

CABINET

Date of Meeting	Tuesday, 25 th September 2018
Report Subject	Capital Works – Procurement of Welsh Housing Quality Standard (WHQS) Kitchen & Bathroom Programme for Internal Works
Cabinet Member	Deputy Leader of the Council and Cabinet Member for Housing
Report Author	Chief Officer (Housing and Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

The report seeks approval to procure a contractor to continue to deliver the Welsh Housing Quality Standard (WHQS) bathroom and kitchen programme through the Procure Plus framework. These are the properties that meet the Acceptable Fail criteria which the team plan to revisit and upgrade to the WHQS Standard.

RECOMMENDATIONS

1	Cabinet approve the procurement of a new contractor to complete the WHQS bathroom and kitchen programme through the Procure Plus framework
2	That Cabinet give delegated authority to the Chief Officer, Housing and Assets, in consultation with the Deputy Leader and Cabinet Member for Housing and Assets to negotiate and accept of the contract once finalised.

REPORT DETAILS

1.00	BACKGROUND & OVERVIEW
1.01	In 2014, Flintshire County Council (FCC) embarked on an ambitious project to deliver the WHQS standard to all of its homes by 2020. This included kitchen and bathroom replacements, windows and doors and roof replacements.
1.02	<p>It was anticipated that all internal replacements would be completed by Year 4 (2018-2019) on the current programme and external replacements; by the end of Year 6 (2020-2021).</p> <p>However, it was always expected that a certain number of properties would not be completed due to; tenant's health, access issues and/or refusals. The Council are attempting to reduce this 'Acceptable Fail' percentage from 20% to a satisfactory level of 10%.</p>
1.03	As the project reaches the middle of Year 4 of its six year programme, it is clear that approximately 750 properties fall into the above categories and, as such, need to be addressed if the County Council is to reach its target of WHQS compliance.
1.04	The current contract for internal replacements is with Engie Ltd (formerly Keepmoat) and has already been extended; as per the OJEU regulations, by 20%. This means it cannot be extended any further. The existing 3+1 contract will end in March 2019 and a new contract must be procured as soon as possible.
1.05	The Capital works team are looking to utilise the Procure Plus frameworks for this work, which will bring significant savings on the existing costs and will be an effective and compliant route to market.
1.06	A Mini-Competition will be carried out and the bidder ranking the highest will be awarded the contract based upon a quality/price split.
1.07	The contract will be a 2+1 year JCT Minor Works contract or the standard Procure Plus form of contract.
1.08	Estimated overall value of the contract is £5m based on 750 properties, at £6,500 per property, over the 3 years.
1.09	Due to the implementation of the revised Contract Procedure Rules (CPR) in November 2016, it is a requirement under CPR rule 2.7.2 iii) that Works valued over £2,000.001 is approved by Cabinet via recording on a Cabinet report with an accompanying Procurement Commissioning Form detailed

	in CPR 2.5 (attached at Appendix A). In addition to the above it is requested that Cabinet give delegated authority to the Chief Officer, Housing and Assets, in consultation with the Deputy Leader and Cabinet Member for Housing and Assets to negotiate and accept of the contract once finalised.
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2.00	RESOURCE IMPLICATIONS
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2.01	Appropriate Officers from the Capital Works team will be involved in the procurement process.
2.02	Annual budgets are set and approved annually by Cabinet members.
2.03	Budget will be made available alongside Grant Funding from Welsh Government, to carry out these essential works.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
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3.01	Customers will be involved in the selection process at the interview stage. These will be members from the Tenant Federation Group.
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4.00	RISK MANAGEMENT
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4.01	Failure to achieve WHQS would be damaging to FCC's reputation. This scheme will ensure that the maximum number of properties achieve this status and the remaining can be excluded as 'Acceptable Fails'.
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5.00	APPENDICES
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5.01	Appendix 1 – Procurement Commissioning Form
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	Contact Officer – Sean O'Donnell Job Title – Capital Works Team Manager Telephone - 01352 701642 Email – sean.o'donnell@flintshire.gov.uk
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7.00	GLOSSARY OF TERMS
7.01	<p>Capital Programme - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>OJEU (Open Journal of the European Union). This is the EU regulation which governs procurement and buying throughout the entire European Union.</p> <p>WHQS (Welsh Housing Quality Standard) – The Welsh Government's standard for housing in Wales.</p> <p>Acceptable Fail – Welsh Government understand that some homes cannot receive the WHQS works due to 4 reasons, listed below:</p> <ol style="list-style-type: none"> 1. Works are physically impossible carry out, 2. It is not cost effective to do the works, 3. Timing (works due in near future already) 4. Tenant refuses the improvements. <p>These are called 'Acceptable Fails' and the Welsh Government will accept that 20% of our properties will be in this group. FCC have reduced this figure for the area to 10%; which is our current target.</p>