



Title	Managed Stores Procurement 2025
Purpose of the report	To make a decision
Report status	Public report
Report author	Isabelle Robson – Head of Housing Repairs and Property Services
Lead Councillor	Cllr Matt Yeo - Lead Councillor for Housing
Corporate priority	Not applicable, but still requires a decision
Recommendations	<ol style="list-style-type: none">1. That delegated authority is granted to the Executive Director of Communities and Adult Social Care, in consultation with the Lead Councillor for Housing, the Director of Finance, and the Assistant Director of Legal and Democratic Services to:<ol style="list-style-type: none">1.1. Procure and award a contract with the successful tenderer(s) for the Managed Stores contract. The contract will be for up to 7 years (5 initial years and then up to 2 further years).1.2. Negotiate with the successful tenderer to mobilise the contract, vary the contract, extend the contract at the appropriate time, and otherwise contract manage the contract throughout its lifecycle.

1. Executive Summary

- 1.1. The report sets out the requirements for a contract to manage and maintain the material stores used by Repairs and Property Services in Housing and will include details of cross council involvement to achieve value for money.
- 1.2. In order for the Repairs and Property Services teams to ensure homes are maintained to a high standard, there is a requirement for a well-established and well stocked store to be available for use by the operatives and staff within the service.
- 1.3. Delegation is being requested to undertake a procurement process compliant with the Public Contracts Regulations 2015 and then a subsequent contract award for a term of 5 years with a 2-year extension provision; and to manage all contractual decisions for the duration of the contract. It is proposed that the total lifetime value of this contract is £14m.

2. Policy Context

- 2.1. The Council's 5-year Housing Strategy was adopted by Policy Committee in September 2020. The vision for the Strategy is "For all our residents to have the opportunity to live in a good quality sustainable home they can afford within a thriving neighbourhood." The Directorate's 'Supporting the life that matters to you' ethos is aligned with this ambition.
- 2.2. In Annex 3 of the Safety and Quality Standard laid out in the Regulator for Social Housing Consumer Standards, section 1.4 outlines the requirement for registered housing providers to provide an effective, efficient and timely repairs, maintenance and

planned improvements service for the homes and communal areas for which they are responsible.

2.3. A major component of the delivery of the Strategy, and to allow the Council to adhere to the consumer standard, is the repairs and maintenance of their homes. These repairs and maintenance processes require good quality, economically viable materials using local suppliers who employ local staff to manage the contracts in store.

3. Current position

Managed Stores

3.1. The current contract for Housing Repairs and Property Services parts, materials, PPE and uniform is held with Travis Perkins; this contract expires on 31 March 2026.

3.2. In preparation for the contract expiry, market evaluations have been conducted, including site visits to existing managed stores by local authorities. The Repairs and Property Services team would like to procure a managed store for parts and materials and the Council has agreed to extend this provision to the Highways and Drainage team working alongside the service to procure a solution suitable to both service areas.

4. Proposal

Option Proposed

4.1. Managed Stores allow for a bespoke location with dedicated parts counters and staff, for the RBC trade operatives, surveyors and highways/drainage staff. A bespoke store is a self-sufficient trade counter and storage unit serving solely Reading Borough Council staff as agreed with the winning supplier. It will store materials stipulated in an agreed core materials list and the restocking and management will be the responsibility of the winning bidder.

4.2. A secondary option which will be considered as part of the mini-competition, would be for the Council to share a stores site. We will invite bids for this alternative during the procurement process. A shared store will mean Council staff and buyers as agreed, share the counter and storage space with another of the suppliers' customers. These options will be assessed for best value (known as variant bid assessment). Additionally, the procurement will include the ability for Streetscene and Corporate Property to order and collect PPE and other small sundries whilst leveraging commercial economies of scale. This contract will have scope to be spread wider across the Council for PPE and uniform should that requirement be present once the contract has been embedded at the preferential rates set during the bidding and selection process.

4.3. There will be a parts-delivery model included in the contract for larger materials and pre-scheduled works carried out by the teams, allowing the supplier to deliver orders to properties and Council sites as necessary.

4.4. The civils team currently use Travis Perkins to purchase components from a partner who provide larger, more specialist equipment and materials. Therefore, a key third-party supplier partnership will be held by the winning supplier providing civils materials for the Highways and Drainage operatives.

4.5. The opportunity of this procurement reaching out to the wider Council, will enable us to drive down the prices based on material volume, and establish a strong core range with the supplier. It will also allow for robust contract management and provide the Council with strong commercial leverage. The contract will provide future opportunities for construction material savings for refurbishment projects managed by the Repairs and Property Services teams.

4.6. A procurement will be undertaken against a specification and a set of evaluation criteria currently in development with the Leadership team in Housing Repairs and Property Services, in conjunction with the Civils team. The evaluation of the bids which follows, will be based on standard price and quality question responses in the requirements

tendered, and the suppliers' submissions. The evaluations will be carried out against a criterion of 50% price and 50% quality

- 4.7. The Repairs Service Improvement Plan has 10 workstreams, this contract is one of the Priority one procurements in the procurement workstream. Priority was given to contracts which were highest value and had the greatest risk. This contract will allow the overall service area to continue delivering repairs and maintenance to tenant's homes and is a contributing factor to improving the service by reducing the time spent in stores and improving the system integration between NEC Housing Repairs and the stores systems directly.
- 4.8. There is a strong Social Value opportunity during the procurement for this contract, and we will evaluate the bidders' offering during the submission evaluations.

