

**To:** City Executive Board  
**Date:** 11 February 2016  
**Report of:** Head of Direct Services  
**Title of Report:** Award of new contracts for building and housing materials

### Summary and Recommendations

**Purpose of report:** To request that the Executive Director of Community Services be given delegated authority to award new contracts for building and housing materials, specifically: plumbing and heating, gas spares, building materials, and electrical.

**Key decision:** Yes

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** Corporate Plan Priority - An efficient and effective Council

**Recommendation(s):** That the City Executive Board resolves to:

1. Grant delegated authority to the Executive Director of Community Services in consultation with the Corporate Procurement Manager, to award new contracts to the suppliers of building and housing materials, specifically: plumbing and heating, gas spares, building materials, and electrical materials, as selected in accordance with the procurement process described in this report.

## Appendix 1 Risk register

### Background

1. This report explains the continued requirement for a range of building and housing materials for use by the Council, following the current contracts coming to an end.
2. The report proposes that the Council invites tenders for and awards call off contracts to the selected suppliers of the following categories of building and housing materials:
  - Plumbing and heating
  - Gas spares
  - Building materials

- Electrical
3. These contracts are required to enable the Council to maintain its own property portfolio and for trading services with supplies being sourced through contracts.
  4. The City Executive Board is asked to grant the Executive Director of Community Services delegated authority to award contracts to the selected suppliers following an EU compliant procurement process using a pan-government framework agreement.
  5. The total value of the contracts are likely to exceed the threshold in the Executive scheme of delegation above which contract awards must be approved by the Board. This report therefore seeks a delegation to the Director to approve the contract awards at the conclusion of the procurement process.
  6. Oxford City Council currently has contracts with Buildbase (a locally based company that is part of the larger Grafton Group), Parts Centre (part of Wolsley Group) and Eyre and Elliston. Buildbase supply building materials and plumbing and heating supplies, Parts Centre supply gas spares and Eyre and Elliston supply electrical materials to the Council via a Procurement for Housing framework agreement.
  7. The existing contracts expired at the end of December 2015 and have been extended until 1 April 2016 under the same terms and conditions to accommodate the procurement process.
  8. The Council maintains a large property portfolio, including the housing stock, and in doing so requires a range of building and housing materials.
  9. The Council spends approximately £2.5 million on building and housing supplies every year.
  10. The table below shows the expenditure for these categories:

Lot	2014/15	2015/16 Apr to Nov
Plumbing and heating	£1.175m	£909k
Gas spares	£140k	£128k
Building materials	£990k	£402k
Electrical	£600k	£356k

### Proposed way forward

11. The contracts will be awarded following a competitive process using the Procurement for Housing frameworks. The proposed length of contract will be for 2 years and may be extended for two further 1 year periods if performance is satisfactory. There will be 4 contracts awarded to 4 individual suppliers but there will only be 1 supplier per lot following a mini competition carried out by Procurement for Housing (pfh) using their current materials framework contract period April 2015 to April 2018.

12. There are 4 lots and the estimated spend per annum is show below:

<b>LOT</b>	<b>ESTIMATED SPEND</b>
Plumbing and heating	£1,350,000
Gas spares	£140,000
Building materials	£600,000
Electrical materials	£600,000

13. The contract terms will be based on the framework conditions. The contract will include local requirements such as the Oxford Living Wage, as well as the requirement for any vehicles over 3.5 tonnes having appropriate safety protection fitted to the vehicles to protect cyclists and pedestrians .
14. The contract will be managed by the Stores Manager supported by the Procurement & Payments team to ensure that it delivers the outcomes detailed in the Council's specification.

#### **Risk**

15. This will be a call off contract with no guarantee of any level of spend by the Council. A risk register is attached to this report as Appendix 1.

#### **Equalities Impact**

16. The new suppliers will be required to prepare equalities impact assessments once appointed and a regular review will take place of these as part of the contract review meetings. Adherence to the Council's Living Wage Policy is one of the conditions of this contract. Tenants will be able to benefit from the Council obtaining best value for money by this process.

#### **Financial Implications**

17. The new contract will be a call off contract which will not commit the Council to any minimum level of annual expenditure.

#### **Legal Implications**

18. The tender will be carried out using a framework which is managed by Procurement for Housing. The framework is compliant with EU procurement legislation, and in regard to each contract to be awarded a "mini-competition" among suppliers on the framework will take place to ensure that the Council benefits from the most economically advantageous tender offered.

#### **Name and contact details of author:-**

Name: Steve Allen

Job title: Stores Manager

Service: Direct Services

Tel: 01865 335457 e-mail: [sallen@oxford.gov.uk](mailto:sallen@oxford.gov.uk)

**List of background papers: Nil**