

**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services

**Rebecca Spore – Director of Infrastructure**

**To:** Policy and Resources Cabinet Committee – 9 March 2023

**Subject:** Minor Works Construction Partnership Framework – Update

**Classification:** Unrestricted

**Future Pathway of Paper:** For Cabinet Member Decision

**Electoral Division:** Countywide

**Summary:**

The Minor Works programme consists of small individual packages of work, traditionally valued at under £1m. This programme has previously been delivered through the Total Facilities Management contract (which expired on 31 October 2022), or openly competitively tendered. A new delivery model is required to allow future schemes to be procured expediently and efficiently in line with modern best practice.

Four options are set out in this report along with further detail of the recommended approach to develop the Minor Works Framework model and the procurement timetable.

**Recommendation:**

The Policy and Resources Cabinet Committee is asked to note the preferred procurement option and timetable for this activity.

## **1. Introduction**

- 1.1 The Minor Works programme consists of small individual packages of work traditionally under £1m. The categories of work include general maintenance, roofing, boilers and windows across corporate and educational sites.
- 1.2 Projects valued under £50k within this programme were typically delivered by the Total Facilities Management (TFM) contractors either through their supply chains or for larger value works, through individual competitive competition. The TFM contracts expired on 31 October 2022. Currently these works are in part being delivered through the new Hard Facilities Management (FM) contract recently awarded to Skanska or through individual competition managed by in-house Kent County Council (KCC) minor works team. Where a competition is run the tender list would include nomination of a number of suppliers from KCC's contractor lists on a rotational basis. The KCC contractor lists, although closed in recent years to new applicants, contain many suppliers.
- 1.3 Total spend between financial years of 19/20 to 21/22 has been circa £40m. This is broken down in Appendix A which has categorised the spend over nine disciplines. The forecasted spend for 22/23 has also been included.

## 2. Delivery models

2.1 Four options for the future provision of these works have been set out below:

Option 1 – **Commission these works through the Hard FM Contract**  
*Discounted* as contract has evolved since TFM and does not include these works within the core delivery.

Option 2 – **Competitively tender individual work packages**  
*Discounted* as this will require substantial administration and does not allow KCC to work with a contained supply chain to deliver its future pipeline.

Option 3 – **Use External Frameworks**  
*Discounted* as unlikely to access Kent based contractors. KCC would pay a margin for the use of other Frameworks.

Option 4 – **Minor Works Framework approach**  
*Carried Forward*

2.2 The value of the procurement is above the Public Contract Regulations (PCR 2015) threshold of £213,499 (including VAT) for goods and services, and therefore needs to be procured and advertised in accordance with PCR 2015.

2.3 It is proposed to procure a Minor Works Framework. This report sets out the benefits and challenges facing the Council and its partners to implement this strategy, and the planned procurement process to select the Framework suppliers.

## 3. Minor Works Framework

3.1 The spend analysis conducted found that, since the 2019/20 financial year, there have been over 120 different companies commissioned to deliver minor works projects.

3.2 It is proposed that KCC develops a Minor Works Framework with fewer contractors to deliver the future work pipeline. If adopted, this will lead to significant change in the way that the Council delivers this programme, allowing greater opportunity to standardise components and streamline processes when appointing and overseeing a contractor undertaking the works.

3.3 Due to the different categories of work, it is proposed to split lots into the following specialisms:

Category	Proposed Number of Suppliers to be awarded
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General Building Works	6
Roofing	5
Electrical	5
Mechanical	5
Asbestos Removal	4
Asbestos Survey	2

- 3.4 It is proposed to appoint between two and six suppliers to each lot as set out above due to the varying nature and volumes of the work balanced against the need to ensure that there is sufficient competition. It is expected that at least 90% of the works will be competitively tendered, with only emergency works directly awarded on a capacity basis via rotation. For instance, if a school boiler is not working, the Council can remedy the fault quickly. This approach will reduce the time and resources required to openly tender work opportunities across a greater number of suppliers and ensure that there is a timely route which enables emergency works to be progressed.
- 3.5 There is no guarantee of work through the Framework. All schemes awarded to suppliers will form their own call off contract, and such projects will need to be taken through the appropriate internal governance process. This agreement will provide an efficient route to market for approved decisions.
- 3.6 The framework will be in place for a minimum of four years, with scope for a potential two-year extension if permissible.
- 3.7 While the primary purpose of the framework is to deliver KCC's future capital programme, it is proposed that other public sector organisations in Kent will be able to use the framework.
- 3.8 As a consequence of the new framework the KCC contractor list, which has previously been in operation, will be decommissioned.

