

Thurrock Council

Partnership Model

Market Engagement Brief

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1 Market Engagement Overview

1.1 Introduction to the Brief

- 1.1.1 In 2023/24 Thurrock Council (**Thurrock**) plans to run a procurement exercise, comprised of two Lots, in accordance with the Public Contracts Regulations 2015 (as amended). Following the completion of the procurement exercise, Thurrock intends to appoint two new roles to enter into a Partnership Model (**Model**) for the provision of all property services to the Council and its tenants:
- a) A contractor (the **Delivery Partner**) to carry out and complete all works and services required to maintain Thurrock's housing stock and select corporate properties, including responsive repairs, void refurbishment works, disrepair, planned and capital, cyclical maintenance and all other compliance services (the **Works Programme**); and
 - b) A service provider (the **Management Partner**) to manage all aspects of Thurrock's housing service including the ordering of works and services in respect of the delivery of the Works Programme.
- 1.1.2 The procurement of the Delivery Partner and the Management Partner are anticipated to be carried out as Lots under a single procurement following the Competitive Dialogue procedure to ensure the Model operates as intended, with coherence and without duplication.
- 1.1.3 Thurrock aims to award the contracts to the successful Delivery Partner and Management Partner in September 2024, with the mobilisation of the Works Programme over a five-month period to a programme start date of 1st March 2025.
- 1.1.4 The core strategic objective of the Model will be to provide good quality services in the maintenance of the Thurrock housing stock and corporate property, in the most efficient and cost competitive manner, with full assurance of a duty of care provided by a suitably qualified and experienced contractor and service provider.

1.2 About the Market Engagement Exercise

- 1.2.1 In preparation for the procurement process, Thurrock wishes to run a market engagement exercise (the **Market Engagement**) to engage with providers in the marketplace that have delivered the role as a Management Partner and/or Delivery Partner across a similar range of services, at a similar or greater scale.
- 1.2.2 The purpose of this Market Engagement is to assist Thurrock and its advisers in confirming the ability of the market to meet Thurrock's requirements with evidentially skilled and experienced providers in line with the Model, and to ensure the Model is capable of generating sufficient interest to properly run a competitive tendering process. The Market Engagement is also intended to inform the structure of the procurement exercise and clarify key aspects of the proposed Model, including the roles and responsibilities of the Management Partner and the Delivery Partner.
- 1.2.3 Two Prior Information Notices were issued on 19th July 2023 via Lumenso's Merzell portal, with organisations now required to register their interest to partake in the Market Engagement process.

- 1.2.4 Your organisation has expressed an interest in participating in the Market Engagement and is invited to respond to this brief to confirm your intention to participate and request your call slot. Responses are to be sent via the messaging function within the Merccell portal no later than **12:00:00 hours on Tuesday 01st August 2023**. On confirming your intention to participate you will be invited to a Market Engagement call, over MS Teams, currently intended to be held **w/c 7th August 2023**.
- 1.2.5 This Market Engagement will be conducted in accordance with the Public Contracts Regulations 2015. Thurrock are keen for participants in this exercise (each a **Participant**) to assist in shaping the procurement to be successful and deliver value. For the avoidance of doubt, any response to this document will only be for the purpose of allowing Thurrock to shape the eventual procurement. Participants' responses will be received verbally, through calls held on MS Teams. Whilst written responses will not be requested, Participants can send relevant case-studies and other relevant corporate information but should not submit any generic marketing material.
- 1.2.6 Thurrock will not use any information given to them in this process in evaluating the Selection Questionnaire (SQ) or further tender submissions at any stage of the procurement process. No Participant may cross-refer to any statement or qualification made as part of their response to this Market Engagement without raising it explicitly as part of any subsequent SQ or tender submission for the contract.
- 1.2.7 Thurrock offer thanks to Participants who are able to commit the time and resource to assist them through this process.

