

<b>Report to</b>	Cabinet 9 March 2016	<b>Item</b>
<b>Report of</b>	Interim executive head of neighbourhoods	<b>8</b>
<b>Subject</b>	Procurement of works – Various key decisions for expenditure on housing repairs and upgrades contracts	

## **KEY DECISION**

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### **Purpose**

To consider approving placing orders via the procurement process for various work programmes and schemes

### **Recommendation**

To:

1. award the contract for periodic inspections and rewires to the best value supplier as determined by the direct call-off prices within the framework
2. approve the variations to the Eastern Procurement Ltd framework contracts as described in appendix one
3. approve the variations to the Norwich Norse Building Ltd contracts as described in appendix one and
4. delegate authority to the interim executive head of neighbourhoods in conjunction with the deputy leader and portfolio holder for housing and wellbeing, to approve awards to the best value suppliers for re-roofing, re-pointing and external wall insulation after a mini tendering exercise is complete.

### **Corporate and service priorities**

The report helps to meet the corporate priority “A healthy city with good housing” and the service plan priority to continue to support the provision of an appropriate housing stock in the city

### **Financial implications**

The financial consequences of this report is the award of orders for repairs and upgrades for a total quoted cost of £10,713,930, which is included within the Housing Revenue Account financial forecasts and budgets for this financial year (2016/17).

**Wards:** All

**Cabinet member:** Councillor Harris – Deputy leader and housing and wellbeing

**Contact officers**

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**Background documents**

None

# Report

## Background

1. The Council has a programme of housing repairs and upgrades which is implemented via a number of term contracts, framework contracts and ad-hoc tenders. The award of these contracts has been the subject of previous reports to cabinet.
2. The majority of the work within the programme is covered by the contract scopes and contract sums. Occasionally the need arises to vary the contract to add work, included within the programme and of a similar nature to the original scope. Any variation that exceeds the value of £173,000 requires a key decision by cabinet. This report requests approval for a number of variations for 2016/17.
3. The contracts and variations are described below.

## Eastern Procurement Framework Contracts

4. **Property Improvements** – the award of this framework was approved by cabinet in January. At the meeting it was reported that the electrical rewire and upgrades element was still being evaluated, the evaluation for which is now complete. The best value contractor for rewiring, upgrades and periodic testing is United Living.
5. The scope of the property improvements contract covers:
  - Replacement kitchens and bathrooms
  - Electrical rewiring and upgrades
  - Re-roofing
  - Re-pointing
  - Whole house improvements
  - External estate improvements
6. Re-roofing and re-pointing will be mini-tendered amongst the framework contractors to establish the best value supplier. The tendering procedure for the framework was described in the January report to Cabinet. It included a robust quality assessment therefore the mini-tender procedures will be based upon price only. It is recommended that authority to approve award of the orders, subject to the budgets not being exceeded is delegated to the interim executive head of neighbourhoods in conjunction with the deputy leader and portfolio holder for housing and wellbeing. The values of these works are indicated in Appendix 1.
7. Some whole house improvements and external estate improvements will be mini tendered in order to benchmark the Norwich Norse Building contract. Each scheme value ranges from £25,000 to £60,000 so would not be a key decision. The budget for each element is £500,000 hence approval is required to order up to the budget should the framework prove best value on each occasion.
8. **Replacement Doors and Windows** – this framework contract was awarded by Eastern Procurement Limited in 2013. The 2016/17 HRA capital programme provides a budget for replacement of front and rear doors. This work has been

equally split between Anglian Building Products and Ashfords in the same manner as in 2015/16.

### **Norwich Norse Building Term Contracts**

9. **Replacement Heating Installations** – this framework contract was awarded by Eastern Procurement Limited in 2014. The 2015/16 programme was subject to a mini tender which established that the Foster Property Maintenance original tendered rates were the best value. It is proposed to award the 2016/17 programme to Foster Property Maintenance based upon the tendered rates.
10. **Carbon Reduction** – this framework contract was awarded by Eastern Procurement Limited in 2015. It covers external wall insulation and the intention is to mini tender the 2016/17 programme to establish the best value supplier.