#### **4. Benefits and Challenges of this approach**

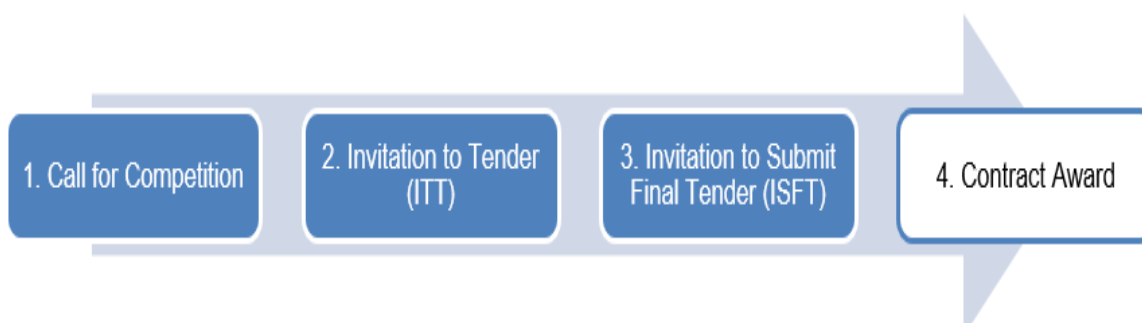
- 4.1 This approach will increase the speed of contract award and offer greater flexibility as the future pipeline is developed, including the ability to respond quickly to external funding opportunities and emergency works. Working directly with a few contractors (expected to be Kent based) will reduce contractor bidding costs which, in the current service model, will be passed on to the Council, as well as streamline the Council's in-house administration. In addition, a reduced number of contractors allows for the standardisation of components. It will also provide greater certainty of work to enable long term investment in skills and innovation, which could support the social value agenda by boosting the local economy with jobs, apprenticeships and community projects.
- 4.2 Reducing the number of contractors that the Council commissions for this work could be considered to be a higher risk, due to reduced competitive tension, but the current provision, of managing a large number of suppliers has resource implications for both parties and does not provide an incentive to invest in their organisations. This is an opportunity for the Council to seek the right suppliers and, if competition is high, achieve better value.
- 4.3 Working with a smaller supply chain increases the Council's bargaining power

when delivering this work pipeline. The proposal to limit the supply chain could incentivise those suppliers that deliver to time, quality and cost by rewarding those contractors with future work compared to the current approach.

- 4.4 This approach will help create sustainable relationships, which will keep bid costs down and lower project build costs. Furthermore, there will be increased flexibility and agility when commissioning new projects.
- 4.5 Commissioning an appropriate number of projects for fewer contractors will lead to greater investment in the local area, which will assist small and medium sized enterprises (SMEs) and contribute to greater social value, apprenticeships etc.
- 4.6 The Council will always retain the right not to utilise the framework or not award work if the supplier is not considered value for money or is seeking to manipulate the framework.

## 5. Next Steps

- 5.1 The value of this procurement is above the Public Contract Regulations (PCR 2015) threshold of £213,499 (including VAT) for goods and services, and therefore needs to be procured and advertised in accordance with PCR 2015.
- 5.2 The procurement is proposed to follow the “Competitive Procedure with Negotiation” which is a multiple stage procurement procedure, well recognized under PCR 2015.
- 5.3 The stages are graphically illustrated as below:



- 5.4 Procurement is currently at the beginning of stage 1, Call for Competition.

- 5.5 The delivery timetable for this new framework is proposed as follows:

Activity	Date
Commercial Case	December 2022
Policy and Resources Committee	9 March 2023
Selection Questionnaire Issued	April 2023
Selection Questionnaire Return	May 2023

Selection Questionnaire Evaluation	May 2023 to June 2023
Selection Questionnaire Moderation complete	June 2023
Selection Questionnaire Recommendation and Approval	July 2023
Policy & Resource Committee Update	July 2023
Invitation To Tender Out	August 2023
Tender Return	October 2023
Tender Response Evaluation	October to November 2023
Tender Response Moderation complete	December 2023
Policy & Resource Committee / Key Decision	December 2023
Complete Award Report	January 2024
Authority to Contract Granted	January 2024
Issue Award Letter	January 2024
Contract Award (standstill over)	February 2024
Contracts drafted signed/sealed	March 2024
Service Commencement Date	April 2024

Autumn 2022

- 5.6 Undertaken market engagement and reviewed the pipeline requirements. The final procurement strategy to deliver the preferred service delivery model has been developed.

January – March 2023

- 5.7 Prepare for the procurement process and develop the documentation.

April – June 2023

- 5.8 Conduct call for competition procurement process, including a Selection Questionnaire.

August 2023 – February 2024

- 5.9 Complete the invitation to tender, evaluation report and seek governance approval to award the framework.

March – April 2024

- 5.10 Commence the mobilisation period to ensure contractors are ready to begin work in April 2024.

- 5.11 The Property and Strategic Commissioning Teams will prepare the tender documents, including the Framework Information Schedule and draft Framework Agreement.

**6. Financial Implication**

- 6.1 There is no workload guarantee in the framework agreement. All schemes awarded to contractors will incorporate their own contract (NEC 4 suite) and as

such, projects will need to be taken through the appropriate governance and funding process.