1.3 Introduction to Thurrock

- 1.3.1 Thurrock are a local authority in the South-East of England, maintaining circa 10,000 homes that are a mixture of tenures including general needs, sheltered and extra-care housing, leasehold, shared ownership and key worker properties.
- 1.3.2 The strategic context within which Thurrock operates is as follows:
- Thurrock are under government intervention which will result in commercial pressures for the foreseeable future
 - Due to government intervention, there is a reduced appetite for risk and a reduced capacity to invest
 - Thurrock want to be a small organisation going forward and are entering a period of change
 - There is a requirement for resident verification of repairs quality
 - The level of Thurrock's borrowing needs to be reduced, inclusive of HRA borrowing
 - Thurrock must secure assurance through the outsourcing of activities, where providers are obliged to deliver compliance in respect of current and changing housing regulation and legislation.

1.4 Thurrock's Objectives

- 1.4.1 Thurrock are pursuing a range of objectives, many of which are intended to be realised through the procurements and the provision of the Works Programme.

- 1.4.2 Thurrock's intention to become a smaller organisation means increasing the level of outsourcing within the Model for the provision of its maintenance services. In this case Thurrock's employees would transfer to:
- a) The **Delivery Partner**: a contractor who will carry out and complete all works and services comprising the Works Programme under a bespoke form of term contract (the **Term Contract**); and
 - b) The **Management Partner**: a service provider appointed by Thurrock under a bespoke form of consultant appointment (the **Management Appointment**) who provides the functions of "Client" in respect of Thurrock's housing stock currently being undertaken by Thurrock (including, without limitation, managing the Delivery Partner's delivery of the Term Programme under the Term Contract).
- 1.4.3 In order to contribute to reducing Thurrock's borrowing needs within the scope of the Works Programme being procured:
- a) Efficiencies are intended to be generated through the development of a new model that results in savings realised both through the procurement and over the term of the contract
 - b) Investment is intended to be focused on maintaining the compliance and condition of existing homes
 - c) Preventative maintenance is intended to result in a reduction to repairs demand and cost (linking responsive costs to planned investment requirements)
 - d) Efficiencies and funding are intended to be realised in the improvement of homes, such as addressing Thurrock's net zero carbon objectives
 - e) Thurrock's corporate estate is intended to be leveraged to provide colocation of employees, realising property cost related savings through the procurement.
- 1.4.4 The intention is for the new Model to enable the improvement of the customer journey for tenants. Through the provision of the call centre and all works by a single Delivery Partner, all barriers to the benefits of technology and a single customer experience should be removed. Thurrock anticipate a greater use of technology for digital customer access to services.
- 1.4.5 Operational delivery is to be carbon neutral by 2030. This will mean investment and commitment from the supply chain, which is expected to centre on solutions for a carbon efficient fleet.

1.5 The Delivery Partner

- 1.5.1 The Delivery Partner is expected to be a contractor experienced in providing a full range of maintenance services that include repairs, void refurbishment, cyclical maintenance and compliance services, and planned refurbishment works that include kitchen, bathroom, heating, roof, window and door replacements.
- 1.5.2 The Delivery Partner and Thurrock will enter into the Term Contract (in the form of a TAC-1 Term Alliance Contract, as amended) under which the Delivery Partner will take responsibility for the delivery of the Works Programme in accordance with Thurrock's specified requirements.
- 1.5.3 It is possible that employees of maintenance contractors currently appointed by Thurrock, and some Thurrock staff, may be entitled to transfer their employment to the Delivery Partner, though this will be confirmed by Thurrock and its legal advisers during the procurement exercise.

1.6 The Management Partner

- 1.6.1 The Management Partner is expected to be an organisation experienced in providing outsourcing solutions for the provision of a "Client" function to manage Thurrock's housing service.
- 1.6.2 The Management Partner and Thurrock will enter into the Management Appointment with a comprehensive services schedule setting out the "Client" roles expected to be undertaken on Thurrock's behalf, and with an appropriate duty of care given the nature and complexity of the management services.
- 1.6.3 It is anticipated that the Management Partner will undertake the contractual obligations of Client on Thurrock's behalf in the Term Contract (though Thurrock will be formally named as Client in the Term Contract). It is also anticipated that the Management Partner will undertake the "Alliance Manager" role in the Term Contract (similar to the "employer's agent" role in the JCT contract suite) and will be responsible for issuing works/services orders, approving payments to the Delivery Partner, assessing extension of time requests, certifying completion of the works/services and chairing Core Group meetings.
- 1.6.4 The requirements however go beyond that of a typical consultancy organisation, whereby the service provision is expected to include the management of stock data, development of the capital programme and the production of both corporate reporting and performance reporting in respect of the Works Programme. Prospective bidders would need to be able to both demonstrate relevant capability and experience, but also be comfortable with the scope, nature and legal and commercial implications of the role.
- 1.6.5 It is anticipated that a number of Thurrock employees who currently undertake "Client" functions in respect of Thurrock's current suite of maintenance contracts will be entitled to transfer their employment to the Management Partner, where those "Client" duties previously carried out by those employees will now be carried out by the Management Partner. This is expected to include surveying, contract management, inspections and management of the complaints process. This will be confirmed by Thurrock and its legal advisers during the procurement process.

