

ITEM No ...8.....

REPORT TO: NEIGHBOURHOOD REGENERATION, HOUSING AND ESTATE
MANAGEMENT COMMITTEE – 28 OCTOBER 2024

REPORT ON: PROCUREMENT OF CONTRACTOR TO DELIVER COMPLEX FIRE
DAMAGED VOIDS

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 301-2024

1 PURPOSE OF REPORT

1.1 The purpose of this report is to seek approval to amend the use of Scotland Excel Framework for Maintenance and Refurbishment Framework previously agreed at Committee on 04 September 2023 (Report 237-2023) to make additional use of the framework direct award call-off option to accelerate delivery of complex fire damaged voids back in to use.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a note the content of this report and recommended actions;
- b approves the recommendations in this report; and
- c delegates authority to the Executive Director of City Development to utilise the Scotland Excel Framework for Maintenance and Refurbishment, Framework No: 1821 Sub-lot 15: Multi Trades direct award facility up to a value of £100,000 to deliver Complex Fire Damaged Void reinstatement, all carried out in compliance with the Public Contracts (Scotland) Regulations 2015.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications associated with this report and reference should be made to Report 237-2023 which was agreed at the Neighbourhood Regeneration, Housing and Estate Management Committee on the 04 September 2023 (Article II of the Minute of Meeting of the Neighbourhood Services Committee refers). There is no deviation to the overall estimated cost of the use of the framework and the contracts to be awarded, the sum of which has already been approved in the relevant budgets. The overall contract spend will be monitored as part of the established budget monitoring arrangements.

3.2 The Executive Director of Corporate Services has confirmed that funding for the above project is available within the Housing Revenue Budget.

3.3 The estimated cost of the works to be awarded from will be incorporated into the overall estimated cost of the use of the framework and the contracts to be awarded. From benchmarking against market rates for the works, the total annual cost of the fire damage rectification works to be awarded is in the region of £500,000.00.

4 BACKGROUND

4.1 Prior to the approval of the Housing Repairs and Relet Plan (Report 139-2024) at committee the works would have been undertaken by Dundee City Council's Construction Services (CS) or an external contractor appointed by the Council's assessing insurance broker (Loss Adjuster's approved supplier list). Directing the works through the Scotland Excel Framework allows CS to continue to focus on repairs and straight forward relet activities to increase the delivery potential of properties back into a lettable market. It is noted that CS will continue to undertake less complex fire damaged voids with Housing and CS officers assessing and agreeing the case severity prior to introduction of the property into the "Complex Fire Damage Process".

- 4.2 It is understood that to deliver efficiencies in time, money and resource, whilst meeting the targets set out in the Housing Repairs and Relet Plan, alternative routes require to be investigated. A Sourcing Strategy has therefore been developed to review the procurement route, which has confirmed that the previously approved (Report.237-2023) Scotland Excel Framework for Maintenance and Refurbishment Framework is suitable for use to fulfil this demand. For the proposed particular Framework call-off exercise, the direct award to the Framework supplier results in the award of a contract to a local business, which brings with it the delivery of associated Community Wealth Building outcomes.

5 SOURCING STRATEGY SUMMARY

- 5.1 The framework call-off rules allow for direct award to Contractor(s) who meet the Framework requirements (must haves and quality criteria) and have expressed an interest in delivering works within the Dundee City Council Area.
- 5.2 The purpose of this proposal is to bring complex and severely fire damaged void properties back into the letting pool quickly and efficiently by having a standard/streamlined process and specification developed. The process is to be managed by qualified and experienced council officers from the relevant services to effectively manage an all-trades contractor appointed from the appropriate Framework Lot.
- 5.3 The benchmarking exercise involved the receipt of quotes in line with the Schedule of Rates (SOR) , from a Framework Supplier who has a track record in delivering improvement works within Dundee City Council's Housing Stock. An outline cost and delivery timescale was received for a range of properties in varying conditions. The costs have been benchmarked against the Loss Adjuster reserve figure, and each costing provided is between 10 and 30% less than the Loss Adjuster's reserve.
- 5.4 The expected benefits from these works include: Increase available social housing stock within Dundee to aid addressing homelessness issues; improvements in the quality of the built environment; increasing the value of housing assets; reducing the maintenance costs of housing assets.

6 RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge.

Sourcing Strategy Section 4 Key Risk Table

Description of Risk	Actions to be taken to manage Risk
Commercial Risk – that either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low Risk - the contract will be tendered and awarded through a compliant tender procedure, through which all costs have been considered.
Technical Risk – this concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.	Low Risk - the contract will and awarded through a compliant procedure. Bidder will be required to demonstrate technical competence as part of the tender evaluation process.
Performance Risk – this concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Low Risk – a contract management process will be put in place with the use of KPI's
Contractual Risk – being able to remedy the shortcomings in the contractor's performance without severely damaging the	Low Risk - DCC are contractually protected via the contract terms and conditions. The

Description of Risk	Actions to be taken to manage Risk
contract and about avoiding reliance on the contracted supplier as the contract develops.	contractor shall be proactively managed during the term of the contract.
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – this is a regulated contract.

7 CONCLUSION

- 7.1 It is recommended that approval is given to make additional use of the Framework direct award option solely in relation to the delivery of complex fire damaged voids to allow implementation of the process outlined at Section 5 of this report. Based on the outcomes of the approach referenced at paragraph 5.3 it is recommended that the threshold for direct award from the Framework, in respect of complex fire damaged void reinstatement, be increased to £100,000 for a single award through the Scotland Excel Framework for Maintenance and Refurbishment, Framework No: 1821 for the duration of the framework (3 years).

8 POLICY IMPLICATIONS

- 8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

9 CONSULTATIONS

- 9.1 The Council Leadership Team have been consulted in the preparation of this report and are in agreement with its content.

10 BACKGROUND PAPERS

- 10.1 None.

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