

	Cabinet 11 March 2024
	Report from the Corporate Director of Resident Services
	Lead Member – Cabinet Member for Housing, Homelessness & Renters Security (Councillor Promise Knight)
Amendment to Authority to Tender for Framework Agreements for Housing Refurbishment Works and Technical Consultancy Services	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Giuseppe Coia, Major Works and Refurbishments Manager 07776 665790 Giuseppe.Coia@brent.gov.uk

1.0 Executive Summary

- 1.1 The Council requires to establish a contractor and a technical consultancy supply chain in order that the future responsive repairs service and capital works programme in relation to several existing Council services and new Council and Government initiatives, can be effectively delivered. The contracts for the repairs and maintenance service are being reprocured. This will establish the tier 1 lead contractors. The framework agreement will provide some of the tier 2 works contractor supply chain for the tier 1 lead contractors and will also provide the Council with direct works contractors when required.
- 1.2 Cabinet initially approved this procurement in the Cabinet Meeting of 12 October 2020.
- 1.3 Further to the Cabinet approval on 12 October 2020, the scope of the original procurement that was approved has been amended to support the re-procurement of the repairs and maintenance service.

- 1.4 This report sets out the changes to the original proposed procurement that are required to reflect the implications of the separate procurement of the replacement repairs, voids and planned maintenance contract. An updated report on the future of the repairs service has also been included on this Cabinet agenda as Agenda Item 9.

2.0 Recommendations

That Cabinet:

- 2.1 Notes the proposed amendments to the procurement of a framework agreement for Housing Refurbishment Works as set out in paragraph 4.4 to include the increases of Lots from 6 to 16, the amendment to annual framework value and the extension of the framework term from four to ten years compared to that detailed in the Cabinet Report dated 12 October 2020 requesting Authority to Tender for Framework Agreements for Housing Refurbishment Works and Technical Consultancy Services.
- 2.2 Notes that the amended framework for Housing Refurbishment Works will be available to call off by Council officers and contractors appointed in connection with replacement repairs, voids and planned maintenance works.
- 2.3 Approves inviting tenders for a framework agreement for Housing Refurbishment Works on the basis of the revised pre - tender considerations set out in paragraph 4.9 of the report.
- 2.4 Approves Officers evaluating the tenders referred to in 2.3 above on the basis of the evaluation criteria set out in paragraph 4.9 of the report.
- 2.5 Approves reducing the number of Lots from seven to six for the framework agreement for Technical Consultancy Services as detailed in paragraph 4.1.
- 2.6 Approves this report in conjunction with the re-procurement of the repairs and maintenance service report.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 The amendments to the original Cabinet report are required to support the re-procurement of the responsive repairs service. These amendments are an opportunity to procure more effective and efficient services going forward.

3.2 Contribution to Borough Plan Priorities & Strategic Context

- 3.2.1 These frameworks contribute to the Borough Plan and other strategic policies as follows:

- (a) A Cleaner, Greener Future – the technical design will include specifications that are sustainably sourced. There will be high levels of energy efficiency in the properties that will lead to reduced fuel usage and bills for residents.
- (b) Thriving Communities – the technical consultants will provide support to the local community in terms of work experience and computer equipment.
- (c) A Healthier Brent – the works will eradicate the issues of water penetration and dampness within the properties.
- (d) Climate & Ecological Emergency Strategy – the design and resultant works will contribute to the Council achieving its climate emergency targets.

3.2.2 These priorities re-affirm the Council's ambition to continue building new Council homes with a target of 1,700 homes by 2028 and improving the quality of housing across the private sector and in the Council's own housing stock. Housing is also a key stakeholder in the delivery of Green Neighbourhoods both through the engagement with Registered Providers and investment in Council owned homes, specifically retrofitting poorly performing housing. It is acknowledged that whilst Housing is not specified in the remaining priorities set out in the borough plan, a safe, suitable, and secure place to call home is a foundation for Thriving Communities, The Best Start in Life, and a Healthier Brent.

