material, e.g. including (but not limited to) timber, aggregates, ironmongery, windows, doors, paints, solvents.
- Plumbing, heating and gas spares, e.g. sanitaryware, plastics, copper fitting, drainage, waste, brassware.
- Electrical components, e.g. wiring/cables, sockets, consumer units, lighting, fire/CO2 detection.
- All other required materials, e.g. any material required to support operational activities including (but not limited to) reactive repairs, empty homes and capital/planned works.
- IT Integration, for the purpose of operative/job validation at the point of sale and streamlined transaction processing for invoice payment.
- Counter collection & stockholding of core materials (from a dedicated facility).
- Delivery services e.g. to site and/or direct to operatives.
- Engagement with local suppliers (on a nominated basis) e.g. ready-mix concrete supplier.
- Social value
- Access to other existing locations/branches (if operationally required).

2.4 The following table shows the dates of all key stages in our Procurement Plan.

KEY STAGE	DATE(S)
Commencement of mini-competition issued	19 July 2022
Deadline for queries/clarifications	5pm 23 August 2022
Deadline for submissions (via NEPO Portal)	12 noon 30 August 2022
Evaluation and clarifications	30 August – 15 September 2022
Notification of Intention to Award	3 October 2022
Standstill period	3-13 October
Award,	17 October 2022
Mobilisation	28 Nov. 2022 -31 March 2023
Contract commencement	1 April 2023

2.5 Award Criteria:

AWARD CRITERIA WEIGHTINGS	
ITEM	CRITERION / %
Qualitative Questionnaire	70%
Service levels	Pass / Fail

Call-off Contract -T&Cs	Pass / Fail
Cost Submission	30%
Submission declarations	Pass / Fail

### 3.0 FINANCIAL IMPLICATIONS

3.1 The anticipated contract spend for the five-year contract period is £15,500,000 (£3,100,000 per annum). The contract will commence 1 April 2023 and will be funded from within 2023-2028 Housing Revenue Account (HRA) and indicative HRA Capital Programme budgets.

3.2 The majority of anticipated spend will be from the HIP allocation within the HRA Capital Programme Budget. The indicative HIP budget within the Council's Budget Reports 2022-23 is £4,500,000 for each of the first four years of the contract 2023-24, 2024-25, 2025-26 and 2026-27.

3.3 The 2022-23 HRA Total Routine Repairs budget allocation is £2,662,880 and although demand-led, is expected to remain static during the contract period other than for an allowance for inflation as included within the Council's Medium-Term Financial Plan.

Financial Implications Table	Current Year Budget	Impact of Proposals	Forecast		
	2022/23		2023/24	2024/25	2025/26 & beyond
	£000	£000	£000	£000	£000
<b>Capital Investment</b>					
Costs		0	2,270,000	2,270,000	2,270,000
Funded by		0	HRA HIP Allocation		
<b>On-going costs (revenue)</b>					
Costs - Staffing		0	0	0	0
Other		0	830,000	830,000	830,000
Total on-going costs		0	830,000	830,000	830,000
Funding by			HRA Total Routine Repairs Allocation		

Policies and other considerations, as appropriate	
Council Priorities:	Supporting Coalville to be a more vibrant, family-friendly town Developing a clean and green district Local people live in high quality, affordable homes
Policy Considerations:	Contract Procurement Rules within Constitution
Safeguarding:	Suppliers will be required to follow the Council's Safeguarding Policy and procedures.
Equalities/Diversity:	No direct implications identified.
Customer Impact:	Successful procurement of a supplier will ensure essential Housing operations proceed without interruption.

Economic and Social Impact:	<p>The procurement will support IRT operations to maintain and improve the Council's housing stock to a high standard.</p> <p>Such activities include Improvements to the energy efficiency of tenants homes, which reduces potential bills and therefore provides tenants an opportunity to spend more money on other essentials such as an improved diet and the prospect of better health.</p>
Environment and Climate Change:	<p>Specifications for materials supplied under this contract will contribute to local and National initiatives towards a sustainable and carbon net zero economy.</p>
Consultation/Community/Tenant Engagement:	<p>None identified.</p>
Risks:	<p>All risks have been mitigated by officers.</p>
Officer Contact	<p>Karen Connell  Interim Head of Housing  <a href="mailto:Karen.connell@nwleicestershire.gov.uk">Karen.connell@nwleicestershire.gov.uk</a></p>