1.7 The Procurement Exercise

- 1.7.1 Thurrock will utilise the Competitive Dialogue Procedure for the procurement in accordance with the Public Contracts Regulations 2015.

1.7.2 Thurrock intend to work to the following indicative timetable (these dates are subject to change at Thurrock's discretion).

Activity	Date
Market Engagement	July – August 2023
Contract Notice	14 th December 2023
Selection Questionnaire (SQ)	14 th December 2023 – 25 th January 2024
Request for Core Proposals (RCP)	21 st February 2024 – 27 th March 2024
Competitive Dialogue Sessions	6 th May 2024 – 5 th June 2024
Request for Final Tenders (RFT)	2 nd July 2024 – 6 th August 2024
Award and Standstill	13 th September 2024 – 26 th September 2024
Mobilisation	October 2024 – February 2025
Maintenance Contract Start Date	01 st March 2025

1.8 Purpose of the Market Engagement

1.8.1 Thurrock are looking to engage with willing Participants in preparation for the new procurement exercise, specifically to answer a number of questions:

- a) Does the Model stand a good chance of success in addressing Thurrock's objectives; and/or are there opportunities to adapt the Model or the procurement process to achieve this?
- b) Are there any necessary changes to the allocation of roles and responsibilities to ensure the Model operates successfully and delivers on the objectives?
- c) What are the main opportunities and risks under the Model, and how can these be addressed through the specification and/or any amendments to the Model?
- d) Are Thurrock correct in their identification of efficiency savings opportunities through the Model, including the scale of the potential saving?
- e) What are Participants' views on the likely appetite, ability and experience of providers to bid for and take on the roles of the Management Partner and Delivery Partner under the Model?
- f) What are Participants' views in relation to solutions for compliance with the Building Safety Act and High Risk Buildings under the model (i.e "who does what")?
- g) What are Participants' views and proposals on how Thurrock's existing specialist works contracts that extend beyond the start date of the contracts are managed under the model?

1.8.2 The MS Teams calls with Participants during the market engagement will be for the purpose of seeking responses to the above questions.