3.2.3 Other strategies that are relevant to Housing include.

- Black Community Action Plan
- Climate and Ecological Emergency Strategy
- Homelessness and Rough Sleeper Strategy
- Equality Strategy
- Health and Well-being Strategy
- Procurement Strategy
- Local Plan
- Inclusive Growth Strategy

3.2.4 Future Strategies due for delivery this financial year that will also provide context are the Private Housing Strategy, Tenant and Leasehold Engagement Strategy and overarching Housing Strategy.

4.0 Background

4.1 The procurement of the new Technical Consultancy Services Framework Agreement is in progress. Following further consideration, Officers recommend the reduction in the number of lots under the Framework from seven to six. This involves the deletion of Lot 7 Partnering Contract Administration. This deletion is because the new works contracts will not be partnering contracts and will thus not require partnering contract

administration. It is expected that the Technical Consultancy Services Framework will be in place by August 2024.

- 4.2 The procurement of the new Housing Refurbishment Works Framework Agreement has been postponed. This was to allow the development of the procurement strategy for the new responsive repairs, voids and planned maintenance contracts.
- 4.3 The procurement strategy for the new responsive repairs, voids and planned maintenance contracts has now been agreed. It sets out the following approach. The procurement of 2 or more lead contractors to undertake works in 2 new Brent geographical areas, also known as Lots as detailed below:

North of Brent	South of Brent
Lot 1 Responsive repairs	Lot 4 Responsive Repairs
Lot 2 Planned works	Lot 5 Planned works
Lot 3 Void repairs	Lot 6 Void repairs

- 4.4 The initial thoughts from workshops held with ARK who are procuring the new responsive repairs and maintenance contracts, are that first tier contractors can deliver the Price per Property (PPP) and Price per Void (PPV) elements of the responsive repairs and void contracts through their direct labour or own supply chains, which would enable them to provide PPP and PPV rates at tender stage (which would be before the works framework appointments and rates are confirmed), however exclusions could be delivered through the works framework which will provide some cost certainty on exclusion spend.

The above approach would allow HMS to gradually build a strong sustainable contractors framework where smaller local suppliers are able to build on their experience and expertise with the support of the Council. We want to be in a position where the contractor's framework will have the capacity to take on all work delivered by the first tier contractors but we understand this will take some time. So, we will work with local contractors to help them develop and future proof the service.

The amendment to the previous Council decision is as follows:

ORIGINAL CABINET APPROVED PROPOSALS FOR HOUSING REFURBISHMENT WORKS FRAMEWORK

Lot	Title	Annual Value From	Annual Value To	Number of Works contractors on Framework
1	Major Works Refurbishment and Associated New Build	£ 5,000,000	£ 25,000,000	4-8
2	Minor Works	£ 250,000	£ 2,000,000	4-8
3	Voids Re-Servicing	£ 250,000	£ 2,500,000	3-6

4	Fire Safety Works	£ 250,000	£ 3,000,000	3-6
5	Adaptations	£ 100,000	£ 300,000	2-4
6	Energy Efficiency and Retrofit Works	£ 250,000	£ 2,500,000	3-6

