

5 March 2024	ITEM: 7
Housing Overview and Scrutiny Committee	
Update on Procurement of Strategic Delivery Partner for Housing Works	
Wards and communities affected: All	Key Decision: No
Report of: Mohammed Saheed Ullah – Housing Repairs and Planned Maintenance Manager, Assets Repairs & Compliance	
Accountable Assistant Director: Ewelina Sorbjan, Assistant Director of Housing and Development	
Accountable Director: Ian Wake, Executive Director of Adults, Housing and Health	
This report is Public	
Version: Final	

Executive Summary

On 8th November 2023 Cabinet approved the procurement of a single Delivery Partner to consolidate all housing works contracts through a Partnership Delivery Model. This in turn enabled the publication of the formal Contract Notice on the Government Tenders portal on Friday 15th December.

An update report to Housing Overview and Scrutiny Committee and Cabinet was provided in January 2024 addressing details of the Contract Notice, the term and potential monetary value of the contract. A further update report was provided to Cabinet on 15th February 2024 which provided details of the feedback from the market engagement exercise and the subsequent evolution of the Partnering Model.

Following the issuing of the corrigendum and the Tender Briefing detailed in the February update report to Cabinet the timeline for the submission of the selection questionnaire was restarted with the new deadline for submission being Fri 23rd February.

Cabinet is requested to note that the Council received five submissions for the Selection Questionnaire from the market. The evaluation of the submissions will conclude on 7th March. The bidders shortlisted to proceed to the next stage of the process will be invited to Submit Outline Solutions (ISOS) on 20th March. The deadline for these submissions is 24th April.

Monthly updates to Cabinet on this procurement exercise will continue. Other than the update provided in the Executive Summary the contents of this report remain the same as the February update report to Cabinet.

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

Commissioner Comment:

n/a

1. Recommendation(s)

1.1 Members are requested to note on the contents of this report.

2. Introduction and Background

- 2.1 On Friday 12th January 2024 a briefing session was held with interested bidders on the tender documents released with the Selection Questionnaire issued on 12th December 2023. The briefing session was in keeping with the procurement protocols for this type of competitive dialogue process. At the briefing session a number of issues were raised by the prospective bidders.
- 2.2 The issuing of the Selection Questionnaire on 15th December generated significant interest from the market with over 30 expressions of interest. This in turn stimulated several issues and clarification queries from prospective bidders.
- 2.3. Section 3 provides further detail as to the issues raised from this briefing session with the prospective bidders and the response from Thurrock.

3. Issues, Options and Analysis of Options

- 3.1 Following the issuing of the Selection Questionnaire on 15th December 2023 prospective bidders were afforded the opportunity to highlight and discuss any issues directly with Thurrock at a briefing session on 12th January 2024. Six prospective bidders accepted this opportunity to attend the briefing session. This briefing session was an opportunity for open and transparent engagement with the market early in the procurement process to address any issues in a timely and constructive manner.
- 3.2 The key issues raised by the prospective bidders on the Partnership Model were in the main on the risk profile and apportionment, Thurrock's clienting capacity; contract governance structures to support the partnership model particularly around the parameters of the allocated revenue and capital budgets; Pensions and TUPE implications. The full list of queries is below:
- Some of the bidders raised questions on the financial model and the revenue and capital expenditure splits and how this would meet current and future service demands.
 - There were queries on the capital budget and the level of capital investment required on Thurrock's stock over the contract term given Thurrock's restricted borrowing capacity and whether the capital budget would be sufficient to meet the investment requirements.
 - There was a query whether the level of capital budget was sufficient to meet compliance requirements and the increasing regulation of social housing.
 - There were queries over the risk profile and if the current risk apportionment was proportionate and reflected current and future market conditions.

