

**Report to** Cabinet  
9 September 2015  
**Report of** Executive head of strategy people & neighbourhoods  
**Subject** Procurement of works – Various key decisions for  
expenditure on housing repairs and upgrades contracts

**Item**

13

## **KEY DECISION**

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### **Purpose**

To consider the procurement process for various work programmes and schemes and to seek approval to place the orders

### **Recommendation**

To approve:

- 1) the variations to the Eastern Procurement Ltd framework contracts as described in appendix one; and,
- 2) the variations to the Norwich Norse Building Ltd contracts as described in appendix one.

### **Corporate and service priorities**

The report helps to meet the corporate priority of decent housing for all and the service plan priority to continue to deliver the programme of making all council homes decent.

### **Financial implications**

The financial consequences of this report is the award of orders for repairs and upgrades for a total quoted cost of £20,271,227, which is included within the Housing Revenue Account financial forecasts and budgets for this financial year (2015-16) and £200,000 which is included in the non-housing capital programme for 2015-16..

**Ward/s:** All

**Cabinet member:** Councillor Harris - Housing

### **Contact officers**

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Gary Atkins, Associate Director Operations, NPS  
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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 awards of these contracts have been the subject of various 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, retrospectively and for the remainder of 2015-16.
3. The contracts and subsequent variations are described below.

## Eastern procurement framework contracts

4. **Property improvements** – this framework contract was awarded by Eastern Procurement Ltd (EPL) to Foster Property Maintenance (FPM) in 2011. The scope of the contract covers:
  - Replacement kitchens and bathrooms
  - Electrical rewiring and upgrades
  - External wall insulation
  - Re-roofing
  - Re-pointing
  - Whole house improvements
  - External estate improvements
5. The 2015-16 HRA capital programme provides budgets for all of these work streams as detailed in Appendix 1. The current framework is coming to an end. A new framework for property improvements is being procured by EPL and will be the subject of a separate report in December.
6. Variations to the framework contract are required to acknowledge the inclusion of the 2015-16 capital programme

Description	Value
Replacement kitchens	8,260,000
Replacement bathrooms	3,980,000
Electrical rewiring	1,380,000
External wall Insulation	950,000
Re-Roofing programme	450,000
Repointing programme	450,000
Whole House Improvements	250,000
Estate improvements	300,000

7. In addition a variation is required for the refurbishment of Britannia Court. This sheltered housing block is being transformed into 32 general needs one bedroom flats at a cost of £1.2m. The work has been ordered on the EPL framework utilising the rates for the various elements contained within the scope of replacement kitchens, bathrooms, rewires, etc.
8. **Replacement doors and windows** – this framework contract was awarded by EPL in 2013. The 2015-16 HRA capital programme provides a budget for replacement front and rear doors. This work has been equally split between Anglian Building Products and Ashfords in the same manner as in 2014-15. This was the subject of a report to cabinet in October 2013.

### **Norwich Norse building term contracts**

9. **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

10. 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 more fit for purpose and hence more attractive to prospective tenants.
11. 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 2015-16 capital programme provides £500,000 for these works. Individual schemes are split between NNBL and FPM depending upon best price and delivery timetable.
12. Hobart Square environmental improvements - the works were offered to both FPM and NNBL for pricing in order to establish the best value option. On this occasion NNBL offered the lowest price of £201,226.75. The scope of the work at Hobart Square includes
  - a) Improvements to drying areas
  - b) New ramp and footpaths to improve access
  - c) Resurfacing
  - d) Wall repairs and new gates and railings
13. Additional environmental improvements will be ordered throughout the year up to £500,000 in order to complete the programme.

14. **Non-housing repairs and maintenance** – this contract was awarded to NCS in April 2010, extended in April 2013 and novated to NNBL in April 2014. The scope of the contract covers works to the operational, commercial and stewardship property portfolio:

- Responsive repairs
- Programmed maintenance
- Major repairs and upgrades (to a maximum value of £50,000)

15. A variation to the contract is required to place an order for maintenance of City Hall clock tower. This scheme has been granted an exemption from contract procedures due to the sensitive nature of the work and the need to manage security. The works will be carried out using the adjusted national schedule of rates which will help ensure that value for money is achieved.

## 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 September 2015
<b>Head of service:</b>	Executive head of strategy people & neighbourhoods
<b>Report subject:</b>	Procurement of works - various key decisions for expenditure on housing and non-housing repairs and upgrades contracts
<b>Date assessed:</b>	14 July 2015
<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 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"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. There is a risk that the appointed supplier could fail during the duration of the contract. This is low risk due to the relatively short nature of the contract 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 the work is planned not responsive in nature.



Recommendations from impact assessment
Positive
Value for money & built environment.
Negative
Neutral
Issues

# APPENDIX 1

Contract	Description	Value £
EPL Property Improvements	External wall Insulation	950,000
EPL Property Improvements	Electrical rewiring	1,380,000
EPL Property Improvements	Replacement kitchens	8,260,000
EPL Property Improvements	Replacement bathrooms	3,980,000
EPL Property Improvements	Britannia Court refurbishment	1,200,000
EPL Property Improvements	Re-Roofing programme	450,000
EPL Property Improvements	Repointing programme	450,000
EPL Property Improvements	Whole House Improvements	250,000
EPL Property Improvements	Environmental Improvements	300,000
EPL Replacement Doors and Windows (Ashfords)	2015-16 programme of composite door replacements	800,000
EPL Replacement Doors and Windows (Anglian Building Products)	2015-16 programme of composite door replacements	800,000
Housing Repairs and Upgrades	Hobart Square Environmental Improvements	201,227
Housing Repairs and Upgrades	Environmental Improvements	500,000
Housing Repairs and Upgrades	Sheltered Housing Whole Home Upgrades	500,000
Housing Repairs and Upgrades	Whole House Improvements	250,000
Non-housing Repairs and Upgrades	City Hall Clock tower repointing and repairs	200,000
		<b>20,471,227</b>