PROPOSED AMENDMENT FOR THE HOUSING REFURBISHMENT WORKS FRAMEWORK

Major and Specialist Works Frameworks				
Lot	Title	Annual Value From	Annual Value To	Number of Works Contractors on Framework
1	Major Works Refurbishment and Planned Maintenance	£ 5,000,000	£ 25,000,000	4
2	Minor Works; Structural and Disrepair Work; Playgrounds; Builder's Work Incl Estate Works	£ 1,000,000	£ 4,200,000	4
3	Voids Re-Servicing	£ 500,000	£ 5,000,000	4
4	Fire Safety Works	£ 250,000	£ 3,000,000	4
5	Adaptations	£ 100,000	£ 300,000	2
6	Energy Efficiency and Retrofit Works	£ 250,000	£ 5,000,000	3
Responsive Repairs and Maintenance Works Frameworks				
Lot	Title	Annual Value From	Annual Value To	Number of Works Contractors on Framework
7	Multi-trade Repairs	£ 200,000	£ 600,000	4
8	Carpenter Work	£ 250,000	£ 500,000	4
9	Plumber Work	£ 250,000	£ 500,000	4
10	Domestic Electrical Work	£ 250,000	£ 500,000	4
11	Blacksmith and Metal Work	£ 100,000	£ 250,000	3
12	Painter and Decorator Work	£ 150,000	£ 400,000	3
13	Door and Window Work Incl Glazing Work	£ 300,000	£ 600,000	4
14	Roofing and Roughcasting Work	£ 200,000	£ 450,000	4
15	Plastering and Tiler Work	£ 100,000	£ 250,000	3
16	Scaffolding Work	£ 200,000	£ 500,000	3

- 4.5 The increase in lots for the Housing Refurbishment Works framework is to provide the supply chain for the responsive repairs and maintenance contract. This was not originally envisaged. Following consultation regarding the procurement, there is a wish to improve the operation of contractor's supply chain. It is considered that this proposal will help to ensure better buy-in and improved trading arrangements for the supply chain as the lead contractors will not seek ever increasing discounts from the supply chain.
- 4.6 The Council's new Works Framework will be operated under the following scenarios:

	Lots 1 to 16 above.
Scenario 1	Lead contractors call-off or undertake mini-competitions from these to procure their supply chains.
Scenario 1	Lead contractors' contract and engage directly with the Lot 1 to 16 contractors.
Scenario 2	Brent can also directly call-off or undertake mini-competitions from these to procure direct works contractors.
Scenario 2	Brent contracts and engages directly with the Lot 1 to 16 contractors. This is where Brent chooses not to put work through the lead contractors.
Framework Management	Brent framework manager oversees the operation of the framework and works contractor performance.

4.7 The original Cabinet decision approved a Housing Refurbishment Works Framework Agreement term of 4 years.

4.8 It is now proposed to extend the Framework term to 8 years for the following reasons:

- To support the requirement to use the Housing Refurbishment Works Framework list of contractors for the longer-term repairs, voids and planned maintenance contracts, which will be in place for 10 years. This will facilitate long term availability of the supply chain and facilitate continuity of service.
- To enable long-term working relationships to be formed and embedded.
- Recognition that the Housing Refurbishment Works supply chain has to invest significant time and funding in preparing their tender bids.
- The time taken to re-procure a works supply chain can take 2 years. To extend the originally contemplated term of the frameworks alleviates the Council and the supply chain from the frequent re-procurement costs and frees up valuable Council resources.

4.9 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service	<u>Housing Refurbishment Works Framework</u> A multi contractor framework with 16 Lots as listed in paragraph 4.4 above.

Ref.	Requirement	Response
		Use of the framework agreement for Housing Refurbishment Works will be available for use by Brent Council and contractors appointed under the new responsive repairs, voids and planned maintenance contracts.
(ii)	The estimated value.	<p>Housing Refurbishment Works – the estimated total annual values for works across all Lots on the framework will range between £9.1 million to £47.05 million per annum. £72.8 million to £376.4 million full term.</p> <p>These figures are indicative and subject to change based on available budgets and service demand.</p>
(iii)	The contract term.	The framework for services will remain a four-year term. The framework for works will be an eight-year term. However, services and works ordered before the expiry of the term of the framework may run past this period provided that the award of contract will be in accordance with the Public Contract Regulations 2015.
(iv)	The tender procedure to be adopted.	Restricted Procedure.
v)	The procurement timetable. Note that this applies to the procurement of the Works Framework only as the procurement of the technical services framework is underway.	See 4.10 below
(vi)	The evaluation criteria and process.	1. As a Restricted Procedure will be followed, all interested bidders will complete a Selection Questionnaire (SQ) which will be assessed to ensure bidders meet the Council's minimum requirements in respect of financial standing, technical capacity and technical expertise. The highest-ranking qualified bidders will then be invited to tender.

