

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 FEBRUARY 2017	AGENDA ITEM:	9
TITLE:	CONTRACT AWARD - MANAGED STORE FACILITY FOR THE SUPPLY OF CONSTRUCTION MATERIALS		
LEAD COUNCILLOR:	CLLR DAVIES	PORTFOLIO:	HOUSING
SERVICE:	HOUSING	WARDS:	BOROUGHWIDE
LEAD OFFICER:	ZELDA WOLFLE	TEL:	0118 937 2285
JOB TITLE:	HOUSING OPERATIONS MANAGER	E-MAIL:	zelda.wolfle@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of a contract for the provision of a Managed Store Facility for the Supply of Construction Materials following a competitive tendering exercise. This largely relates to the supply of construction materials to Housing Property Services trades staff for the repair and maintenance of the Council's Housing Stock.

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 a contract to Travis Perkins Trading Company Limited for the provision of a Managed Store Facility for the Supply of Construction Materials for an initial period of 5 years with an option to extend for two further consecutive periods each of 2 years in accordance with the Public Contracts Regulations 2015.

3. MANAGED STORE FACILITY FOR THE SUPPLY OF CONSTRUCTION MATERIALS

3.1 Introduction

- 3.2 Reading Borough Council's Housing Property Service teams manage approximately 5,600 Council properties which are let throughout the Borough. Day to day repairs, planned maintenance and voids repairs works are carried out to these properties by the Council's in-house service and elements are sub-contracted out.

- 3.3 The Housing Property Service employs approximately 55 trades operatives who carry out a range of repairs and maintenance works to the Council Housing stock. The construction materials required for these works are currently procured through a contract with the Wolseley Group following an original

tender process in 2007. This contract has come to an end and therefore a re-tender exercise has been carried out with a view to letting a new term contract.

3.4 The current annual value of material procured through the stores is circa £1.2m. The stores are primarily used by the Housing Property Services teams for the procurement of:

- General Building Materials, including Bricks, Blocks, Cement products, and Roofing Materials.
- Kitchen and bathroom fixtures and fittings.
- Wide range of gas and plumbing spares.
- Electrical Materials and Equipment
- Various flooring materials.
- Carpentry and Ironmongery.
- Personal Protective Equipment (PPE) and Uniform
- Hire of Specialist Equipment

3.5 Additionally, the stores function is available to other sections of the Council for purchase of materials for their areas of works. These have included PPE and uniforms, cleaning products, plastic bags and electrical products.

3.6 The Contract allows for both a counter service to allow operatives to attend the store to collect materials as well as a delivery service throughout the borough.

3.7 The Stores function assists in the management of Property Services Operatives' van stocks of construction materials through mobile working solutions to optimise efficiency.

3.8 The stores supplier invoices the Authority on a monthly basis using consolidated invoicing, minimising the number of orders and invoices that have to be processed for materials procurement.

4.0 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:

- Providing quality materials at cost effective prices, using superior buying power and logistics organisation to allow the Authority to continue with the efficient maintenance and repair of its housing stock.
- Reducing the costs involved in the back office function, avoiding the need to raise and process multiple orders and invoices for construction materials.

5.0 COMMUNITY ENGAGEMENT AND INFORMATION

5.1 Travis Perkins propose a community investment fund, as an added benefit of the contract. This is an extract from their bid which refers to this proposal:

"As well as through our business operations with RBC, we would like to support the partnership through the community, providing a legacy fund of

£12K per annum where annual spend of £1m+ is achieved. Working in partnership with you to deliver sustainable benefits to your communities"

This item will be discussed during the implementation period with options brought forward for consideration during the contract.

- 5.2 Travis Perkins proposes to pay all staff working on this contract the Living Wage or above.

6.0 EQUALITY IMPACT ASSESSMENT

- 6.1 There is no Equalities Impact Assessment required for this contract.

7.0 LEGAL IMPLICATIONS - PROCUREMENT PROCESS

- 7.1 This contract has been procured in accordance with the Public Contracts Regulations 2015.

- 7.2 To replace the existing arrangements, a procurement process has been undertaken using the Cirrus Consortium Materials Framework (Lot 5 - Managed stores). A further competition has been run amongst the 3 suppliers on the framework. As the Council expects to require a managed store facility for the supply of construction materials at a level above the relevant OJEU threshold, a formal procurement compliant with the Public Contracts Regulations 2015 was required to ensure that future arrangements continue to comply. The further competition under the framework is a suitable compliant process.

- 7.3 The evaluation of the tenders is now complete and the Committee is asked to award the contract to the successful tenderer.

8. FINANCIAL IMPLICATIONS

- 8.1 No volume of spend is guaranteed under the contract as annual expenditure will depend on the actual level of maintenance and repair works carried out to the entire housing stock for the particular year. It is incumbent on the stores provider to work with the Authority to ensure that materials are procured in the most cost effective manner.

- 8.2 Spend through the stores function is through existing repairs and maintenance budgets.

- 8.3 The tendered price of the successful bidder was approximately £1.24m, which was in line with the estimated tender price based on previous years' costs and volumes. Prices paid for materials under the new contract will continue in line with the original contract therefore. We conclude that the offer of the successful tenderer represents good value for money.

9. BACKGROUND PAPERS

- 9.1 Procurement Documentation including, Invitations to Tender and Procurement Project approval forms.
Cirrus Consortium Materials Framework information sheet.