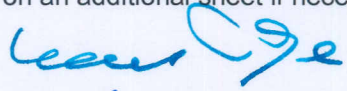
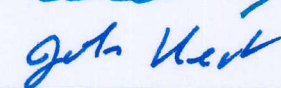


## ED2. EXECUTIVE DECISIONS BY A CABINET MEMBER OR AN OFFICER

<b>A. Report Title: Procurement of Decent Home Improvement and Painting Contracts</b>	
<b>B. Report Author(s): Les Clark</b>	<b>Tel: ext 2967</b> <b>E-mail:</b> <b>ltclark@thurrock.gov.uk</b>
<b>C. Decision Maker: Accountable Director following reporting back to the Portfolio Holder</b>	
<b>D. Position held: Director of Community Wellbeing</b>	
<b>E. Key decision: YES</b>	<b>F. Delegation ref:</b> Executive decision made by Cllr Hague on 28 March 2010 as recorded on an ED2 form and recommendation 1.2 of Procurement of Decent Home Improvement and Painting Contracts on the accompanying report dated 15 March 2010
<b>G. Is the decision urgent? NO</b>	
<b>H. If yes, state why.</b>	

<b>I. DECISION (strike out whichever does not apply) :</b>	
1. I agree the recommendations in the attached report for the reasons given in the report; <b>OR</b>	
2. *My decision is:	
*The reason for my decision is:	
* Continue overleaf or on an additional sheet if necessary.	
<b>Signed: Lorna Payne :</b> 	<b>Date: 24/19/2010</b>
<b>Cllr Kent :</b> 	<b>Date: 24/19/2010</b>

### URGENCY

Democratic Services will arrange for the completion of the following:	
<b>J. I confirm that in my opinion a decision on this matter is urgent and cannot reasonably be delayed:</b>	
<b>Signed:</b>	<b>Date:</b>

*To be completed by Democratic Services*

<b>Date decision received by Dem. Services:</b>	<b>Date decision published:</b>
<b>Implementation date:</b>	
<b>Relevant O &amp; S Committee:</b>	

## ED2. EXECUTIVE DECISIONS BY A CABINET MEMBER OR AN OFFICER

<b>A. Report Title:</b> Procurement of Decent Homes Improvement and Painting Contracts	
<b>B. Report Author(s):</b> Les Clark	<b>Tel:</b> Ext 2967 <b>E-mail:</b> ltclark@thurrock.gov.uk
<b>C. Decision Maker:</b> Cllr Garry Hague	
<b>D. Position held:</b> Leader of the Council	
<b>E. Key decision:</b> YES	<b>F. Delegation ref:</b> Chapter 3, Part 4 cl 3,2(b) and 6)
<b>G. Is the decision urgent?</b> Yes	
<b>H. If yes, state why. The procurement of these framework arrangements needs to be progressed urgently as the existing contracts have/or are soon due to expire. These contracts are needed in order to ensure we are able to meet decent homes targets and achieve capital expenditure requirements, and it is therefore urgent that these are put in place as soon as possible.</b>	

<b>I. DECISION (strike out whichever does not apply) :</b>	
1. I agree the recommendations in the attached report for the reasons given in the report; <b>OR</b>	
2. *My decision is:	
*The reason for my decision is:	
* Continue overleaf or on an additional sheet if necessary.	
<b>Signed:</b> Cllr. G. Hague	<b>Date:</b> 28/3/2010

### URGENCY

Democratic Services will arrange for the completion of the following:	
<b>J. I confirm that in my opinion a decision on this matter is urgent and cannot reasonably be delayed:</b>	
<b>Signed:</b>	<b>Date:</b>

*To be completed by Democratic Services*

<b>Date decision received by Dem. Services:</b>	<b>Date decision published:</b>
<b>Implementation date:</b>	
<b>Relevant O &amp; S Committee:</b>	

