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|  Executive Wednesday 10 <sup>th</sup> June 2009   |   | <b>Agenda Item</b> |
| <b>Title</b>   | Major Works to Housing Revenue Account and General Fund properties Frame work agreements.                       |                    |
| <b>For further information about this report please contact</b>  | Tony White, Property Manager. Housing and Property Services. Tel: 01926 456047. anthony.white@warwick dc.gov.uk |                    |
| <b>Service Area</b>  | Housing and Property Services   |                    |
| <b>Wards of the District directly affected</b>   | ALL   |                    |
| <b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b> | No  |                    |
| <b>Date and meeting when issue was last considered and relevant minute number</b>  | n/a   |                    |
| <b>Background Papers</b>   | Code of Contract Practice.  |                    |

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|--|---------|
| <b>Contrary to the policy framework:</b>                                   | No      |
| <b>Contrary to the budgetary framework:</b>                                | No      |
| <b>Key Decision?</b>   | Yes     |
| <b>Included within the Forward Plan? (If yes include reference number)</b> | Yes 198 |

|  |             |                               |
|--|-------------|-------------------------------|
| <b>Officer/Councillor Approval</b>   |             |                               |
| With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s). |             |                               |
| <b>Officer Approval</b>  | <b>Date</b> | <b>Name</b>                   |
| Relevant Director  | 13/05/09    | Bill Hunt                     |
| Chief Executive  |             | Chris Elliott                 |
| CMT  | 13/05/09    |                               |
| Section 151 Officer  |             | Mike Snow                     |
| Legal  |             | Peter Oliver                  |
| Finance  |             | Sandra Jones/ Melanie Gillman |
| Portfolio Holder(s)  |             | Mrs Moira Ann Grainger        |
| <b>Consultation Undertaken</b>   |             |                               |
| Please insert details of any consultation undertaken with regard to this report.   |             |                               |
|  |             |                               |
| <b>Final Decision?</b>   |             | Yes                           |
| <b>Suggested next steps (if not final decision please set out below)</b>   |             |                               |
|  |             |                               |

## **1. SUMMARY**

- 1.1 The purpose of the report is to seek approval to commence the procurement of a range of framework agreements for Constructions Projects under £50,000 on both Housing Revenue Account (HRA) and the General Fund Account in line with the Code of Contract Practice.

## **2. RECOMMENDATION**

- 2.1 That the Executive approve the procurement of the separate framework agreements for following areas of work:
- Disabled adaptations.
  - Consultants (Architects, Quantity Surveyors, Structural Engineers, Mechanical & Electrical Engineers and Asbestos)
  - One off extension & alterations.
  - General repairs to Corporate Properties.
  - Asbestos removal.
  - External & Internal decorating.
  - Masonry repairs.
  - Re roofing.
  - Unblocking of drains.
  - Underpinning.
  - Graffiti Removal.
  - Electrical installations & Repairs.
  - Heating & Ventilation Engineers.
  - Black smith & Iron works.
  - Scaffolding & Access equipment.
  - Access equipment checking.
  - Rubbish removal.
- 2.2 That the Head of Housing & Property Services, in consultation with the Council's Procurement Manager is authorised to subsequently tender contracts within each framework agreement and accept the best tender for the works as per the Code of Contract Practice.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 The Council in the past, operated a select lists of Consultants & Contractors for types of works as listed in 2.1. This method of selecting Consultants & Contractors contravenes the Public Contracts Regulations 2006 in that there is not an advertised, open and transparent process for the selection of companies wishing to be included in the lists.
- 3.2 In line with the Councils new Code of Contract practice the areas of work detailed in 2.1 require to be set up to comply with the Public Contracts Regulations 2006. This is to ensure that the opportunities are advertised openly for all interested suppliers to have a fair chance for inclusion on the framework and hence have a better chance of getting ad-hoc work in the future.
- 3.3 By setting up Framework agreement this will enable the Head of Housing & Property Services to procure works quickly and efficiently to carry out the proposed planned and programme works on their Corporate and HRA properties.

- 3.4 It is proposed that Advertisements are placed in the Official Journal of the European Union (OJEU) for Contractors and Consultants that are interested in tendering for the above framework agreements. The basis of the framework would be that, subject to satisfactory performance against key contract performance indicators, the contracts would have an option of an annual extension up to a maximum of four years. After short listing to a maximum of six Contractors / Consultant in each framework area mini tenders would be sought for each area of work
- 3.5 The framework contracts will ensure contracts are compliant with the Public Contracts Regulations 2006. The Frameworks will contribute to efficiencies and cost savings and ensure that all future expenditure does not contravene EU threshold levels over a set period of time.
- 3.6 Cost savings and efficiencies will be achieved by:
- Ensuring that an element of competition remains for each piece of ad-hoc work required through the use of the frameworks. Works will be awarded on a 'most economically advantageous tender' (MEAT) basis.
  - Internal costs will be reduced by the ease of obtaining quotations within a small framework of approved contractors.
  - The avoidance of costly negotiations on contract terms - as contract terms are set out and agreed at the award of the framework.
  - The Council will have a number of good quality approved suppliers for each sector and so in times of need or emergency will have larger skill base to draw upon to fulfil the requirements.

#### **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 There are no other options available other than to commence a process to procure the proposed framework agreements to comply with the Councils Code of Contract Practice and the wider UK and EU legislation relating to procurement.

#### **5. BUDGETARY FRAMEWORK**

- 5.1 The staffing cost of setting up the framework agreements can be accommodated within the existing budgets. Using e-tendering these costs can be offset against the previous costs of 'competing'/tendering each piece of work as was the previous method.
- 5.2 All contracts will be monitored on a monthly basis as part of the Councils on going monitoring process.
- 5.3 Whilst the individual projects proposed under these framework agreements will cost under £50,000, the total value of these works over a four year period, mean that EU Procurement rules are applicable and must be complied with.

#### **6. POLICY FRAMEWORK**

- 6.1 The proposed procurement process will comply with the Code of Contract Practice and all relevant procurement legislation. Advice on the OJEU procurement will be sought from the Procurement Manager as appropriate.
- 6.2 The Procurement of these frameworks will support the key areas within the current Corporate Strategy: Leadership -to provide clear community leadership effective

management of resources whilst delivering an open and transparent manner service

- 6.3 The setting up of the frameworks are critical in ensuring that we maintain the Councils program of works on the HRA stock and to aid with ongoing Corporate Property planned maintenance program, supporting the Corporate Strategy target to Improve Housing services efficiency to meet the housing needs of the district.