

Finance and Resources Committee

10am, Thursday, 5 March 2020

Framework Agreement for Estates Management Services

Routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 approves the award of a single supplier framework agreement for estates management services, that includes garden and estates clearance, minor works and property security services for Council homes to idverde Ltd; and
 - 1.1.2 approves the commencement of the framework agreement from 1 June 2020 for a period of two years, with the option to extend for two years at 12-month intervals, until 30 May 2024, at an estimated cost of £1.8m over the four years.

Paul Lawrence

Executive Director of Place

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Framework Agreement for Estates Management Services

2. Executive Summary

- 2.1 This report seeks the approval of the Finance and Resources Committee to award a framework agreement to *idverde* for Estates Management Services. This framework, required by the Housing Service, will cover the clearance and minor works to garden areas and the provision of security measures as part of letting Council homes as well as responsive grounds maintenance and the removal of rubbish to maintain the standard and safety of the local environment for residents.
- 2.2 The duration of the framework will be two years, with an option to extend for a further two additional 12-month periods. The demand for services provided under this contract will be dependent on factors such as the level of homes being re-let and the requirements for security measures but the estimated value of the contract over the four-year period, including extensions, is estimated at £1.8m.

3. Background

- 3.1 The Council currently has two separate contracts in place with different suppliers covering these areas of service: Low Rise Housing Revenue Account Grounds Maintenance Works and City-Wide Security for Domestic Properties. These contracts were approved for extension through Finance and Resources Committee in [December 2018](#) to allow the strategic alignment of services 'similar' in nature, under a combined framework, to ensure efficient use of resources and to meet the changing needs of the Housing Service.
- 3.2 A review of the current arrangements was carried out by Commercial and Procurement Services, in conjunction with the Housing Service as part of the Housing Service Improvement Plan work on estates management. Following the review, the specifications of the two contracts were combined and a tender process completed for a new single supplier framework agreement which will cover the estate management type services for Council homes and estates.
- 3.3 It is expected that this alignment of services will deliver efficiencies in cost and contract management and will ensure that tenant satisfaction with their homes and local neighbourhoods are maintained and improved.

4. Main report

- 4.1 A new aligned single supplier framework agreement for estate management services was designed to deliver efficiencies in cost and contract management, increase productivity and response times and to maintain and improve the standard and safety of the local environment for residents.
- 4.2 The framework agreement has been designed to cover the need for a single point of contact for empty homes estates clearance and security measures on Council homes across the whole of the city. Potential efficiencies and improved contract management are expected to be achieved using this framework agreement. The single aligned contract will ensure Council homes are protected from vandalism, flood and fire or incidents of anti-social behaviour and Council homes can be let efficiently.
- 4.3 Market engagement was carried out with a prior information notice being issued on 9 September 2019 to engage the market on the intention to have a single agreement to cover the needs of the Council. Six suppliers engaged and returned completed questionnaires. All six suppliers unanimously indicated that a single contract for all aspects of the service was achievable. Following this exercise an updated specification, pricing schedules and key performance indicators (KPIs) were developed to ensure the contract will provide the coverage required.
- 4.4 On 18 October 2019, the Council published a contract notice under an open procedure, as set out in Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 26 November 2019. The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific criteria.
- 4.5 To identify tenderers offering best value the evaluation included an emphasis on quality as well as price and submissions were assessed on the basis of most economically advantageous tender. A cost to quality ratio of 60/40% was applied.
- 4.6 A total of 19 organisations registered interest in the Contract Notice and six tenders were received. A summary of tendering and the tender evaluation process is attached at Appendix 1 and recommended for award is attached at Appendix 2.
- 4.7 Further due diligence was conducted with the supplier offering the most economically advantageous tender. This due diligence was to ensure that the identified supplier *idverde* Ltd fully understood the requirements of the service. A meeting was conducted with representatives from *idverde* Ltd, Corporate Procurement Service and the Housing Service and discussions covered elements of both quality and pricing included in their submission. *idverde* Ltd provided assurance to the Council that all service requirements were understood and would be met.
- 4.8 The framework agreement will be managed by a contract manager in the housing service. Operational oversight of service delivery will be managed through the housing service within the four localities.

5. Next Steps

- 5.1 Subject to approval, the framework agreement will commence on 1 June 2020.
- 5.2 A transition period from 1 April 2020 will allow for the smooth changeover of services from the incumbents to the new provider to achieve the start date of 1 June 2020.