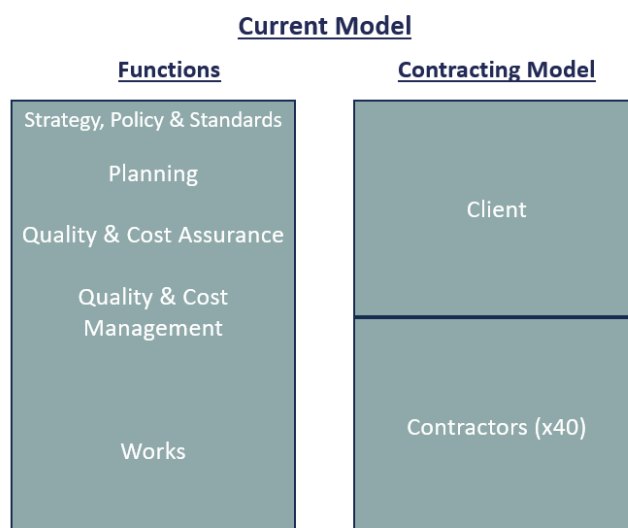
2 The Partnership Model

2.1 Current Maintenance Works Programme and the Model

- 2.1.1 The Works Programme is anticipated to comprise all the repairs, compliance and planned investment works and services to the Thurrock housing stock (and designated corporate properties).
- 2.1.2 In 2014, Thurrock entered into a contract with Mears to provide repairs and voids services, and the call centre. This contract comes to an end on 28th February 2025, aligning with the timetable for the new procurement exercise.
- 2.1.3 In 2021, Thurrock entered into a capital works contract with Wates. This contract ends in June 2024, but may be able to be extended to also align with the procurements.
- 2.1.4 At this stage, it is also anticipated that the provision of gas servicing, repair and replacement works will be aligned with the procurement to join the service on 1st March 2025.
- 2.1.5 Thurrock have circa 30 contracts in total, that are within the scope of the procurements, specifically relating to the works anticipated to be provided by the Delivery Partner (subject to some of those works not repeating in the future, for example in the case of one-off projects). Thurrock intend for these contracts to either be terminated to align with the procurement of the Delivery Partner, or for a solution to be found for how they are managed under the model where they extend beyond the start date of the contracts. This is relevant for a number of often small and specialist works contracts in particular.

2.2 Proposed Model

- 2.2.1 Thurrock’s existing delivery and contract models are traditional maintenance contracts, noting that the incumbent repairs and voids contractor also provides the call centre.
- 2.2.2 The current delivery model is demonstrated in the following diagram, for the purpose of then demonstrating why Thurrock intend for the new Model to be different:



2.3 Budgets for Works Programme

- 2.3.1 Thurrock estimate the following budget sums applicable to the Works Programme that are anticipated to fall in scope of the procurements:
- a) Responsive repairs, planned maintenance and compliance - £11.5m per annum
 - b) Major works including decarbonisation and fire safety - £13m per annum.
- 2.3.2 It is anticipated that the term for both contracts will be 20 years, comprised of an initial 10-year period (with a break option after 5 years), with two five-year extensions available.

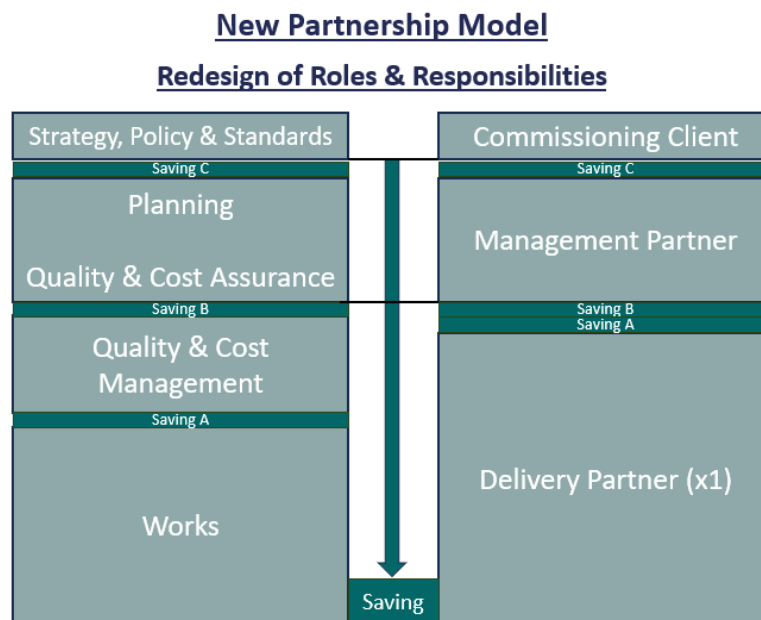
2.4 Transferring Employees

- 2.4.1 The current staff cost for those employees that are expected transfer to either the Management Partner or the Delivery Partner is c.£2.5m per annum.
- 2.4.2 At this stage, Thurrock are unable to fully define which of those roles will transfer to the Delivery Partner and which will transfer to the Management Partner.

