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Service

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Report of: Laraine Manley, Executive Director of Place
Report to: Cllr Paul Wood
Date of Decision: 18th December 2020
Subject: Procurement of a Composite Entrance Door, Fire Rated Internal Doors and uPVC Windows and Doors Supply Contract to support the Repairs and Maintenance Service in the Place Portfolio

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Neighbourhoods and Community Safety</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Safer and Stronger Communities Scrutiny and Policy Development Committee</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>EIA672 approved via email 17th June 2020.</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- <i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

The purpose of this report is to seek authority to procure the contracts for the supply of fire rated Internal doors, standard Composite doors and uPVC windows and doors to support the Housing and Corporate Repairs and Maintenance Services in line with the contents of this report.

Recommendations:

It is recommended that Cabinet:

1. Approves the tendering of the doors, internal fire doors and windows supply contracts via a new Council framework following a tender exercise as outlined in this report. This will include ongoing provision for the supply of doors and windows for the Repairs and Maintenance service to maintain our Housing stock including the refurbishment of void and acquisitions properties.
2. Delegates authority to the Executive Director of Place, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to:
 - a. decide the award of the new contracts to the successful suppliers chosen by the Council following the procurement;
 - b. take all other decisions necessary in order to meet the aims, objectives and outcomes of this report which are not already covered by existing delegations in the Leaders Scheme of Delegation.

Background Papers:

N/A

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Chloe Parker
	Legal: Gemma Day
	Equalities: Adele Robinson
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	

2	EMT member who approved submission:	<i>Laraine Manley</i>
3	Cabinet Member consulted:	<i>Councillor Paul Wood</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Mark Freeth	Job Title: <i>Head of Repairs and Maintenance Service</i>
	Date: 10th November 2020	

1. PROPOSAL

This report will detail the proposal to re procure composite doors, internal fire doors and windows supplies contracts on behalf of Sheffield City Council for use in the main by the Housing Repairs and Maintenance Service. The Corporate Repairs and Maintenance Service may also occasionally use the contract that is arranged. Given the anticipated value of new four-year contract arrangements we are required by Law and under our own Contracts Standing Orders to procure this supply chain in a fully compliant manner. Full details of the routes to market that have been considered are detailed below.

1.1 Background

The Council successfully insourced its Housing Repairs and Maintenance (HRM) and Corporate Repairs and Maintenance (CRM) Service's on 1st April 2017.

Prior to the insourcing the Project team established a number of OJEU compliant contracts with a range of both suppliers and contractors prior to 1st April 2017 to cover much of the external spend for the service. However, the broad nature of the activities undertaken necessitated that additional specialist companies subsequently had to be commissioned at short notice to support ongoing service delivery. The provision of all doors and windows is one such commission and is not currently covered by any formal framework arrangement.

Under the Decent Homes Programme and in consultation with tenants a number of styles of doors and windows were market tested, evaluated, selected and subsequently specified by the Housing Service Asset Team. Tenants have a choice of styles and colours of entrance doors to enable them to personalise their homes in addition to the access to products which can demonstrate safety and durability.

These products have been installed and maintained by the HRM service latterly and under Kier over many years. Continued availability of the selected products and styles is critical to delivering an efficient and effective repairs and maintenance service for our tenants with some of these products currently installed in over 38,000 social properties across the city.

For consistency of standards, styles and safety features, ongoing repairs and maintenance and the supply chain logistics required to support the service it is key we continue to procure these specified products and maintain the quality throughout the Housing and Corporate asset.

Where suppliers and manufacturers amend or update specifications these are reviewed by the Housing Client, Tenants representatives and Repairs and Maintenance service to ensure continued product quality, availability and best value in addition to appraising the financial impact of wider specification changes, usually on an as and when basis. Changes to the certification and testing of Fire Doors post Grenfell have been incorporated into our specification to ensure we procure products to the highest safety standards.

Doors are currently supplied by Permadoor and the Windows by Wrekin Windows, Fire Doors to the agreed fire safety and style specifications are procured via Michael Pepper Joinery and Sentry Doors.

The service will survey, supply and fit all the Internal Fire Doors required for fire safety compliance and certification reasons in addition to supply and fit of a small proportion of standard Composite Doors and uPVC widows and doors for responsive service delivery reasons.