6. Financial impact

- 6.1 The demand may fluctuate over the term of the framework depending on the levels of Council homes being re-let and the requirements for wider states management works as covered in the contract but the estimated value over the four-year period is £1.8m. This will be funded through the Housing Revenue Account.
- 6.2 The table below illustrates the potential savings that may be achieved over the four-year period of the framework. This is based on estimated demand for the service and a comparison of rates for elements of work under the previous contract against the prices in the *idverde* Ltd tender submission. The savings are measured against a full year spend.

Description	20/21	21/22	22/23	23/24	Total
Competitive Tendering Savings	£450,503	£450,503	£405,000	£355,500	£1,661,506

- 6.3 Costs are fixed for the first two years of the framework. These will be monitored and controlled by the responsible contract manager and will be reviewed prior to uptake of any extension.
- 6.4 The costs associated with procuring this contract are estimated to be between £10,000- £20,000.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement have been undertaken with internal service users. Tenants are also consulted annually through the Housing Budget Consultation and through on-going engagement by the Council. In the 2019/20 consultation estate management was one of the areas prioritised by tenants for investment.
- 7.2 *Idverde* Ltd have committed to reduce carbon emissions in their operations. Vehicles to be utilised in delivering this contract use Euro 6 and AdBlue additive to help reduce engine emissions and the organisation is committed to reducing, recycling and re-using waste. Segregation of waste streams will be carried out to maximise the recycling of all waste.

- 7.3 The Sustainable Procurement Policy was considered and applied through the request of community benefits. The benefits to be delivered will be finalised prior to contract commencement and monitored throughout the life of the contract by the contract manager. idverde Ltd have indicated that they will deliver the following community benefits over a four-year period:
- 4 modern apprenticeship positions, 1 per year for the duration of the 4-year contract;
 - 2 new entrant positions per year for the duration of the 4-year contract; and
 - 2 x 6-week work experience placements per year for the duration of the 4-year contract.
- 7.4 The framework recommended for award is compliant with procurement regulations and the Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provisions of this service is thereby reduced.

8. Background reading/external references

- 8.1 Low Rise Housing Revenue Account Grounds Maintenance Works- Extension to Contract, Finance and Resources Committee, 4 December 2018.
- 8.2 City Wide Security for Domestic Properties- Extension to Contract, Finance and Resources Committee, 4 December 2018.

9. Appendices

Appendix 1 - A summary of tendering and the tender evaluation process

Appendix 2 - Recommended for award

Appendix 1 - A summary of tendering and the tender evaluation process

Contract	Empty Homes: Estates Clearance, Garden Maintenance & Minor Works, Property Protection																						
Contract period (including any extensions)	1 June 2020 – 31 May 2022 with the option to extend for a further two twelve-month extensions (2+1+1)																						
Estimated contract value	£1,800,000 (Total including extensions)																						
Procurement Route chosen	Open Procedure																						
Tenders returned	6																						
Name of Recommended supplier	idverde ltd																						
Price / Quality ratio	60/40																						
Evaluation criteria and weightings.	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <table border="1"> <tr> <td rowspan="9">SERVICE DELIVERY</td> <td rowspan="9">95%</td> <td>Contract Delivery Team</td> <td>10%</td> </tr> <tr> <td>Employment Practices</td> <td>7%</td> </tr> <tr> <td>Contract Delivery Methodology</td> <td>30%</td> </tr> <tr> <td>Quality & Cost Assurance</td> <td>20%</td> </tr> <tr> <td>Environmental Impact</td> <td>7%</td> </tr> <tr> <td>Business Continuity</td> <td>7%</td> </tr> <tr> <td>Meeting Key Performance Indicators & Targets</td> <td>7%</td> </tr> <tr> <td>Risk Management</td> <td>7%</td> </tr> <tr> <td>Complaints Procedure</td> <td>5%</td> </tr> </table>			SERVICE DELIVERY	95%	Contract Delivery Team	10%	Employment Practices	7%	Contract Delivery Methodology	30%	Quality & Cost Assurance	20%	Environmental Impact	7%	Business Continuity	7%	Meeting Key Performance Indicators & Targets	7%	Risk Management	7%	Complaints Procedure	5%
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	Sustainable Procurement Policy and Action Plan	5%	Community Benefits	100%
Evaluation Team	Three Council Officers from the Housing Service within Place Directorate Team.			

Appendix 2 - Recommended for award.

Tenderer	Quality (40%/100%)	Price (60%/100%)	Total Achieved Score (100%)
idverde ltd	17.82%	60.00%	77.82%
Tenderer 2	29.53%	42.53%	72.06%
Tenderer 3	24.92%	40.20%	65.12%
Tenderer 4	30.57%	32.83%	63.40%
Tenderer 5	21.67%	29.56%	51.22%
Tenderer 6	22.73%	25.56%	48.29%