2.5 Efficiency Savings

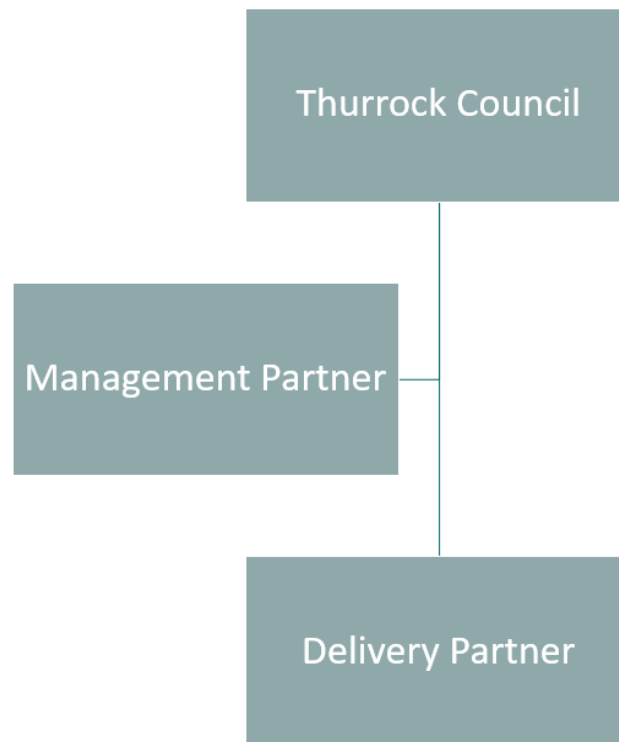
- 2.5.1 Thurrock are targeting efficiency savings as a product of the anticipated efficiency benefits of a new Model. These savings underpin the business case for outsourcing Model as set out in this document. The business case is underpinned by an anticipated saving of c.£1.7m.
- 2.5.2 Thurrock have identified opportunities to realise the efficiency potential of the Model that include the following, to be leveraged through redesign, designing from “the ground” up:
- a) How it instructs the Works Programme, and how that work is be delivered
 - b) How it requires quality and cost to be managed
 - c) Leveraging the capability, skills and experience of the Management Partner.
- 2.5.3 Thurrock anticipates the following efficiency led savings under the proposed Model:
- a) Integration savings within the Delivery Partner’s management and preliminaries, leveraged through moving to a single team to deliver the full Works Programme. It should be noted that this relies on **how the Works Programme is delivered**; whereby the Delivery Partner self-delivers a very large proportion of the Works Programme, and contracts directly with specialist subcontractors who themselves self-deliver the Works Programme that the Delivery Partner is not able to
 - b) Reductions in overhead and profit (scale and duplication). It is anticipated that central overhead charges to the Term Contract and profit requirements as a percentage can be lower, as a function of the scale of the Term Programme
 - c) Reductions in contract management costs, whereby the Management Partner would manage the Term Programme via one Term Contract with a single Delivery Partner (as opposed to Thurrock currently contracting through 30+ different contracts with 30+ different contractors).

- 2.5.4 Thurrock will require **quality and cost to be managed** principally by the Delivery Partner. Thurrock intends that this step can unlock savings through removing duplication between a traditional Client and contractor team. The Management Partner will be required to continue to provide quality and cost assurance through audit and control activities, principally on a sample basis.
- 2.5.5 Thurrock are to adopt the role of a commissioning Client within the new Model. Thurrock will retain a very small team, focusing on matters that include strategy, policy and setting service standards. The extent of Thurrock's ongoing involvement as "Client" will be set out in further detail in the procurement exercise. Day to day management and responsibility for the Works Programme will sit with the Management Partner, with Thurrock providing oversight, standards and policy, and necessary approvals.
- 2.5.6 The remainder of the Client function, with roles and responsibilities that include planning (such as developing the capital programme), data management, quality and cost assurance and contract managing the Term Contract will be the responsibility of the Management Partner.
- 2.5.7 Thurrock foresee that this step can unlock savings through procuring a Management Partner that can deliver the roles and responsibilities, previously delivered by itself, more efficiently. This relies on the **capability, skills and experience of a third-party Management Partner** to deliver that role more economically, leveraging the efficiency led savings opportunity.
- 2.5.8 The new Model is described in the following diagram, playing out how the Model is different and where savings a, b and c (as set out in 2.5.3) come from:



