

Finance and Resources Committee

10.00am, Thursday, 9 December 2021

Framework for Supply, Delivery and/or Installation of Windows (2022 – 2026)

Executive/routine Wards Council Commitments	Executive All 1, 3, 7, 15 and 41
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Approves the award of a multi-lot Framework for the supply, delivery and/or installation of windows, with the contractors recommended for award onto the Framework being those detailed in Appendix 2, noting that the proposed Framework consists of two Lots with an estimated total value of £28,000,000 over the maximum four-year term, the Lots being as follows:
 - 1.1.1.1 Lot 1 - UPVC/Composite Windows, at an estimated contract value of £6,000,000 per annum; and
 - 1.1.1.2 Lot 2 - Timber Sash and Case Windows at an estimated contract value of £1,000,000 per annum.
 - 1.1.2 Delegates authority to the Executive Director of Place to award mini competitions, which are undertaken using the Framework; and
 - 1.1.3 Notes that any award made by mini competition will be reported to Committee in the six-monthly procurement report for Awards of Contract under delegated authority.

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Executive Director of Place

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Report

Framework for Supply, Delivery and/or Installation of Windows (2022 – 2026)

2. Executive Summary

- 2.1 This report seeks approval to award a multi-lot Framework to the most economically advantageous organisations identified, following a competitive tendering process. The Framework consists of two lots for the supply, delivery and/or installation of windows.
- 2.2 The estimated framework value is £28,000,000 over the maximum four-year term.
- 2.3 The original published contract notice included a third lot covering doors, but the tenders received did not demonstrate full compliance with the published specification.

3. Background

- 3.1 On [20 February 2020](#), the City of Edinburgh Council approved the Housing Revenue Account (HRA) Budget Strategy (2020-2030), which set out a £2.5bn draft ten-year capital investment programme and a £910,000,000 five-year programme of individual one-year budgets.
- 3.2 The HRA capital investment programme not only covers the investment required to meet statutory standards such as Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (ESSH2), and Council commitments on affordable housing and net zero carbon, but also ensures that growth and regeneration is delivered in ways that support place making, inclusive growth and sustainability via outcomes set out in key Council strategies including: life-cycle replacement projects such new kitchens and bathrooms, heating system upgrades, improvement of communal areas (including new secure door entry systems), and improvements to the external fabric of buildings.
- 3.3 The Housing Capital Works Framework was approved by the Finance and Resources Committee in [October 2020](#) but due to circumstances surrounding COVID-19 and the associated lockdowns in 2020, there was very limited interest in and response to lot 4 and its five sub-lots, comprising the scope of requirements for doors and windows.

- 3.4 Consequently, the decision was taken to run a new procurement process in 2021, to produce a separate framework for the supply, delivery and/or installation of doors and windows, in order to deliver planned programmes of work.
- 3.5 The previous unsuccessful procurement exercise has afforded the opportunity to carefully review the scope and specifications for a new framework. As a result, the provision of high-rise windows as a lot have been removed from this new Framework, as these will be addressed within projects for overall fabric repair to specific buildings.
- 3.6 The Housing Capital Works Framework (Lots 2 and 3) will be used for these requirements to mitigate other significant risks, such as smoke stopping and integration of cladding which would form part of the individual assessment and bespoke solution for each property type.

4. Main report

- 4.1 A Prior Information Notice (PIN) was published in late 2020 on Public Contracts Scotland (PCS) to draw attention to the requirement. Contractors had the opportunity to input into the framework structure and 35 notes of interest were received.
- 4.2 Commercial and Procurement Services (CPS) and Housing Property then undertook an Open Tender procedure in accordance with the Public Contracts (Scotland) 2015 Regulations.
- 4.3 A Contract Notice was placed via PCS on 23 July 2021 inviting interested contractors to participate utilising PCS – Tender (PCS-T).
- 4.4 The lots advertised were:
 - 4.4.1 Lot 1 - UPVC/composite windows, at an estimated contract value of £6,000,000 per annum;
 - 4.4.2 Lot 2 - timber sash and case windows, at an estimated contract value of £1,000,000 per annum; and
 - 4.4.3 Lot 3 - doors including flat entrance fire doorsets, landing pass doorsets, main entrance house doors and internal pass doors, at an estimated contract value of £4,000,000 per annum.
- 4.5 Tenders received were evaluated by officers from the Housing Property Service, who assessed cost, experience, resources and performance with the intention to award up to eight contractors to each lot.
- 4.6 The new tender process allowed the opportunity to more closely scrutinise contractors' qualifications in supplying and installing fire doors by specifying recently updated (post Grenfell) British standards.
- 4.7 A ratio of 40% quality to 60% price was applied across all three lots. This ratio was chosen with an aim to deliver value for money, with quality effectively controlled via the technical and safety standards set out in the specifications at framework award and subsequent mini competitions to be undertaken.

- 4.8 Following completion of the quality analysis, bids that passed the minimum threshold of 50% of the total quality marks available were subject to a cost analysis.
- 4.9 The tender outcomes for each Lot are set out in Appendix 2.
- 4.10 The tender returns for Lot 3 failed to demonstrate to the evaluation panel that the fire door elements could meet the technical, safety standards and performance levels per the requirements in the published specification. As such, a decision was taken not to proceed with the award recommendation of this lot.
- 4.11 A review of this will include contractor feedback and engagement to help understand why the specification was not met, prior to deciding next steps for this requirement. Arrangements for the interim have begun, including investigating external frameworks that could be utilised to mitigate potential delays to required works.