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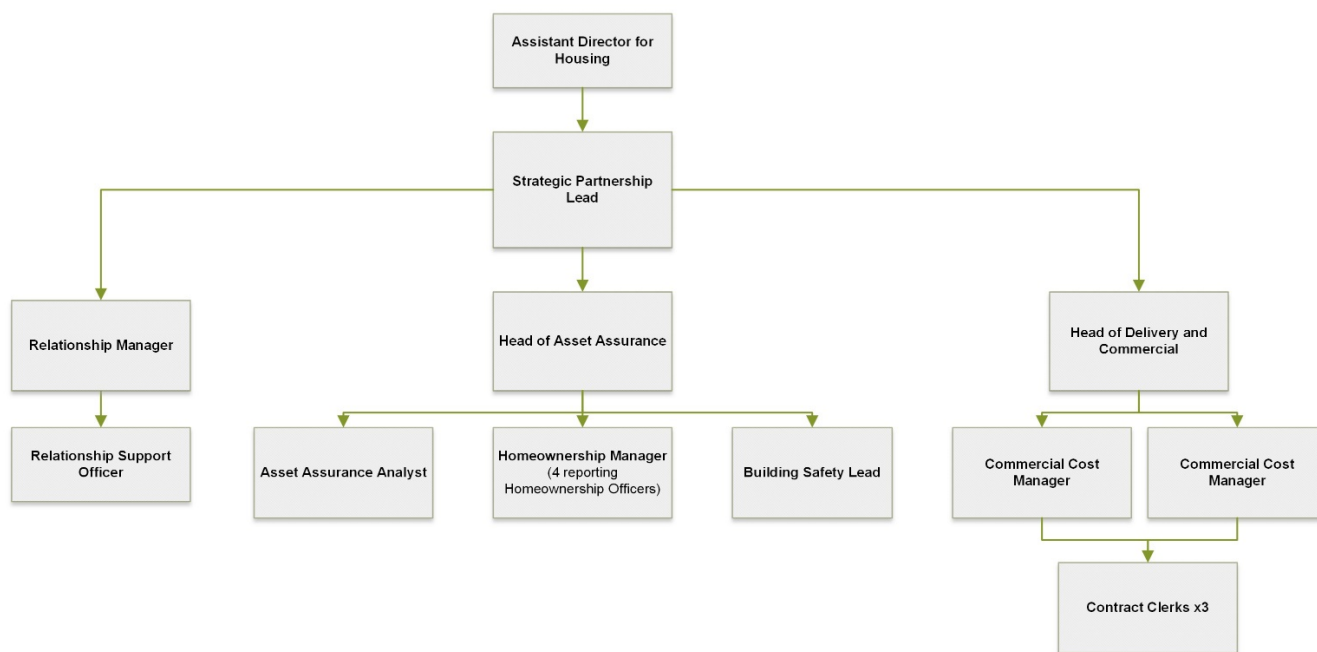
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- There were queries on the financial model and how profit calculations were directly linked to KPI and delivery performance.
 - The risk profile and projected profit calculations was something that would have to be approved at the relevant governance boards by shareholders of the bidders and who may adopt a more cautious assessment of this bidding opportunity.
 - There was some discussion on the anticipated efficiencies to be generated through the model.
 - There were queries on the pensions and TUPE implications for the eventual Delivery Partner.
 - There were queries regarding the level of support from the Thurrock housing team post contract award particularly with regards to asset management and investment planning.
 - Timescales for bidding was an issue for the bidders.
- 3.3 The Assistant Director and the Thurrock housing team agreed to address the issues raised in these discussions in a Tender Briefing note in order to facilitate and preserve the level of interest from prospective bidders to the next stage of the procurement process.
- 3.4 Thurrock formally issued the Tender Briefing note on the Find a Tender portal on Friday 19th January with a corrigendum stating the following:
- Following the briefing on Friday 12th January Thurrock are issuing a Tender Briefing Note to further clarify their intention and ambition with this Tender. This has included some changes to the information previously published. Therefore, Thurrock are also restarting the Tender Period for the Selection Questionnaire stage from today, the new deadline will be 23rd February 2024.*
- 3.5 As a follow up to this tender briefing note an invitation to a second briefing session has been issued on the Find a Tender portal which will take place on Wednesday 31st January. This invitation will be open to not only those prospective bidders who attended the first briefing session but also open to any new prospective bidders. The restarting of the Selection Questionnaire period is in line the Public Contracts Regulations procurement process and has been endorsed by Thurrock's legal advisors.
- 3.6 At the briefing session on 31st January Thurrock will present comprehensive data in relation to existing compliance performance of the HRA estate. This performance data will be shared on the Find a Tender portal and is intended to allow prospective bidders to have greater comfort and understanding of performance levels of the HRA estate in relation to:
- a) Repairs
 - b) Voids
 - c) Regulatory Compliance
 - d) Damp and mould
 - e) Disrepair.
- 3.7 Prospective bidders at the briefing session of 12th January raised a query as to Thurrock's capacity to support the new partnership and contractual arrangements. The Tender Briefing note sets out Thurrock's intention to resource a sufficiently sized client team with the relevant experience and expertise to support the partnership in delivering successful outcomes and Thurrock's ongoing landlord responsibilities.

