

Appendix 3a
PROCUREMENT STAGE 1 – APPROVAL TO PROCEED TO TENDER

This form must be completed for all procurements above the tender threshold (£75,000 - Services and Supplies and £500,000 – Works)

If contract value is over Cabinet approval threshold (£750,000) this form shall be attached with the request to tender report to Cabinet. This form will be “Open” for Publication.

Section A: ABOUT THIS PROCUREMENT	
Title	Transforming Homes Refurbishment Works 2018-21
Directorate	Adults, Health and Housing
Procurement Reference Number	PS/2017/524 Transforming Homes Refurbishments 2018-21
Contract Cost (Maximum Spend)	£30M
Budget code(s)	HR
Introduction and Background	This is a re-procurement for the refurbishment element of the Transforming Homes Programme currently underway. The current programme is delivered by 2 contractors, Keepmoat and Wates and it is proposed that the Council reprocure 2 again, to ensure competitiveness on price and quality, and that back up is in place in case of significant failure in one
Proposed Contract Term	2 Years plus 1
Political Sensitivity	None – the programme has been approved at Cabinet and this proposal has been through Housing Scrutiny Committee in February 2017.

Section B: COMMISSIONING REPORT

Business Case	<p>The Housing Capital Programme provides a comprehensive internal and external refurbishment programme through Transforming Homes which commenced in 2013 and is currently part-way through its fourth year. The original programme timeframe aimed to upgrade all major internal facilities and carry out any required external works in 5 years to 2018/19, thereby raising all domestic Council assets to the new Thurrock standard. The programme brings significant improvements to the long term viability of the council housing assets and to the living conditions for our residents. It also ensures the Council fulfils its duty to provide warm homes with modern facilities.</p> <p>This procurement enables the programme to continue through the next three years.</p>
Key Deliverables (Draft Specification)	<p>High quality refurbishments within Thurrock Housing portfolio to above Decent Homes Standards Cost effective use of the HRA Social Value Outcomes</p>
Contractor Employment Status (use self-assessment tool: https://www.gov.uk/guidance/check-employment-status-for-tax or contact Procurement for further guidance)	N/A
Quality v Price evaluation	60:40 Quality:Price
Social Value	The Transforming Homes Programme has an excellent record of delivery against Social Value targets and this will continue with the new procurement.
Current / Previous Contract details	PS/2013/575d Refurbishment Works

FINANCIAL IMPLICATIONS

Current / Previous Contract Cost	Spend over Years 3-5 of the contract has been £XX.					
Cost Breakdown	Breakdown of Estimated Cost	16/17 £000's	17/18 £000's	18/19 £000's	Later £000's	Total £000's
	Total Spend	£	£	£	£	£
Confirm Funding Breakdown Identified	Revenue Budget	£	£	£	£	£
	Capital Budget	£	£	£	£	£
	Other (HRA)	£	£	£8-10M	£16-20M	Up to £30M
	Other (Please State)	£	£	£	£	£
	Total Funding	£	£	£10M	£20M	£30M
Budget Code(s)	H2000/H2200					
Unsupported borrowing?	N/A					

Other Financial Implications	None
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PROCUREMENT ROUTE ABOVE TENDER THRESHOLD (Choose 1(of A, B, C or D) only)	
A. COMPETITIVE PROCUREMENT (complete B if a Framework)	
Procurement Route	N/A
Procurement Justification	N/A
B. FRAMEWORK (Waiver in accordance with Rule 13.1 (c))	
Framework?	Is this a procurement from a Framework? Yes
Title & Reference of Framework	Fusion 21 – Whole House Framework Lot 1
Framework Rationale	This Framework is open to the Government-funded, not-for-profit organisations that provide affordable housing, including local authorities. It will enable Thurrock to carry out a mini competition with a shorter timescale and a limited number of contractors (including both the incumbents). Significant quality and price qualifications have already been made and therefore Thurrock’s competitive element can concentrate on the issues particularly relevant for the borough, including requirement for Social Value outcomes.
C. REQUEST FOR QUOTE FROM RESTRICTED MARKET (Waiver in accordance with Rule 13.1 (d))	
Restricted Market?	Is this a request for quotes from a restricted market? No
Rationale (only permitted below the EU threshold)	N/A
D. SINGLE SOURCE REASON (Waiver in accordance with Rule 13.1 (a, b or d))	
Single Source	Is this Procurement a Single Source – One Quote/Tender <i>(Exceptional circumstances only and select reason below)</i> No
Single Source justification below EU Threshold	<i>Select reason and explain your rationale</i> N/A
Single Source justification above EU Threshold	If you are seeking a single tender above the EU threshold – using the “Negotiated Procedure without Prior Publication” route, this is only available in very exceptional circumstances. You must select the reason below and explain your rationale. N/A
Single Source Rationale	N/A