<b>15 March 2010</b>		<b>ITEM</b>
<b>Cabinet</b>		
<b>Procurement of Decent Home Improvement and Painting Contracts</b>		
Portfolio Holder: Cllr Tunde Ojetola		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes	
Accountable Head of Service: Maureen McEleney, Interim Head of Housing		
Accountable Director: Lorna Payne, Director Community Wellbeing		
This report is Public		
Purpose of Report: To seek approval from Cabinet to proceed with the tendering of the Decent Home Improvement and Painting framework agreements		

### **EXECUTIVE SUMMARY**

The following two framework agreements are now due for renewal:

- Decent Home Improvement
- Internal & External Painting

The current call off contract for Decent Home improvement work expires on 28 May 2010. The final call off contract for internal and external painting expired on 1 January 2010.

New frameworks will provide the basis for the award of future refurbishment and planned maintenance contracts to enable the Council to effectively maintain the housing stock, meet Decent Home obligations and provide other refurbishment works.

A competitive procurement process evaluated on both quality and price will provide opportunities for improving quality and value for money.

The Framework Agreements allow the Council the flexibility to enter into specific contracts with the selected contractors under the Framework, without undergoing separate, lengthy and expensive procurement exercises for each contract.

The total value of contracts that may be drawn down or called off under the proposed Decent Homes Framework Agreement is estimated at a maximum of £4-5million over the 4 year period, although it should be noted that under the terms of the framework agreement, the Council retains flexibility in this regard and is not contractually bound to enter into contracts, to that value or at all.

The same is the case for the proposed Internal & External Painting Framework Agreement - the total value of contracts that may be drawn down or called off under the Internal & External Painting Framework Agreement is estimated at a maximum of £4-5million over the 4 year period

## **1. RECOMMENDATIONS:**

- 1.1 That Cabinet approves the invitation of tenders in accordance with EU procurement procedures for two Framework Agreements, being the Decent Homes Framework Agreement and the Internal & External Painting Framework Agreement, each for a term of four years.
- 1.2 That following a selection procedure compliant with the EU procurement regulations, the subsequent decision to enter into the Framework Agreements be delegated to the Accountable Director reporting back to the Portfolio Holder, such report to detail the selection procedure results, and compliance with the EU procurement regulations.

## **2. INTRODUCTION AND BACKGROUND:**

- 2.1 A framework agreement is a term contract between the Council and one or more suppliers, setting out a structure that allows individual 'call off' contracts to be formed which relate to a particular item of work.
- 2.2 Potential advantages are:
  - Reduction in tendering costs
  - Reduction in construction costs and fees, due to economies of scale
  - Increasing efficiency as parties build long business relationships
- 2.3 The Council has spent up to £4m on kitchen & bathroom refurbishments in 2009/10 in order to meet our Decent Home obligations. The backlog of Decent Homes work has now been completed, and in the future this work will address newly arising need, and is therefore likely to continue to a value of approximately £1m each year.

The Council currently spends approximately £1.3m each year maintaining the housing stock through its seven year cyclical maintenance programme of external repairs and painting. The Council also paints internal communal areas on a seven year cyclical programme and also provides an assisted internal decoration service to Council tenants who are registered disabled and/or over government retirement age. Tenants' who qualify for the assisted scheme are able to have their home decorated once every 7 years or have one room of their choice decorated each year.

- 2.4 The framework agreement does not guarantee any minimum quantity or value of work during the agreement period but ‘call off’ contracts can be let periodically under the umbrella of the Framework Agreements allowing them to be tailored to better suit the needs of the Council at that time ensuring flexibility whilst maintaining value for money in future years.
- 2.6 The Framework Agreements will include provisions to enable contracts to be awarded for works other than Housing projects such as refurbishment and decoration of Education and public buildings providing further flexibility and value for money to other Council Services where such works are needed.
- 2.7 New four year contractual relationships and improved specifications are aimed at encouraging collaborative and innovative working practices which will improve customer satisfaction and help reduce costs.