The service has elected to diversify this supply chain and will subcontract a % of the survey, supply and fit of routine standard Composite doors, External Fire Doors, Timber and uPVC doors and window replacements, new arrangements will be scoped and approvals to procure this service will be sought separately.

1.2 **Contract values**

The current contract value is :

- a. Doors including internal Fire Door Sets circa £186K per Annum – based on a small number of Composite Doors and the full annual requirements for internal Fire Doors.
- b. uPVC Windows £6k per Annum – based on service electing to sub -contract the majority of this element.

The forecast spend, based on letting a four year Framework, for these supply lines combined is circa £768K and therefore requires the appropriate Individual Cabinet Member approval to approach the market and procure.

With spend over £150K under the Councils Standing Orders a full tender is required, for spend in excess of £190K we are legally bound to tender under the Public Contracts Regulations (PCR) 2015. As our forecast 4 year spend is in excess of these levels, we are required by law to compete this opportunity. The exceptions to this would be either a Direct Award or further competition under a fully PCR compliant Framework where the legal requirements of PCR 2015 have already been satisfied.

1.3 **Proposal**

The Repairs & Maintenance service is undergoing a period of transition following insourcing and all supply chain arrangements initially put in place for the insource are due to either expire or require a full Commercial review because of specification changes or lack of sustained and timely availability from the manufacturers. In the case of the Doors and Windows supply chain we have both changes to specifications and some protracted lead times from the current suppliers.

This report is to seek approval for procuring the ongoing provision of internal fire doors, composite doors and windows with evaluation criteria which will include testing stock availability and critical lead times to ensure we improve service delivery for our tenants. Procuring these contracts will help the Council to maintain our Housing stock including the refurbishment of void and acquisitions properties.

The Procurement Strategy explored our best value options via a full OJEU tender route, direct award or mini competition under an existing OJEU compliant framework. We have identified a number of OJEU compliant frameworks – Procurement for Housing (PfH), Procurement Hub and LHC which have all been developed with the Social Landlord and the ongoing maintenance provision in mind.

All the Framework providers are not for profit procurement consortium established to serve the construction procurement needs of the social housing landlord community, understanding the needs of the maintenance clients.

All the identified Frameworks are compliant the Procurement Regulations and Directives (OJEU). This means as potential Clients we would not have to openly advertise the opportunity or follow the full procedural rules.

Whilst there are a number of Frameworks which cover this supply chain we have been supported for a number of years by suppliers who are not currently available via a Framework, as this is the case the option that will allow bids from these suppliers is by running a fully OJEU compliant tender against our own specification, with our own service delivery

requirements and Terms and Conditions.

The recommendation is therefore to compete this procurement via a fully OJEU compliant Sheffield City Council tender therefore offering an open opportunity for all potential bidders.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The Corporate Plan sets the Council's direction, priorities and common goals. This proposal specifically support the priorities around:

- An in touch organization
- Strong Economy
- Thriving neighbourhoods and communities
- Better health and wellbeing
- Tackling inequalities

2.2 This procurement will enable the Council to engage with the market to ensure that the standards and products for HRM demonstrate best value and are also compliant with Legal and Corporate requirements for the Council, and the industry.

2.3 The procurement opportunity will enable suppliers both local and national to trade with the Council and will contribute to keeping the local economy strong. Local Economic Impact will be assessed as part of the total Social Value offering in line with the Councils award winning Ethical Procurement Policy.

2.4 By providing the best value, quality products for the benefit of our Council tenants we are contributing to both thriving neighbourhoods and communities and better health and wellbeing as properties are improved and maintained to the decent home's standards.

2.5 The HRM provision is available to all tenants and all tenants are treated equally in respect of access to services including maintenance and improvement works across the social housing asset.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 No external consultation is required or has taken place as the proposed procurement is for the supply of goods to support the internal HRM service provision. External consultation has taken place in the past with tenants representatives (TARA's) to determine best value products under the Decent Homes Programmes.

3.2 This report has been jointly developed in consultation with relevant stakeholders in the HRM, Housing Service, Legal Services and Financial & Commercial Services.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An EIA has been completed and approved – reference 672.