PROCUREMENT TIMETABLE, RISK, CONSULTATION AND MANAGEMENT					
Milestones and target dates <i>(Draft)</i>	Key Event	Date			
	Publication of Contract Notice or Advert	21 August 2017			
	Return of PQQs (omit if not applicable)	N/A Mini Competition			
	Issue of Invitation to Tender	21 August 2017			
	Return of Tenders	02 October 2017			
	Notification of Results	06 November 2017			
	Standstill Period (omit if not applicable)	7-18 November 2017			
	Leaseholder Consultation (omit if not applicable)	June –July 2017 (Prior to exercise)			
	Expected date of Award	01 December 2017			
	Contract Commencement	01 June 2018			
Risk Management – Set out Main Risks and Mitigating Actions					
Risk	Likelihood (A – E)¹	Impact (I – IV)²	Level of Risk (High to Lower)³	Potential Negative Impact	Management / Mitigation of Risk
Tender Process Risks					
Timetable overrun	D	I	Lower	Gap in programme	Considerable time is in place for the procurement
Too many bidders	C	iii	Lower	Causes delay in procurement	Use of Mini competition shortens timetable
Enter Risk	L	I	Level	Impact	Mitigation
Contract Performance Management Risks					
Poor performance by contractors	C	I	Higher	Housing stock declines, customers dissatisfied	Use of framework has already significantly checked performance. Having 2 contractors enables 1 to take responsibility if other fails
Cost overspend	C	I	Higher	Unable to complete programme, HRA impact	Strong internal management responsive to changing budgets. Cost management by consultants to be appointed.
Enter Risk	L	I	Level	Impact	Mitigation
Contingency Arrangements	One contractor could take over from the other in case of significant or complete failure..				
Consultation	The proposal was discussed at Housing Scrutiny Committee on 2nd February. Leaseholders will be consulted after Cabinet approval and prior to procurement. A tenant representative will be included on the evaluation panel.				
Project and Contract Management Proposals	The project will be managed by the Housing Asset and Delivery Manager. A separate procurement will be run for a Cost Consultant to manage the payment and cost control elements whilst the contract is running.				

¹ **Risk Likelihood:** A = Very High, B = High, C = Significant, D = Low, E = Very Low

² **Risk Impact:** I = Critical, II = Significant, III = Marginal, IV = Negligible

³ **Risk Level:** High = AI, BI, All, BII, CI, CII, all others lower

Procurement Comments	This procurement will enable the Transforming Homes Programme to continue into the next phase. Use of the Fusion 21 Framework has been agreed as a cost effective option for reducing resources and timescale for the process and includes both of the current incumbents. The Corporate Procurement Manager will continue to support the project to its conclusion.
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Section C: LEGAL, FINANCE AND PROCUREMENT APPROVAL

Procurement Services	Name	Stefanie Seff, Corporate Procurement Manager
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.
Legal Services <i>(Insofar as it relates to Legal implications)</i>	Name	Name
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.
Finance <i>(Insofar as it relates to Finance implications)</i>	Name	Julie Curtis, HRA Accountant
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.

Section D: APPROVAL TO PROCEED VALUE

The Responsible Officer must sign the form, together with the Head of Service as a minimum. Delegated Authority Limits below.

Approval Level	Over £750,000 - Cabinet
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Section E: SIGN OFF APPROVAL TO PROCEED

Confirmation by the Responsible Officer of Compliance with Contract Procedure Rules	The Responsible Officer Sue Cardozo confirms that the procurement of Transforming Homes Refurbishments 2018-21 and PS/2017/524 has been carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been met by the Responsible Officer: <ul style="list-style-type: none"> • Compliance will occur with all regulatory or statutory provisions and the Council's decision making requirements • The Contract will be included on the Council's Contract Register • Value for Money will be achieved • Advice has or will be sought from the Director of Finance and Corporate governance as to an appropriate security bond or guarantee • Document Retention Policy has and will be complied with • Financial Evaluation will be made of all the proposed tenders including the recommended bidder • Advice has been and will be sought and followed from Procurement, Legal and Finance as necessary 	
	Signed	
	Date	Click here to enter a date.
Approval to Proceed	In accordance with the Contract Procedure Rules, I/we confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13	
Head of Service	Name	John Knight, Head of Housing
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.
Corporate Director <i>I confirm that the Portfolio Holder has been consulted as required</i>	Name	Click here to enter text.
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.
Director of Finance and IT <i>If waiver required</i>	Name	N/A
	Signed <i>(Or obtain email of confirmation)</i>	
	Date	Click here to enter a date.
Cabinet	Approval Minute Number	Enter minute reference
	Date	Click here to enter a date.
Now send complete form to Procurement Services signed and scanned (with emails if used)		