Ref.	Requirement	Response																																
		At tender evaluation stage, the panel will evaluate all of the tender lots for both frameworks against the following criteria: 40% Quality – delivery of the service/works, 10% Social Value and 50% Price.																																
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(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed Housing Refurbishment Works Framework. Financial Services and Legal Services have been consulted concerning this. By setting up framework agreements, this does not commit the Council to any level of expenditure at this stage.																																
(viii)	The Council's Best Value duties.	Full advertising in accordance with the Public Contracts Regulations 2015, Contracts Finder and on the London Tenders Portal and a robust tender evaluation process will be carried out in order to support the Council's best value duties.																																
(ix)	Consideration of Public Services	10% of the evaluation is included for Social Value benefits.																																

Ref.	Requirement	Response
	(Social Value) Act 2012	
(x)	Any staffing implications, including TUPE and pensions.	See section 8 below.
(xi)	The relevant financial, legal and other considerations.	See sections 6 and 7 below.
(xii)	Sustainability	Economic viability Environmental protection Social equity
(xiii)	Key Performance Indicators / Outcomes	Appropriate Key Performance Indicators / Outcomes will be included in the Contract.
(xiv)	London Living Wage	The Housing Refurbishment Works Framework will require appointed contractors to pay the London Living Wage.
(xv)	Contract Management	A contract manager will be appointed, and appropriate contract management provisions will be included in the Contract.

4.10 Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

Timetable

Activity	Start	Completion
Contractor engagement event	14/02/2024	14/02/2024
Cabinet Meeting to approve Proposal	11/03/2024	11/03/2024
S20 Notification of Intention Publish	12/03/2024	12/03/2024
S20 period ends	16/04/2024	16/04/2024
Consideration of S20 responses	17/04/2024	18/04/2024
Publish Contract Notice and Issue SQ	07/05/2024	07/05/2024
Submission Deadline	07/06/2024	07/06/2024
Evaluation/Clarification and Moderation meetings	10/06/2024	24/06/2024

Issue Invitation to Tender	01/07/2024	01/07/2024
Submission Deadline	07/08/2024	07/08/2024
Evaluation/Clarification and Moderation meetings	08/08/2024	29/08/2024
S20 Outcome consultation	02/09/2024	04/10/2024
Response consideration deadline	04/10/2024	18/10/2024
Conditional Award	14/11/2024	14/11/2024
Standstill	15/11/2024	02/12/2024
Unconditional Award	03/12/2024	13/12/2024
Contract Mobilisation Period	16/12/2024	28/02/2025
Contract Go Live	03/03/2025	03/03/2025

Options Appraisal

4.11 In order to deliver the initiatives referred to above it will be necessary for the Council to have access to a number of suitable contractors. Several procurement options are available. Due to the scale and value of the future works programme it will be advantageous to have access to a supply chain that is procured under thorough tender conditions. The preferred option should be relatively easy to administer whilst still providing ongoing competition from the supply chain and opportunities to make further cost, quality and service benefits. The procurement of new Council Housing Refurbishment Works framework agreements is the proposed option as outlined below.

5.0 Stakeholder and ward member consultation and engagement

5.1 A Notice of Intention to procure the Housing Refurbishment Works Framework will be sent to leaseholders prior to the commencement of the procurement process. A notice of Proposal will be issued prior to the award of the framework agreement. This will be a Long-Term Qualifying Agreement for the purposes of leaseholder consultation. Post framework award it is only necessary to issue a single Notice of Estimate when works or services are required.