2.6 Contract Structure

2.6.1 The diagram below describes the proposed contractual structure under the new Model:



2.6.2 Under the proposed contractual structure:

- a) Thurrock would enter into the Term Contract with the Delivery Partner. The Management Partner is expected to undertake most of the contractual functions of "Client" on Thurrock's behalf. It is also anticipated that the Management Partner will become a party to the contract in the role of "Alliance Manager"
- b) Thurrock would also enter into the Management Appointment with the Management Partner, with a list of "Client" services that the Management Partner will be responsible for providing on Thurrock's behalf
- c) Roles, responsibilities and corresponding requirements and obligations would be set out in the Contract to align with the Model as redesigned
- d) Both the Term Contract and the Management Contract are intended to be for a term of up to 20 years, providing the opportunity for solutions and investment capable of enabling the achievement of Thurrock's objectives, whilst also safeguarding Thurrock's interests
- e) Safeguards are anticipated to include suitable break provisions and KPIs that have a link to termination provisions on the basis of poor performance in order to protect Thurrock's interests and suitably incentivise the sustained achievement of those objectives over time.

2.7 Roles and Responsibilities in More Operational Detail

- 2.7.1 The Model is intended to be purpose built to address the Thurrock's objectives by enabling solutions within the detail of how the maintenance service is operated. Those savings must be unlocked through how the Works Programme is resourced, quality and cost managed and assured, and a single Term Contract with the Delivery Partner is managed.
- 2.7.2 Thurrock are the landlord, and are anticipated to retain the legal role of Client dutyholder for the purposes of the Building Safety Act. Thurrock are also anticipated to be the Principal Accountable Person in respect of any Higher-Risk Buildings included in the Works Programme, though this will be clarified by Thurrock and their legal advisers during the procurement. Retained duties will include (but not be limited to) statutory reporting and to cabinet, policy and setting service standards.
- 2.7.3 It is anticipated that the vast majority of "Client" roles and responsibilities in the provision of Thurrock's services will transfer to the Management Partner, leaving a very small team at Thurrock that adopts the role of a commissioning Client. This is expected to be limited to two key posts, aligning with Thurrock's objective to become a small Client.
- 2.7.4 Thurrock intend for the Management Partner to order and manage the Term Contract with the Delivery Partner on their behalf.
- 2.7.5 Thurrock intend for the Management Partner to develop the capital programme, cyclical works programmes and landlord compliance programmes to meet the requirements of legislation, improve condition and reduce the ongoing costs of maintenance, in partnership with the Delivery Partner. Legislative requirements include gas, fire, water, asbestos compliance, decent homes and HHSRS.
- 2.7.6 Thurrock intend to provide for flexibility for other services to be added into the Term Programme. This may include, for example, caretaking services.
- 2.7.7 Thurrock intend for the Delivery Partner to self-deliver as much work as possible, with KPIs in place to incentivise this. Thurrock anticipate self-delivery (i.e. by directly employed operatives) to be greater than 90% for repairs, voids, compliance and other cyclical works, all where continuity and relative consistency of volumes exist.
- 2.7.8 Thurrock intend for the Model to eliminate duplication of effort between the role of the Delivery Partner and the current role of Thurrock as a Client. Thurrock intend to build certain roles and responsibilities (e.g. approvals, quality inspections, investigating complaints etc) into the scope of the Works Programme carried out by the Delivery Partner; with the Management Partner providing assurance on a sample basis.
- 2.7.9 Thurrock intend for the Model to unlock the ability of the Delivery Partner to provide a single solution for the management of complex cases, mitigating risks that include complex repairs taking too long to diagnose, specify and complete, high volumes of complaints as a product of poor case management, and evolving disrepair cases.

- 2.7.10 Thurrock see the potential opportunity to realise savings in surveying and supervision through an integrated professional team. However, Thurrock see a greater risk through the de-skilling of the surveying team, a failure to recognise the differing skills sets between a surveyor and a supervisor, and a “slippery slope” toward a team with insufficient capacity, skill and competence. Thurrock will want to capitalise on the efficiency and service benefits of a single team, delivering a single process, with advanced technology solutions, with a single workforce and supply chain to deliver the Works Programme.
- 2.7.11 Thurrock recognise that the majority of capital works programmes are not self-delivered by current providers, and may not provide forward visibility, continuity and/or the scale necessary for efficient self-delivery. The expectation is for the service provision to, in essence, comprise both the procurement and management of subcontractors to the Delivery Partner, for the delivery of capital works programmes. Thurrock would expect that contracts with subcontractors will prescribe the self-delivery of the majority of the work, to minimise contracting layers and prevent unnecessary duplication of preliminaries, overheads and profit.
- 2.7.12 The long term nature of the Term Contract and the Management Appointment and the potential for evolving Council strategy, housing regulation and legislation is expected to mean that the arrangement will need to adapt over time. This will be catered for through a robust change control mechanism under the contracts. That same change control mechanism will also facilitate Thurrock’s ability to vary the service specifications, including roles and responsibilities, as necessary and over time in the evolution of the Model, in line with what is permissible under the Public Contracts Regulations 2015 and successor procurement legislation.

