

<b>Board/Committee:</b>	Housing Board
<b>Date of meeting:</b>	10 November 2021
<b>Title:</b>	EXTERNAL PAINTING, COMMUNAL REDECORATION AND ASSOCIATED WORKS CONTRACT TENDER
<b>Author:</b>	PROPERTY SERVICES MANAGER
<b>Status:</b>	FOR APPROVAL

### **Purpose**

To inform Members of the intention to commence the procurement of a contractor to undertake external painting, communal area redecoration and associated repair works

### **Recommendation**

That the Board:

1. Notes the commencement of the procurement process
2. Delegates authority to the Head of Housing to appoint a contractor at the conclusion of the process.

#### **1.0 Background**

- 1.1 Property Services currently has a contract in place for the External Decoration and associated repairs of Council Housing. This contract is with Novus Property Solutions. The contract commenced in 2014 for an initial term of 7 years.
- 1.2 This contract is for the planned external redecoration and repairs of houses and blocks, and the internal redecoration and repairs of communal areas of blocks of flats. This differs from the Kier contract which is primarily for day to day response repairs. Houses and blocks are surveyed to assess condition, and a programme is produced each year with a list of properties given to the contractor to undertake the works.
- 1.3 Undertaking planned works in this manner is designed to prolong the lifespan of Council assets and reduce ongoing day to day maintenance costs.
- 1.4 As allowed for under the terms of the contract, a one year extension was approved at Housing Board held 11<sup>th</sup> November, 2020, and as a result the contract with Novus will expire in September 2022. The intention is to procure a new contract from this date for a period of 5 years with an option to extend for a further five years.

## 2.0 Report

- 2.1 The NHF Form of Contract 2011 (Planned works (rev:7 2020) will be used for the new contract. This contract is similar in approach to that currently used, and is a nationally recognised form of contract utilised by many local authorities, and social housing providers in such circumstances.
- 2.2 The current contract uses a schedule of rates to cost the works, as this is more suited to the type of repetitive works that will be undertaken, A schedule of rates gives more cost certainty when undertaking known works, and enables specifications to be more quickly produced, and passed to the contractor.
- 2.3 The M3NHF Schedule of Rates Version 7.2 will be incorporated into the contract and is an updated version of the schedule that is currently used.
- 2.4 The annual budget will be approximately £400K, with a total contract value of £4M. This is the same annual value as the current contract, and will be wholly funded through the Housing Revenue Account (HRA).
- 2.5 The duration of the contract will be 5 years with the possibility for an extension of a further 5 years to will cover the period 2022 – 2032. During the initial 5 year period, contractor performance will be monitored, and if satisfactory, the extension will be granted leading to a 10 year overall contract. This will allow a reasonable period to assess the contractor's performance, and for us to establish a good working relationship, but also allows flexibility to end the contract after the initial 5 year period if performance is not as required.
- 2.6 Estimated timeline of procurement:

ACTIVITY	DATE
TENDER DOCUMENTATION ISSUED WITH QUESTIONNAIRE	10/01/2022
QUESTIONNAIRE EVALUATION	07/02/2022
SHORTLISTED TENDER'S INVITED TO SUBMIT FULL TENDER	28/02/2022
TENDER EVALUATION	28/03/2022
NOTIFICATION OF PREFERRED BIDDER	25/04/2022
STANDSTILL PERIOD	25/04/2022
CONTRACT AWARD	04/05/2022
LEASEHOLDER SECTION 20	02/05/2022
MOBILISATION	06/06/2022
CONTRACT START	02/09/2022

- 2.7 Bidders will be required to complete a Questionnaire together with case studies demonstrating relevant previous experience, along with client references. Following a shortlisting process, the 5 highest ranked will be

invited to tender.

- 2.8** A project board consisting of relevant officers from Property Services, Housing Management, Finance, Legal and Procurement will be convened and will meet regularly throughout the procurement period.
- 2.9** The tenders will be evaluated on the basis of: 60% quality: 40% cost. Bidders will be given the schedule or rates, along with a typical project. They will be asked to price the project based on the schedule of rates, in the form of a % reduction or uplift in the stated rates. They will also be asked to apply a % reduction or uplift to each section, or work type in the schedule of rates.
- 2.10** The bidders will be asked to demonstrate how they will deliver the service to GBC housing tenants and leaseholders, with a focus on customer care and quality. They will also be asked to outline measures that will benefit the social and economic situation in the Borough, such as using local labour, taking on apprentices, or workshops for local people. They will be asked for evidence of the approach they will take to sustainability such as the sourcing of materials or use of vehicles etc.

### **3.0 Risk Assessment**

- 3.1** A financial appraisal will be undertaken by the Head of Finance, to ensure contractors are of sound financial standing and capable of undertaking a project of this size.
- 3.2** The works undertaken in this contract are of a planned nature, with any additional works identified requiring the approval of the Property Services Manager prior to commencement by the contractor.
- 3.3** Payments will be made in relation to completed works meaning any failure to deliver the service would have a reputational impact rather than a financial impact. Close monitoring of the works by Property Services will minimise risk of failure.
- 3.4** Compliance with Contract Conditions and Statutory Health & Safety obligations will be monitored through regular meetings, both Strategic and Operational, in the same manner that the Council monitors its other major contracts. The financial health of the contractor will continue to be monitored throughout the life of the contract, in accordance with good practice.
- 3.5** The risk of the Contractor underperforming will be mitigated by careful questioning at pre tender stage – the questionnaire asks for case studies, and client references relating to previous works of a similar nature.
- 3.5** There is a small risk of failure to meet procurement deadlines, resulting in the project not commencing in September 2022, to coincide with the

existing contract coming to an end. To mitigate the risk, preparation for the tender will start well in advance, with the production of tender paperwork 6 weeks prior to advert allowing sufficient time for the project team to agree the documentation. The three month mobilisation period after contract award allows for any slippage in the procurement timeline, providing assurance that the new contract will start on time with no gap in service provision.

#### 4.0 Conclusion

4.1 The existing external painting, communal redecoration and associated works contract will end on 31 August 2022. To ensure continuity of service provision, the Property Services will undertake a procurement exercise to appoint a contractor to deliver the service commencing September 2022, for a further 10 years, subject to performance reviews.

<b>Financial Services comments:</b>	No further comments
<b>Legal Services comments:</b>	Contained within the report
<b>Equality and Diversity:</b>	All bidders will be asked to demonstrate at questionnaire stage how they will comply with relevant equality legislation. They will also be asked how they ensure their staff will deliver the service to customers with diverse needs.
<b>Climate Change implications:</b>	<i>See Attached IIA</i>
<b>Crime and Disorder:</b>	
<b>Service Improvement Plan implications:</b>	
<b>Corporate Plan:</b>	Empower our residents, raise aspirations, deliver effective services
<b>Risk Assessment:</b>	Contained within the report
<b>Background Papers:</b>	None
<b>Appendices:</b>	None
<b>Report Author/Lead Officer:</b>	Dean Pickett