6.2 The resources involved in this multiple procurement exercise are as follows:

- KCC Procurement resource from within Strategic Commissioning
- Internal KCC Operational resource from within Infrastructure
- Other KCC teams (e.g. Health and Safety)
- External Legal support
- External Technical support

6.3 The estimated cost of the procurement is shown in the table below. The internal costs are managed by utilising resources within existing teams across Strategic Commissioning, Infrastructure and other teams. No additional resources are being brought into these teams and business activity will be re-prioritised to enable the procurement to be progressed in accordance with the timescales set out above. The legal and technical advice will be funded from within infrastructure budgets.

<b>Resource</b>	<b>Estimated Cost</b>
Procurement	£110,000
Infrastructure	£150,000
Other KCC	£5,000
Legal (External)	£10,000
Technical (External)	£15,000
<b>Total Estimate</b>	<b>£290,000</b>

## **7. Legal Implications**

7.1 The award of contracts will be in full compliance with all relevant procurement and governance regulations.

7.2 External legal advisors will be appointed in consultation with General Counsel.

7.3 As a consequence of the new framework the approved list which has previously been in operation will be decommissioned.

## **8. Equalities and Data Protection Implications**

8.1 An Equality Impact Assessment (EqIA) was completed in February 2023, and it is not felt that this procurement activity presents any impact on any of the nine areas specified by KCC.

8.1 No Data Protection implications are anticipated as a result of this procurement activity.

## **9. Conclusion**

9.1 There is a strong pipeline of projects across the education and corporate estate to support the proposed framework. It is proposed to progress with the establishment of a framework with 4 lots with a maximum of 27 suppliers.

9.2 A further update is expected to be brought to the Policy and Resources Cabinet Committee with a key decision expected to be taken in December 2023, to ensure that the key decision is in place ready for any contract awards.

## 10. Recommendation(s)

### Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note the preferred procurement option and timetable for this activity.

## 11. Appendices

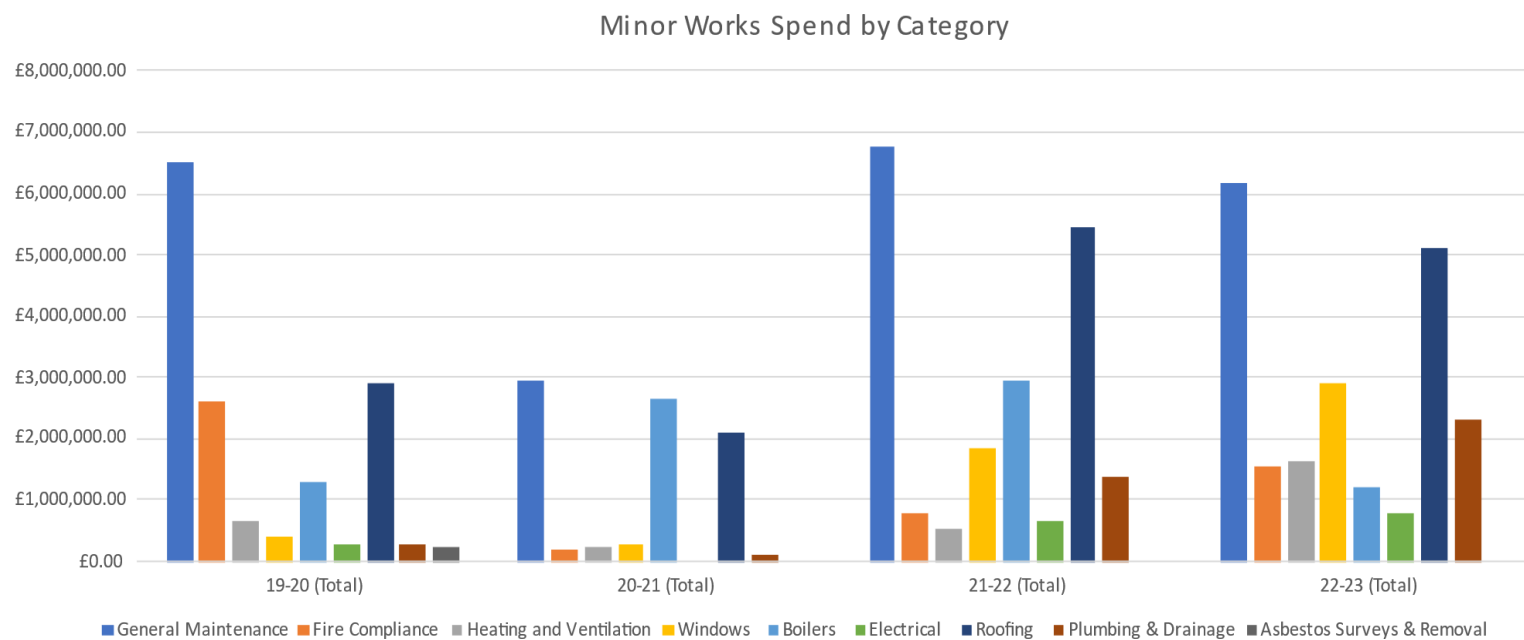
Appendix A – Spend by Category between 2019/20 and 2022/23  
Appendix B EQIA - Minor Works Framework

## 12. Contact details

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## Appendix A

# Spend by Category



\*N.B where maintenance projects span more than one financial year, this spend has been categorised by programme year