**3. ISSUES AND/OR OPTIONS:**

- 3.1 It is proposed that the Framework Agreements each be for a maximum length of four years, as this is a requirement under EU Regulations.
- 3.2 Both agreements, due to their potential value over the four year term, are subject to EU procurement legislation. The first stage of this process has been completed up to evaluation of Pre Qualification Questionnaires.
- 3.3 Following Cabinet approval it will be possible for the selected bidders to be invited to tender. The procurement programme is as follows:

<b>Action</b>	<b>Number of Days</b>	<b>Cumulative Number of Days</b>
Invitation to Tender [ITT]	40	40
Tender Evaluation	Up to 20	60
Cabinet Decision	5	65
Standstill Period	10	<b>75</b>

- 3.4 Existing service providers may be subject to Transfer of Undertakings (Protection of Employment) Regulations 2006. Details are included within the tender documentation.

**4. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 4.1 This report has not been considered by the Overview and Scrutiny

Committee.

- 4.2 The framework agreement allows for further consultation with all stakeholders prior to the award of any future contract under the agreement. This will include the required statutory consultation and involvement of tenants in the procurement process under the new duties set out by the Tenants Service Authority (TSA) to involve tenants. Part of this involvement with tenants will include the agreement of an enhanced Decent Homes standard. In addition statutory leaseholder consultation will also be required.

## 5. **IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 5.1 The formation of these Framework Agreements will enable the Council to continue to meet its Decent Homes and planned maintenance obligations.

## 6. **IMPLICATIONS**

### 6.1 **Financial**

Implications verified by: Michael Jones  
Telephone and email: 01375 652772

There are no direct financial implications associated with the report at this stage. However, once the frameworks are in place, financial implications will arise as the Capital programme is assembled, from the overall budget allocation of £5,819 million.

The framework will aim to achieve value for money in the delivery of the HRA Capital programme.

### 6.2 *Legal*

Implications verified by: Daniel Toohey  
Telephone and email: 01375652782

The procurement of the Framework Agreements will need to be conducted in compliance with the EU requirements set out in the Public Contracts Regulations 2006.

In order to ensure that existing Leaseholders provide contributions for repairs, consultation must also be carried out in compliance with Section 20 of the Landlord and Tenant Act 1985, as amended by the Commonhold and Leasehold Reform Act 2002.

It is a requirement of the Public Contracts Regulations 2006 that Framework

Agreements be for a maximum of four (4) years.

Legal Services are advised by the report author that the existing Framework Agreements for Decent Home Improvement and Internal & External Painting expire in May 2010 and January 2010 respectively. Contracts will not be able to be called off under those previous Framework Agreements once those previous Framework Agreements expire.

Legal Services and Procurement Services are available to provide ongoing advice and assistance in relation to the procurement process to ensure compliance.

Rule 8.6 of the Council's Constitution permits the setting up of a project specific scheme of delegation for the procurement of frameworks at the beginning of the commissioning process to ensure timely approvals at key stages.

### 6.3 **Diversity and Equality**

Implications verified by: Samson DeAlyn  
 Telephone and email: 01375 652472  
 Sdealyn@thurrock.gov.uk

There are no direct diversity implications arising from this report. Although Cabinet should note that where a public authority has a contract with a private company to carry out its functions, the public authority remains responsible for meeting the general equality duties that apply to those functions. It is possible to review and address any future issues during the award of 'call off' contracts under the framework agreements.

### 6.4 Other implications

### 7.0 CONCLUSIONS:

**The procurement approach set out in this report will enable the Council to continue to meet its Decent Homes and planned maintenance obligations with additional scope to undertake works to other Council buildings whilst ensuring flexibility and value for money.**

### **BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- Contract documents: Contact Officer: Nicholas Harrison  
 Tel. 01375652018

### **APPENDICES TO THIS REPORT:**

- Not applicable.

**Report Author Contact Details:**

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**E-mail:** [ltclark@thurrock.gov.uk](mailto:ltclark@thurrock.gov.uk)