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- 3.8 Included below is a structure chart which sets out Thurrock’s anticipated structure, for the management of the Contract, engagement with the Provider and the delivery of responsibilities to be undertaken by Thurrock. High-level role descriptions have been included in the tender briefing note to give further clarity to the prospective bidders.
- 3.9 This proposed client team structure builds upon the staffing structure presented to Cabinet in the report on 8th November 2023 by adding two new positions (Building Safety Lead and an additional Commercial Cost manager) to boost the capacity of the Thurrock team in meeting its responsibilities.



- 3.10 With the new deadline for the submission of the Selection Questionnaires from prospective bidders moving from 25th January to 23rd February, all other procurement gateways and timeframes have been amended accordingly **except** the selection of a preferred bidder, notification letter, Standstill Period, Mobilisation Period and Go Live date. These dates remain as per the original procurement timetable.

Table: Indicative Procurement Timetable	
Activity	Indicative date or period
FTS Contract Notice sent for publication	14/12/2023
SQ deadline for Applicant clarification questions	17:00 16/02/2024
SQ submission deadline	12:00 23/02/2024
SQ Evaluation Period	26/02/2024 – 07/03/2024
SQ Notification letters issued	19/03/2024
Invitation to Submit Outline Solutions Issued	20/03/2024
ISOS Bidders Briefing	Indicative 02/04/2024

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Deadline for Bidder ISOS clarification questions	17:00 17/04/2024
ISOS submission deadline	12:00 24/04/2024
ISOS Evaluation Period	25/04/2024 – 03/05/2024
ISOS Notification letters issued	17/05/2024
Competitive Dialogue Period	27/05/2024 – 14/06/2024
Invitation to Submit Detailed Solutions	01/07/2024
Deadline for Bidder ISDS clarification questions	17:00 26/07/2024
ISDS Submission Date	12:00 06/08/2024
ISDS Notification letters issued	13/09/2024
Standstill Period	16/09/2024 – 26/09/2024
Mobilisation Period	30/09/2024 – 28/02/2025
Contract Go Live	28/02/2025

4. Reasons for Recommendation

- 4.1 This report is an update to Cabinet and there are no fundamental changes to the initial Cabinet decision from 8th November 2023.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The Lead Portfolio Holder for Housing, Housing Overview & Scrutiny Committee and the Working Group made up of members from Housing O&S have been kept abreast of developments from the outset of this procurement and continue to be engaged with regular meetings and briefings. Working Group meetings have been aligned to coincide with key gateways of the procurement process. The next session of the Working Group is on 15th February.
- 5.2 A resident engagement strategy and stakeholder matrix is being developed for this procurement. Residents will be integrated into the process of engagement and evaluation post competitive dialogue. The development of communications that will give residents information about this opportunity has begun.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The recommendations within this report align with the strategic theme of the Improvement and Recovery Plan to be a focussed, cost-effective, sustainable organisation, with a co-designed approach to service provision which is delivered in partnership with residents and other key partners, with collaboration across multi-disciplinary teams

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7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Assistant Director - Strategic and Corporate Finance

The reports provides an update on the Procurement process for a Strategic Delivery Partner for Housing Works.

There are no changes to the financial implications provided for the Cabinet report of 8 November 2023, which detailed the proposal.

As the procurement exercise develops, the financial implications pertaining to future reports will be updated accordingly.

7.2 Legal

Implications verified by: **Kevin Molloy**
Principal Solicitor

As this is an update report the legal implications remain as reported to Cabinet for this procurement in November 2023.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**
Community Development Team

As this is an update report the legal implications remain as reported to Cabinet for this procurement in November 2023.

All information regarding Community Equality Impact Assessments can be found here:
<https://intranet.thurrock.gov.uk/services/diversity-and-equality/ceia/>

7.4 Risks

A risk register for this procurement exercise has been compiled and been regularly reviewed and updated. Officers from Corporate Risk and Insurance Team are sighted on this.

7.5 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

NA

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8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

Report Author:

Ewelina Sorbjan - Assistant Director of Housing and Development, Adults, Housing & Health.

Mohammed Saheed Ullah – Housing Repairs and Planned Maintenance Manager, Assets Repairs & Compliance.

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