### **Norwich Norse Building Contracts**

11. **Housing Repairs and Maintenance** – this contract was awarded to Norse Contracting Services (NCS) in August 2012 and novated to Norwich Norse Building Ltd (NNBL) in April 2014. The scope of the contract covers:

- Responsive repairs of general needs housing
- Responsive repairs of sheltered housing
- Disabled adaptations
- Void property maintenance including whole house improvements
- External estate improvements

Variations are required for:

12. **Sheltered Housing Whole Home Upgrades** – this is an extension of the void property repairs. The 2015/16 budget provides for enhanced upgrades to void sheltered properties in order to make the homes fit for purpose and hence more attractive to prospective tenants.
13. **Whole House Improvements** – this is also an extension of the void property repairs. When a home requires significant repairs that render the property uninhabitable the repair is defined as a whole house improvement. The 2016/17 capital programme provides £500,000 for these works. Individual schemes are split between NNBL and the Eastern Procurement Limited property improvements framework depending upon best price and delivery timetable.
14. **Additional environmental improvements** will be ordered throughout the year up to £500,000 in order to complete the programme. Again, individual schemes are divided between NNBL and the Eastern Procurement Limited property improvements framework depending upon best price and delivery timetable.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 March 2016
<b>Head of service:</b>	Interim executive head of neighbourhoods
<b>Report subject:</b>	Procurement of works - various key decisions for expenditure on housing repairs and upgrades contracts
<b>Date assessed:</b>	9 February 2016
<b>Description:</b>	

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The tendering and benchmarking process ensures that the Council achieves the best value for money.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The works will improve the environment for tenants.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The works will ensure the built environment is maintained and improved to a high standard
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New heating installations, replacement doors and windows, and external wall insulation improve the energy efficiency of tenants' homes.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
<b>Risk management</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. There is a risk that the appointed suppliers could fail during the contracts. This is low risk due to the relatively short nature of the contracts and the planned nature of the works. In addition to this the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that most of the work is planned not responsive in nature.

Recommendations from impact assessment	
<b>Positive</b>	
Value for money, built environment, energy and climate change.	
<b>Negative</b>	
None	
<b>Neutral</b>	
See above	
<b>Issues</b>	
None	



Contract	Description	Value £	Comment
<b>Eastern Procurement Ltd</b>			
EPL Property Improvements	Electrical rewiring & periodic testing	<b>670,900</b>	Related to previous report 13 Jan 2016
EPL Replacement Doors and Windows (Ashfords)	2016/17 programme of composite door replacements	<b>944,965</b>	Call off framework rates
EPL Replacement Doors and Windows (Anglian Building Products)	2016/17 programme of composite door replacements	<b>944,965</b>	Call off framework rates
EPL Heating Installations ( Foster Property Maintenance)	Replacement boilers (domestic)	<b>2,500,000</b>	Call off framework rates
EPL Property Improvements	Re-Roofing programme	<b>1,445,500</b>	Mini tender - related to previous report 13 Jan 2016
EPL Property Improvements	Repointing programme	<b>1,507,500</b>	Mini tender - related to previous report 13 Jan 2016
EPL Replacement Doors and Windows (Anglian Building Products)	2016/17 programme of window replacements	<b>200,000</b>	Mini tender - already contracted
EPL Property Improvements	Whole House Improvements		Mini tender individual schemes
EPL Property Improvements	Environmental Improvements		Mini tender individual schemes
EPL Property Improvements	External wall Insulation	<b>1,250,000</b>	Mini tender - not yet contracted
<b>Term Contracts</b>			
Norse	Environmental Improvements	<b>500,000</b>	Call Improvements framework rates
Norse	Sheltered Housing Whole Home Upgrades	<b>250,000</b>	Call Housing framework rates
Norse	Whole House Improvements	<b>500,000</b>	Call Housing framework rates
		<b>10,713,830</b>	