4.2 Financial and Commercial Implications

4.2.1 The Housing Repairs Service is a general funded service which provides services to the Housing Revenue Account (HRA), and as such any changes in spend levels would be borne by the HRA.

4.2.2 As set out in paragraph 1.1, a revised framework is estimated to be:

- in the region of £192K per annum across Composite Doors and Fire Doors for day to day tenants repairs and upgrades to voids and acquisition properties; and
- £6K per annum on a small volume of uPVC windows for day to day tenants repairs and upgrades to void and acquisition properties – the majority of this work and routine Composite doors is envisaged to go via third party contractors and the spend reported here accounts for this.

4.2.3 The proposed new Frameworks will be for 4 years (2 years with an option to extend for a further 2 years).

4.2.4 The Council has a duty to ensure that all of its procurement is based on value for money principles, achieving the optimum mix of quality and effectiveness for the least outlay. In addition to this duty and the overarching EU Treaty Principles relating to transparency and equality of treatment, the value of the services in scope is above the OJEU threshold and so requires a number of specific procedural steps to be followed.

In undertaking an OJEU compliant tender process the Council will ensure compliance with the necessary legal and regulatory provisions relating to procurement, whilst encouraging innovation and competition from the market and allowing the Council to choose the optimum solution for our specified products based on a balance of quality and price.

The contracts will not provide any guarantees in relation to volumes or a value committed to supplies over the course of the arrangement, and so provides flexibility for the Council to carry out ongoing reviews of its needs and amend its requirements as required.

4.2.5 Sheffield City Council is committed to ensuring a high standard of

ethical practice across our supply chain.

4.2.6 The Council expects all internal staff, partners and suppliers to work to these augmented standards which assure we will:

- Trade with those who comply with an Ethical Code of Conduct
- Exclude suppliers committing acts of Grave Misconduct
- Improve Social Outcomes for the citizens of Sheffield
- Increase the power of procurement and its local economic impact.

4.3 Legal Implications

4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

4.3.2 The Council has a responsibility under the Council tenancy conditions to carry out certain repair and maintenance work. This procurement and any contracts that are awarded will enable the Council to meet these obligations.

4.3.3 The proposed procurement outlined in this report has a value in excess of the threshold for contracts for services in accordance with the Public Contracts Regulations 2015, therefore the procurement and contract award processes to be followed will be subject to those Public Contracts Regulations.

4.3.4

The procurement process and any contract awards must also be undertaken in accordance with all relevant provisions of the Council’s Constitution including its Contracts Standing Orders.

4.3.5 Successful suppliers chosen by the Council following a compliant procurement process will be required to enter into formal written legal contracts with the Council.

4.4 Other Implications

4.4.1 No further implications as a result of this procurement.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Alternative Option 1 – Do not procure.

If the Council did not carry out this procurement then the Repairs and Maintenance Service would not be able to maintain the Council's Housing and Corporate Stock fully.

We are bound by PCR 2015 and Council Governance to conduct a procurement where the level of financial spend indicates this, alternatives around the route to market will be options appraised, considered and benchmarked and fully documented in the Procurement Strategy.

5.2 Alternative Option 2 – Extend the contract with the current supplier.

There is no current formal supply arrangement in place that could be extended.

5.3 Alternative Option 3 – Direct award or further competition under a PCR compliant Framework.

The available Frameworks have been assessed for suitability for this supply arrangement, the current supply chain would be precluded from this opportunity if we utilised this route, on that basis and in the spirit of conducting our commercial activities in a fair, open and transparent manner this route has been discounted on this occasion with preference given to a fully inclusive open tender.

There is a an opportunity to diversify this supply chain attracting bids from all size companies and offer internal services a flexible potentially more local supply chain with multi supplier lots – to cover all eventualities in light of the current Covid 19 and Brexit pressures on markets and supply chains.

6. REASONS FOR RECOMMENDATIONS

6.1 The procurement will enable the Council to:

- Have a compliant mechanism in place to meet the service requirements, whilst allowing for a thorough review in the medium term to identify any further savings/efficiencies as part of the ongoing Repairs & Maintenance TOM (target operating model) project.
- Harness any immediate savings and economies of scale that can be realised by re-engaging the market, any savings realised that can be cashable in nature will contribute to the services' savings target.
- Realise the Councils Social Value ambitions by driving further value added impact through this supply chain.