Other options considered

- 4.9. There is no provision for continued use of the current Travis Perkins contract as all extensions have been invoked, and the contract will terminate on the 31st of March 2026.
- 4.10. Do nothing – having no contract in place would significantly impact both the ability for the service to continue to be delivered and the cost of purchasing materials for that service delivery. Each purchase would need individual approval without a contract in place, which would be untenable for the service to manage and the costs would be based on market value with no preferential rate.

5. Contribution to Strategic Aims

- 5.1 The programme of works and repairs work to Council Homes contribute to the Council's 2025-28 Corporate Plan in terms of securing Readings economic and cultural success by directly impacting the target for housing repairs being met within timescales.

6. Environmental and Climate Implications

- 6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 6.2 The Repairs, Maintenance and Planned programme of works to Council homes looks to improve the energy efficiency and the insulation of properties wherever possible which extends to purchasing and sourcing efficient effective parts for installation during those works thus reducing the environmental impact.
- 6.3 This procurement will stipulate the main store location is to be within 1 mile of the Council's Bennet Road offices and provide a delivery service for planned and pre-organised works allowing the operatives and staff to minimise the need for extensive travel which will increase emissions.

7. Community Engagement

- 7.1 There are no proposed changes to services that will impact on the way the community access and experience services and therefore no public consultation is planned
- 7.2 The repairs and maintenance manager for Housing Repairs, attended various locations of stores managed on behalf of other local authorities which has helped to inform the development of the specification and requirements for this procurement exercise. During those visits a greater understanding of the benefits of a managed bespoke store was gleaned; the ability to track and maintain the core stock in a dedicated location being the most important benefit for the Council. It allows good management of the stock being purchased.

8. Equality Implications

8.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to -

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 There are no proposed changes to services that will negatively impact on the way people access and experience services therefore there is no requirement for an Equality Impact Assessment for the purposes of this report.

9. Other Relevant Considerations

9.1 There are any no other issues to consider relevant to this report.

10. Legal Implications

10.1 A competition will be run with full assistance from the legal team with an allocated resource, who will check terms and conditions and ensure full compliance is achieved. No legal risks are anticipated.

10.2 The value of the contract exceeds the relevant threshold for services and the Cirrus Consortium Framework dated 7th July 2023 we anticipate being used has been procured in full compliance with the Public Contracts Regulations 2015. A Mini-Competition is being conducted to ensure compliance with the Framework provisions and the Council Constitution. As the Cirrus Consortium Framework agreement was entered into before the Procurement Act has taken effect, the proposed call-off under the Framework remains governed by PCR 2015.

The value of the contract is over £500,000 per year and therefore it is a key decision. Under 13.3.2 of the CPR's 'A Standing Committee may specifically delegate a key decision to an officer for them to make. In which case, the decision when taken by the officer, should be formally recorded by them'. Delegated authority to award and manage the contracts through their lifecycle following the procurement is therefore being sought from the Policy Committee.

10.3 Legal Services have been instructed to support with the procurement and assist with the drafting of contract documents and collate the schedules.

10.4 Marina Lancashire, Senior Solicitor has reviewed these Legal Implications.

11. Financial Implications

11.1 The budget for the contract is split across the departments within the council and related to the costs that are funded from Revenue and Capital resources.

11.2 The largest single area is Housing Revenue Account funded, for parts and materials and PPE used by Housing Repairs and Property Services and the budget forms part of the HRA 30-year Business plan. Smaller allocations being funded by Civils, and Streetscene. The costs for this contract are already being incurred within the budget and forms part of respective departmental current and future spending plans.

11.3 These costs will include a management fee from the supplier, which will be apportioned as a percentage fee against the service provision. It is planned that the fee is distributed across the Council departments aligned with their spend totals and to ensure the HRA ring fenced account receives a fair proportion. This apportionment and budget management will be overseen by Housing Repairs and Property services as the Contract owner.

11.4 These financial implications have been agreed with Stephen MacDonald Strategic Finance Business Partner (DEGNS and Housing)

12. Timetable for Implementation

12.1 Following delegated authority approval, the timetable below will apply:

Item	Date	Steps
Procurement Board	02/06/2025	Approved strategy at June board
Policy Paper Submitted	11/06/2025	
Specification and requirement completed	18/07/2025	
Policy Committee	21/07/2025	Forward Plan request submitted
Mini Comp published	22/07/2025	Spec, ITT, Eval questions
Mini Comp closed	26/08/2025	
Evaluation complete	16/09/2025	
TER Approved	18/09/2025	
Award contract	22/09/2025	
Standstill completes, confirm award	02/10/2025	
ODN Approved	02/10/2025	
Contract signed (sealing required)	13/10/2025	
Implementation begins	13/10/2025	
Implementation complete	01/04/2026	

12.2 In terms of implementation, there are two plans required. If a new supplier were to have the winning bid in the competition, the implementation will be more significant and require IT integration between the new supplier and NEC Housing. We anticipate, should the supplier change, 6 months will be sufficient to make the transition.

12.3 If the supplier remains the same, the transition period will be shorter. Improvements will be made based on the changes to the requirements and some IT integration will still be required but with minimal impact.

13. Background Papers

13.1 Not applicable.