5.2 The Cabinet Member for Housing, Homelessness & Renters' Security has been consulted.

6.0 Financial Considerations

6.1 The current estimated total annual value of contract for the works detailed in this report ranges between £6.1m to £35.3m. Proposed changes to contract value range between £9.1m to £47.05m, resulting in estimated overall increased budgetary requirements ranging between £3m to £11.75m per annum.

- 6.2 The Asset Management Strategy (AMS) and budget availability in the Housing Revenue Account (HRA) Business Plan are required to be closely aligned. Budget availability will be dependent upon revenue contributions from income received each year, which consists of rent increases and major works cost recovery through service charges. Any expenditure on major works programme above assumed baseline budgets could require mitigating cost reductions and additional borrowing to fund budget shortfalls in any particular year.
- 6.3 By setting up framework agreements, this does not commit the Council to any level of expenditure at this stage. Individual, direct framework call-offs and mini-competitions will continue to follow the standard Council's approval and governance processes.

7.0 Legal Considerations

- 7.1 The proposed estimate for the procurement of the two frameworks as set out in the report will be above the threshold for both works and also services as detailed in the Public Contracts Regulations 2015 ("PCR 2015").
- 7.2 The estimated values of the frameworks are such that they are classified as High Value Contracts under the Council's Contract Standing Orders. For High Value Contracts, the Cabinet must approve the pre-tender considerations set out in paragraph 4.9 above (Standing Order 89) and the inviting of tenders for the frameworks (Standing Order 88). Delegated authority to the Corporate Director, Residents Services, in consultation with the Lead Member for Housing, Homelessness & Renters Security is sought to appoint contractors and providers to the frameworks and therefore, once the tendering process is undertaken Officers will report back to the Corporate Director, Residents Services, explaining the process undertaken in tendering the frameworks and recommending appointment to the frameworks.
- 7.3 As this procurement to establish a framework agreement is subject to the full application of the PCR 2015, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the PCR 2015 before the frameworks can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However, if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the frameworks may commence.
- 7.4 Regulation 33 (3) of the PCR 2015 states that the term of a framework agreement shall not exceed 4 years, save in exceptional cases duly justified, in particular by the subject-matter of the framework agreement. The intention is for the Housing Refurbishment Works Framework Agreement to be for a period of 8 years. The exceptional reasons justifying the extended duration of the framework are set out in paragraph 4.9.

7.5 In procuring the frameworks, it will be necessary for the Council to carry out consultation pursuant to s20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002 as the frameworks will be classed as a Qualifying Long-Term Agreements. A two-stage consultation will be required with at least a 30-day consultation period for each stage. The Council has a duty to regard any observations, comments or responses arising from consultation with the leaseholders. If it is possible to draft the frameworks with sufficient detail, it may be possible to ensure that no further consultation is required save for consultation under Schedule 3 of the consultation legislation when the Council undertakes any qualifying works i.e., building works.

Public Services (Social Value) Act 2012

7.6 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Whilst these considerations don’t strictly apply to the framework for works, Officers will incorporate social value into the specification, award criteria and contract for these Frameworks to ensure that a contribution of 10% of the contract value delivered is made to Brent’s Social Value commitments.

8.0 Equality, Diversity & Inclusion (EDI) Considerations

8.1 The Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

8.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.3 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.

8.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

8.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

9.0 Climate Change and Environmental Considerations

9.1 To set out how the proposals impact on the Council's environmental objectives and climate emergency strategy. Sustainability KPI/Outcomes will be included as part of the tender process.

9.2 The Works Contractors will specify materials and products that will be sustainably sourced and that will provide increased energy efficiency in resident's homes.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 There are no direct implications for council staff arising from the tender.

11.0 Communication Considerations

11.1 None.

Related document(s) for reference:

Cabinet Report (12 October 2020) - [Authority to Tender for Framework Agreements for Housing Refurbishment Works & Technical Consultancy Services](#)

Cabinet (12 October 2020) - [Cabinet Decision List](#)

Report sign off:

Peter Gadsdon
Corporate Director, Resident Services