2.8 Employment and Colocation

- 2.8.1 It is anticipated that TUPE will apply under both procurements. Thurrock are in the process of creating an indicative split of personnel, based on the assignment of roles and responsibilities to each of the Management Partner and Delivery Partner. To preserve the transfer of employment and mitigate any assignment related risks Thurrock are exploring the opportunities to dictate a TUPE transfer under the contracts, subject to legal advice.
- 2.8.2 It is anticipated that the Model will unlock both the Management Partner’s and the Delivery Partner’s ability to invest in the skills and careers of the people who transfer, provide more jobs for local people, bringing new people into the industry whatever their age or experience. A primary objective is to self-deliver more, providing continuity of employment, the right terms and conditions of employment and better investment in training and development for more people.
- 2.8.3 It is anticipated that a hybrid working approach would be adopted, with a complimentary solution for colocation. It is anticipated that Thurrock’s offices can provide the opportunity for the colocation of employees of Thurrock, the Management Partner and the Delivery Partner. It is anticipated that this can generate savings for Thurrock, in line with its objective, passed back through contract prices. Previously the sum cost for property from the 30+ contractors is anticipated to have been greater in the absence of colocation.
- 2.8.4 It is anticipated that the Model may provide opportunities for joint employment of certain roles. The purpose would be to underpin the success of the Model by engendering a culture where organisations work together in partnership to deliver shared objectives. It is equally recognised that any joint employment opportunity would need to satisfy a requirement for clarity of roles, responsibilities and good governance.

2.9 IT, Data and the Customer Experience

- 2.9.1 It is anticipated that Thurrock would provide its housing management system, currently NEC Housing provided by Northgate, for use by the Management Partner and Delivery Partner in the provision of the services.
- 2.9.2 The Management Partner and Delivery Partner would be obligated to ensure that Northgate is fully integrated with the Delivery Partner's work management systems, and that data in Northgate is fully populated and kept up to date. This would include stock data, cost data, progress information and certification.
- 2.9.3 The intention is for the Delivery Partner to be fully empowered to improve the customer journey for tenants. Through the provision of the call centre and full Works Programme, all barriers to the benefits of technology and a single customer experience should be removed. Thurrock anticipate a greater use of technology for digital customer access to services.
- 2.9.4 In addition, Thurrock intend for its objective to realise savings in IT costs to be made possible by IT cost efficiencies realised by the Delivery Partner operating a single system across all works to be passed back to Thurrock through contract prices.
- 2.9.5 It will be important to understand the market's capability and experience in realising these objectives.

2.10 Net Zero Carbon

- 2.10.1 Thurrock intend that the Model extends well into the term of addressing the net zero carbon agenda. Thurrock wish to better understand what relevant opportunities exist to contribute to an objective to reduce the carbon impact from the services that will be core to the contracts.
- 2.10.2 Thurrock anticipate that through a single Delivery Partner, the ability to address its carbon reduction targets in operations can be accelerated. For example, removing duplication in mobile activities and introducing a carbon efficient fleet in what is a tight geographical area of operation, through a consistent approach across the Works Programme would be opportune. This is intended to generate a material contribution toward achieving Thurrock's objective for operational delivery to be carbon neutral by 2030.
- 2.10.3 Thurrock also wish to explore the opportunity to leverage the role and capabilities of both the Management Partner and Delivery Partner in accessing funding opportunities for retrofit works. This is as well as exploiting how the Management Partner and Delivery Partner can best work together, with clarity of roles and responsibilities, in delivering net zero carbon for the housing stock.

