

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 MARCH 2017	AGENDA ITEM:	14
TITLE:	CONTRACT AWARD - MEASURED TERM CONTRACTS FOR WORKS TO COUNCIL HOUSING STOCK		
LEAD COUNCILLOR:	COUNCILLOR DAVIES	PORTFOLIO:	HOUSING
SERVICE:	HOUSING	WARDS:	BOROUGHWIDE
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1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of 'measured term' contracts (MTCs) for the provision of general builders work, small builders work, insulation, scaffolding, replacement windows and doors, jet washing of buildings, timber preservation and composite doors following competitive tendering exercises. These contracts relate to the repair and maintenance of the Council's Housing Stock.
- 1.2 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the course of the year. However, based on expenditure records, typically the total expenditure on each contract varies from circa £50k p.a. to £800k p.a..

2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Housing, the Head of Finance and the Head of Legal Services, to award 8 Measured Term Contracts for General Builders Works, Small Builders Works, Insulation, Scaffolding, Replacement Windows & Doors, Jet Washing, Composite Doors and Timber Preservation for a period of 4 years.

3. MEASURED TERM CONTRACTS FOR WORKS TO COUNCIL HOUSING STOCK

- 3.1 Housing Property Services proposes to invite tenders for 8 'measured term' contracts (MTCs) covering General Builders Works, Small Builders Works,

Insulation, Scaffolding, Replacement Windows and Doors, Jet Washing, Composite Door and Timber Preservation.

- 3.2 These MTCs are to be tendered against Housing Property Services Schedules of Rates. Tenderers will be invited to submit their price in the form of a percentage increase or decrease against the published rates for work items. 2-3 contractors for each MTC will be awarded the contract except with Small Building Works MTC and General Building Works MTC where there will be up to 5.
- 3.3 Reading Borough Council's Housing Property Services manage the day to day repairs, planned maintenance and voids repair works to approximately 5,600 Council properties which are let throughout the Borough. Elements of this work are sometimes sub-contracted out through the use of MTCs to manage peaks in workload at times when there is not enough capacity within the in-house teams or to provide specialist services.
- 3.4 In each case, the ability to carry out the work covered in the MTC using existing resources or direct employment of operatives to carry out the work has been examined and found to be either uneconomic due to the level of spend (Insulation) or the capacity/specialist skills are not available internally (Scaffolding, Jet Washing, Small and General Builders). Therefore, it is more efficient and cost effective for the service to sub-contract work in this way rather than employing additional staff who would be surplus to requirements outside of peak times. For instance, Scaffolding is a specialist supply and labour contract that is not feasible to carry out in-house due to the cost of stock, training and insurance liability associated with that type of work. Jet washing is part of the cyclical repairs programme and includes specialist washing of render facades on some of the Council's tallest buildings.
- 3.5 Where it is feasible to do so, work is allocated to other RBC internal teams. Currently, the Housing Voids Team is utilising the Parks Team to carry out garden clearance works where required and this process will continue. Internal teams will always be offered relevant work before approaching specialist framework contractors.
- 3.6 MTCs are normally put in place for a 4-year period. The current arrangements with contractors have now expired or about to expire shortly.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 The contract will support the achievement of the Council's strategic aims of 'providing homes for those in most need' and 'remaining financially sustainable to deliver service priorities' by using a cost effective means of delivering improvements to the Council's Housing Stock.

5. COMMUNITY ENGAGEMENT AND INFORMATION

5.1 It is intended, as far as possible, to ensure that the successful tenderers pay the Living Wage to all employees working on Reading Borough Council properties. Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All providers appointed are expected to pay a Living Wage in accordance with this policy to all staff working on Reading Borough Council contracts. The UK Living Wage for employees outside of London is currently (November 2016) £8.45 per hour.

6. EQUALITY IMPACT ASSESSMENT

6.1 There is no Equalities Impact Assessment required for these contracts.

7. LEGAL IMPLICATIONS

7.1 The Measured Term Contracts will be awarded using the Joint Contracts Tribunal "Measured Term Contract - 2011".

8 FINANCIAL IMPLICATIONS

8.1 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the course of the year. However, based on expenditure records, typically the total expenditure on each contract across its 4-year lifespan is expected to be as follows:

- Small Builders MTC - £1,000,000 (£250K per annum)
- General Builders MTC - £3,200,000 (£800K per annum)
- Insulation MTC - £200,000 (£50K per annum)
- PVCu Windows and Doors MTC - £600,000 (£150K per annum)
- Scaffolding MTC - £800,000 (£200K per annum)
- Jet Washing MTC - £200,000 (£50K per annum)
- Composite Door Replacement MTC - £520,000 (£125K per annum)
- Timber Preservation and Chemical Injection MTC - £200,000 (£50K per annum)

8.2 The budget for these contracts is included within the existing Housing Revenue Account Repairs and Maintenance budgets as agreed in the Council's annual budget setting process.

9.0 BACKGROUND PAPERS

9.1 None applicable.