5 Next Steps

- 5.1 Subject to Committee approval, the award of the Framework Lots 1 and 2 will be completed.
- 5.2 Virtual start up meetings will be held with the contractors before the start date of 1st January 2022.
- 5.3 The Housing Property Service will ensure that effective contract management is delivered throughout the lifecycle of the contract, in accordance with the Council's contract management framework and with the support of the Contracts and Grants Management Team (CAGM), as necessary.

6 Financial impact

- 6.1 The cost will be accommodated in the existing HRA Capital Budget.
- 6.2 The estimated Framework value is approximately £7,000,000 per annum for a minimum of two and a maximum of four years, reflecting planned work over the next four years.
- 6.3 It is anticipated that savings of around 5% may be achievable through the Framework, subject to current and ongoing supply chain fluctuations.
- 6.4 It should be noted that the lot and contract values stated in this report are indicative of the estimated future programme of works which may fluctuate subject to budget allocation.
- 6.5 The costs associated with procuring the framework are estimated to be between £10,000 and £20,000.

7 Stakeholder/Community Impact

- 7.1 The Council's Construction Charter was included within the tender package, setting out the standards that the Council expects from its contractors, including around employment status, health and safety and standards of work. The Charter will also form part of the tender package for framework call-offs.

- 7.2 The framework will form part of the HRA capital investment programme enabling the Council to:
- 7.2.1 Meet statutory standards such as SHQS and EESSH2;
 - 7.2.2 Address Council commitments on affordable housing and net zero carbon; and
 - 7.2.3 Ensure that growth and regeneration is delivered in ways that supports place making, inclusive growth and sustainability via outcomes set out in key Council strategies.
- 7.3 Sustainability and Fair Work Practices including the Real Living Wage were part of the tender evaluations and the Council's requirements were communicated to the invited contractors.
- 7.4 Of the six contractors recommended for award, all state they are accredited Real Living Wage employers.
- 7.5 Contractors have committed to providing community benefits in line with the Council's Community Benefits Points System for Frameworks. Some examples of the community benefits contractors have committed to are:
- Local recruitment, training and mentoring, and supported employment for people with disabilities or other disadvantaged groups;
 - Use of community venues and other community services;
 - Use of Small to Medium Enterprises, social enterprises, supported businesses, and Third Sector Organisations;
 - Volunteering in the community;
 - Community enhancements;
 - Outreach and education opportunities within the community; and
 - Sponsorship of local organisations.

8 Background reading/external references

- 8.1 Report to Finance and Resources Committee, [29 October](#) - Housing Capital Works Framework Agreement

9 Appendices

- 9.1 Appendix 1 – Summary of Lot Structure
- 9.2 Appendix 2 – Tender Evaluation Outcome

Appendix 1 – Summary of Lot Structure

CT0923 – Supply, Delivery and/or Installation of Doors and Windows – Framework Overview	
Framework Period	3 January 2022 for an initial period of two years with the option to extend for up to a further 12 months twice (undertaken at the sole discretion of the Council)
Estimated Value (including extensions)	£28m
Procurement Route Chosen	Open Procedure
Evaluation Team	Council Officers from Housing Property

Lot 1 – UPVC/Composite Windows (Low Rise)	
Estimated Value (including extensions)	£24m
Tenders Returned	5
Name of Recommended Contractor(s)	Sidey Ltd Anglian Windows Ltd Sovereign Group Ltd CMS Enviro Systems Ltd CR Smith Manufacturing Ltd
Price/Quality Weighting	Price: 60% Quality: 40%
Breakdown of Quality Weighting	Q1 – Standards and certifications – 10% Q2 – Delivery team – 25% Q3 – Manufacture and supply chain – 10% Q4 – Lot-specific approach – 15% Q5 – Contract management and KPIs – 15% Q6 – Health and safety – 5% Q7 – Community benefits – 5% Q8 – The environment and sustainability – 5% Q9 – Business continuity and resilience – 5% Q10 – Fair work practices – 5%

Lot 2 – Timber Sash and Case Windows

Estimated Value (including extensions)	£4m
Tenders Returned	2
Name of Recommended Contractor(s)	Sovereign Group Ltd Watson & Lyall Ltd
Price/Quality Weighting	Price: 60% Quality: 40%
Breakdown of Quality Weighting	Q1 – Standards and certifications – 10% Q2 – Delivery team – 20% Q3 – Manufacture and supply chain – 15% Q4 – Lot-specific approach – 15% Q5 – Contract management and KPIs – 15% Q6 – Health and safety – 5% Q7 – Community benefits – 5% Q8 – The environment and sustainability – 5% Q9 – Business continuity and resilience – 5% Q10 – Fair work practices – 5%

Appendix 2 – Tender Evaluation Outcome

Lot 1 UPVC/Composite Windows

Contractor	Quality (Max 40)	Price (Max 60)	Total	Overall Rank
Sidey Ltd	34.20	58.47	92.67	1
Anglian Windows Ltd	27.20	59.25	86.45	2
Sovereign Group Ltd	24.40	57.31	81.71	3
CMS Enviro Systems Ltd	25.00	51.92	76.92	4
CR Smith Manufacturing Ltd	26.00	46.48	72.48	5

Lot 2 Timber Sash and Case Windows

Contractor	Quality (Max 40)	Price (Max 60)	Total	Overall Rank
Sovereign Group Ltd	20.80	60.00	80.80	1
Watson & Lyall Ltd	25.80	51.69	77.49	2