2.11 Price Model, Incentives and Intended Benefits: Delivery Partner

- 2.11.1 Thurrock intend for as much of the repairs, voids, compliance and other cyclical work as possible to be delivered under fixed prices. The intended benefit is to maximise cost certainty and minimise the effort and cost associated with managing approvals to complete out of scope work.

- 2.11.2 Thurrock intend to provide forward visibility of capital works budgets during the procurement of the Term Contract. Thurrock intend for the cost of the delivery of capital works, by subcontractors, as procured by the Delivery Partner, to be recovered on an actual cost basis. The Price Model would require the pricing of preliminaries, overheads and profit by the Delivery Partner, associated with the management of works delivered by subcontractors across the full capital programme, of an indicative scale and scope and as a percentage of the capital programme value.
- 2.11.3 Thurrock intend for the Delivery Partner to be incentivised to deliver as much work as possible within the budget envelope. This is intended to provide the opportunity for the Delivery Partner to reduce cost and risk in repairs and voids through reductions in demand. I.e. the lower the costs and higher the quality of the works, the more effective that work can be in reducing the ongoing volume of repairs.
- 2.11.4 Thurrock are considering allocating a proportion of the revenue and capital budget to be utilised by the Delivery Partner for preventative maintenance works. Business cases would be presented to the Management Partner, by the Delivery Partner, setting out the data and/or inspection led evidence to support that investment. This might include, for example:
- a) Proactive reduction of damp and mould to reduce related risk to tenants and associated future costs of treatment
 - b) Other proactive measures that reduce the volume and cost of repairs, such as gutter clearance
 - c) Element replacements arising from repairs that mitigate future repair costs to a failing element.
- 2.11.5 Thurrock anticipate that cost risk mitigation for the Delivery Partner in demand sensitive services, such as repairs and voids, will be limited only to the following in order for the Model to be effective in realising the objectives:
- a) A value cap in repairs, e.g. £1,500 per repair as valued on the Schedule of Rates
 - b) Schedule of Rates price for communal repairs, rechargeable to leaseholders
 - c) A price per void
 - d) A minimum level of capital investment
 - e) A minimum budget allocation to preventative maintenance, with spend being subject to approval by the Management Partner of business cases from the Delivery Partner.
- 2.11.6 For the avoidance of doubt Thurrock do not intend for the introduction of a volume adjustment model applicable to the Price Per Property to account for variations in repairs volumes. Thurrock wish to incentivise effective preventative maintenance and increases in repairs volumes can be linked to a poor repairs service, such as repeat repairs, duplicates and poor choices in materials specification.
- 2.11.7 What Thurrock do anticipate, is adopting a price model that complements the achievement of its financial objectives. This is anticipated to mean a price model whereby:
- a) Profit paid has a link to incentivised KPIs that measure the achievement of Thurrock's objectives
 - b) An open book cost model where future savings are shared, generated in partnership.

- 2.11.8 It is important to recognise that the Term Contract cannot survive if Thurrock's objectives are not realised. To provide for this, Thurrock anticipate both a link between KPI performance and termination provisions, and regular break provisions over the contract term (i.e. extensions of a five yearly basis).

3 In Conclusion

- 3.1.1 Thurrock are proposing a new Model that redesigns how it provides its maintenance services for the purpose of delivering its objectives. The new Model is underpinned by the assignment of roles and responsibilities, and operational / commercial terms and solutions that are intended to promote the realisation of a more efficient service.
- 3.1.2 The Model should not only be capable of realising cost savings. The anticipated efficiencies and opportunities are intended to improve the quality of services it provides and the level of investment in its homes, both of which make a positive difference to tenants.
- 3.1.3 Thurrock are conducting this market engagement to test the proposed Model, and whether it stands a good chance of success in addressing Thurrock's objectives; identifying any opportunities to adapt the Model or the procurement procedure to achieve this. This includes a need for feedback on the appetite, ability and experience of organisations to take on the roles of the Management Partner and Delivery Partner.
- 3.1.4 Thurrock look forward to engaging with Participants, and offer thanks in advance to those who are able to commit valuable time and resources to the process.

