

<b>Board/Committee:</b>	HOUSING BOARD
<b>Date of meeting:</b>	27 SEPTEMBER 2023
<b>Title:</b>	HOUSING DEVELOPMENT UPDATE
<b>Author:</b>	HEAD OF HOUSING
<b>Status:</b>	FOR NOTING

### **Purpose**

This report sets out the tender process to procure a construction contractor to deliver the new social housing on sites at Stoners Close, Wheelers Close and Glebe Drive.

### **Recommendation**

**That the Board notes the process to procure a construction contractor using the National Framework Partnership.**

#### **1.0 Background**

**1.1** The Council entered into a contract with ECD Architects Ltd on 7 December 2021 to deliver a multi-disciplinary lead consultancy service to design and oversee the delivery the of 15 new council housing dwellings.

**1.2** The dwellings will be a mix of two, three and four bed family homes, as well as one bedroomed accessible bungalows, located across three brownfield infill sites at Stoners Close, Wheeler Close and Glebe Drive.

**1.3** The dwellings have been designed to low energy Passivhaus principles taking advantage of orientation, technology and fabric design to provide comfortable living environments for future residents, and with reduced running costs.

**1.4** These principles include a simplified building form reducing heat loss through its fabric, orientation to ensure dual aspect facades and a higher proportion of glazing to the southern elevations to maximise solar gain in the winter months, increased insulation and the incorporation of low carbon technologies such as air source heat pumps, and solar panels if required.

Each dwelling will benefit from a good degree of natural light and outlook, with south-facing rear gardens

**1.5** Planning applications for all three sites were submitted on 12 December 2022 and permission was granted at Regulatory Board on 26 April 2023 for:

- The construction of seven dwellings with associated parking and landscaping at Stoners Close,
- The construction of five dwellings, in two separate blocks, with associated parking and landscaping at Wheeler Close, and

- The construction of three dwellings with associated parking and landscaping at Glebe Drive.

## 2.0 Report

2.1 A construction contractor will be procured to deliver all three sites. Procurement for a project of this size can be a lengthy and resource-intensive process; therefore, a construction contractor will be procured under the National Framework Partnership (NFP).

2.2 By using an existing framework regulated by the Public Contracts Regulations 2015, the council can award an individual contract without going through a full 'above threshold' procurement process.

2.3 NFP is backed by Hyde, one of the largest housing associations in the UK, and has live contracts with a total value of £2.25bn. NFP has more than fifty frameworks, with a network of two hundred trusted partners, and works with a number of public sector organisations, including local authorities.

2.4 NFP provides a framework for finding construction contractors in the south of England for projects up to £10m, offering:

- **Local expertise and understanding** - Construction contractors in the south have an understanding of the local market dynamics, regulations, and specific challenges in the region. They are well versed in the local construction practices, suppliers, and sub-contractors. Partnering with local contractors ensures the project is handled by professionals with a strong grasp of the local context, allowing for efficient project management and seamless collaboration.
- **Project efficiency and Flexibility** - Construction contractors in the south specialise in projects up to £10m, enabling them to focus their resources, expertise, and attention on delivering projects of this scale. They have the capacity to efficiently manage and execute smaller-scale projects, ensuring attention to detail and adherence to timelines and budgetary constraints. Their flexibility allows for customised solutions while maintaining high-quality standards.
- **PCR Compliance** – NFP ensures that all public sector frameworks they offer are compliant with Public Contracts Regulations. This compliance guarantees transparency, fairness and accountability in the procurement process. All appointed suppliers meet the necessary criteria to deliver projects within the Public Contracts Regulations.
- **Streamlined procurement process** – NFP has a list of appointed suppliers who have all undergone a thorough evaluation, in that they have been pre-vetted, value tested, insurance checked and have financial stability and standing.

2.5 As well as Direct Selection, NFP allows for a Mini-Competition, which is the

approach the council intends to follow. The Mini Competition process allows the council to expand beyond the framework's original specification to meet its own specific requirements, such as experience of construction to Passivhaus standards. The framework partners from the relevant lot are invited to tender, where capable, and this typically takes two to three weeks.

Eligible suppliers must have the capability to:

- Carry out a project of the size and complexity of ours,
- Carry out the works and services in our locality,
- Evidence their financial stability and standing,
- Evidence their health and safety record,
- Demonstrate they have capacity, taking into account the value of Works and Services already awarded them under the Framework Agreement,

**2.6** Social Value features primarily in all of the NFP agreements. Their commitment to supporting the local community and economy through their suppliers are evaluated robustly in their quality and technical evaluation process with clients.

**2.7** The estimated timescale for the tender process is:

Task		Indicative Date
1	Expression of Interest	18/09/2023
2	Tender published to suppliers	02/10/2023
3	Deadline for requests for clarification	31/10/2023
4	Tender submission deadline	10/11/2023
5	Tender evaluation	13/11/2023 – 24/11/2023
6	Policy & Organisation Board	DATE tbc
7	Notify suppliers of evaluation results and commencement of standstill period	07/12/2023 – 18/12/2023
8	Contract Award	19/12/2023
9	Mobilisation period	20/12/2023 – 02/02/2024
10	Commencement of works	05/02/2024
11	Completion of works	05/02/2024 – 05/05/2025
12	End of defects period	05/05/2026

### **3.0 Risk Assessment**

**3.1** There is an access fee to use frameworks, and the NFP access fee is a flat fee of £2,500. This is significantly less than other framework access fees, which are usually around 2% of the total contract fee. For contracts between £5m - £10m the cost would be between £100,000 – £200,000

**3.2** It is unlikely that we will have no bidders through the framework but if that is the case, the project will be re-tendered through the full tender process

on the open market.

This will take longer and may delay the project by several months.

**3.3** Although NFP has pre-vetted their appointed suppliers, the Council will want to see a copy of the latest filed accounts for all bidders to ensure they have appropriate financial standing.

**3.4** A further report will go to Policy and Organisation Board once the tender is complete for permission to award to the successful bidder.

#### **4.0 Conclusion**

**4.1** The Council will need to procure a construction contractor to deliver all three housing sites. This will be undertaken by a Mini-Competition using the framework for Construction Contractors – South Up to £10m via the NFP.

**4.2** A Mini-Competition allows the council to expand beyond the frameworks specification to meet its own requirements, such as experience and ability to construct dwellings to Passivhaus design standards.

<b>Financial Services comments:</b>	Contained within the report
<b>Legal Services comments:</b>	Contained within the report
<b>Equality and Diversity:</b>	Refer to IIA completed 18/08/2021. No change
<b>Climate Change implications:</b>	Refer to IIA completed 18/08/2021. No change
<b>Corporate Plan:</b>	Raise aspirations by generating a positive reputation and image for Gosport.  Enhance the environment by building sustainable homes.  Deliver effective services by generating income through council assets.  Develop the economy by improving land use and using locally sourced materials and labour.  Empower our residents by providing additional, good quality affordable homes.
<b>Appendices:</b>	None
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