Welcome and introduction

Martin Kent
Head of Property Management
Hampshire County Council
Property Services

Suppliers engagement day 24\textsuperscript{th} November 2015
Minor Works Framework- Building fabric
Welcome

- Welcome to all….
- House keeping first
  - Fire Escape
  - Key facilities!

- Why are we here today
  - To share our thoughts on a new minor works framework and seek your views.
<table>
<thead>
<tr>
<th>Time</th>
<th>Building fabric framework agenda</th>
<th>Presenter</th>
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<tr>
<td>10:00</td>
<td>Tea, coffee and registration</td>
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<td>10:30</td>
<td>Welcome and introduction</td>
<td>Martin Kent</td>
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<td>10:40</td>
<td>An overview of the proposed framework</td>
<td>Martin Kent</td>
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<td>Any questions so far?</td>
<td>All</td>
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<td>11:00</td>
<td>How to get onto the frameworks</td>
<td>Chris Cook</td>
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<td>11:15</td>
<td>Registrations and follow us</td>
<td>Chris Cook</td>
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<td>Any questions so far?</td>
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<td>11:40</td>
<td>More about the Lots</td>
<td>Andrew Lenthall</td>
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<td>11:45</td>
<td>How the framework operates</td>
<td>Andrew Lenthall</td>
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<td>12:00</td>
<td>Any questions and questionnaire</td>
<td>All</td>
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<td>12:20</td>
<td>Summary</td>
<td>Martin Kent</td>
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Introduction

- HCC’s current construction procurement arrangement
- An outline of the new frameworks
- About the different lots
- How you can get onto the frameworks
- How the frameworks will operate – mini tenders
- Your feedback by Q and A
- Your feedback by questionnaire
What we do - HCC

- Overall HCC construction spend = £100m/annum
- Of which approximately £40m is “minor” works
- So these frameworks are worth £160m over 4yrs
- Project range of £1,500 - £1m, mix of:
  - Repair
  - Maintenance
  - Refurbishment
  - Extensions
  - Some new build
Hampshire focused frameworks

- Proposing 2 new frameworks
  - Building fabric (AM session)
  - Mechanical and electrical (PM session)
- These new frameworks will primarily designed to meet the minor works requirements of Hampshire.
- HCCs own estate includes 7000 buildings on 1800 sites.
  - 520 Schools including 71 secondary
  - Leisure, Adult Services, Offices etc
Anticipated users of the new framework

- HCC
- Reading BC
- IOW
- Police, Fire + Rescue
- Schools, colleges, universities
- Winchester, Portsmouth, Southampton
- District and Borough Councils
- Dioceses of Salisbury, Guildford, Portsmouth and Winchester
Current big frameworks

- Southern Construction Framework £4m+
- HCC Intermediate Framework £1m to £4m

The contractors on these frameworks are the main national and regional contractors.

- For the new minor works frameworks up to £1m we anticipate the work will be more attractive to regional/local contractors.
Current small frameworks

Various different procurement vehicles currently used on minor works:

- Register of Contractors (54 Categories)
- Local Construction Framework £1,000 to £1.5m (ends Aug 2016)
- Roofing £75K – £500K (ends Mar 2017)
- Mechanical £75K - £500K (ends May 2017)
- Electrical £75K - £500K (ends May 2017)
To be replaced

- The existing small works frameworks will largely be replaced in 2016/2017 by the new minor works frameworks.

- Categories of the Register of Contractors will be gradually phased out as the new frameworks become active.
Key aims of new frameworks

- To better serve the minor works requirements within the geography of Hampshire
- To engage better and directly with all sections of the market
- KPI’s to drive better performance
- Make the processes and operation as simple as possible for HCC and the contractors
The Building Minor Works framework

- Firstly - why have lots?
- The proposed lots:
  1. General builder £1 - £50,000
  2. General builder £50,000 - £250,000
  3. General builder £250,000 - £1 million
  4. General builder IOW £1 - £50,000
  5. Recladding SCOLA £1 - £2,000,000
  6. Windows & doors £1 - £500,000
  7. Roofing £1 - £250,000
The frameworks

- Value banded which reflect the work and to attract contractors of an appropriate size.
- Open transparent mini tendering to 3 to 5 contractors for each project/call off.
- 4 year relationship with contractors.
- Greater opportunities for the best performers.
Employment and skills

A key framework objective is to encourage contractors to deliver optimum skills and training outputs through:

- The education and encouragement of framework contractors to support and develop expertise within their organisation and that of their supply chain.

Which in turn will:

- Support and develop the skills and resilience within the supply chain of Hampshire County Council.

and require:

- A commitment to engage with careers development programmes.
The minimum requirements that HCC propose to place on framework contractors are:

- The development and provision of employment and skills charters, appropriate to the size and scope of the lot.
- Annual returns on numbers of full apprenticeships, traineeships, Work Experience placements and curriculum support provided within your organisation.
- A commitment to attend employment and skills events hosted by Hampshire County Council.
Any questions so far?
How to get onto the Framework

Chris Cook
Procurement manager
How to get on the framework

A key target for us is to keep it as simple as possible for HCC and contractors. Two stage restricted

- **PQQ = Prequalification questionnaire**

  This is the first stage selection to ensure minimum standards. If shortlisted you are invited to ITT.

- **ITT = Invitation to tender**

- A mix of price - basic typical project and/or basic schedule of rates. Some questions are quality.

- **Intend = HCC tendering portal**

- HCC lead workshops/ seminars to assist contractors.
Be PQQ ready and consider such as

- Policies
  - Health and Safety (5 employees or more)
  - Business conduct (no fraud)
  - Equalities

- Insurances

- Finance – be aware of your business risk score

- References – minimum two required from reliable sources who will submit on time
After basic pass fail criteria…..

Simple scored questions:
1/ Business experience. Describe what you do; types of work, areas covered, technical skills etc
2/ Case study. An example of a project you delivered that shows your capabilities.

THEN

Higher scoring companies invited to tender (ITT stage)
If a lot needs say 10 contractors then up to 20 will be invited to ITT stage.
Invitation to tender

- At ITT the questions are a mix of Price and Quality

- Pricing – for example
  - Schedule of rates basic items
  - Labour plant material + OHP
  - Template simple project

- Quality questions – for example
  Managing cost, project management etc

Then top scoring contractors get place on framework.
Common mistakes

Pitfalls and common mistakes on PQQ and ITT

- Missing the system deadline (Don’t leave it until the last minute you will be locked out!)
- Missing supporting documents
- Questions not answered
- Irrelevant information
- Supplier has not understood the requirements (workshops)
- Assumptions – you assume we know you
Timetable

- **Nov 15**  PIN & market engagement
- **April/May 16**  PQQ process
- **July/Sept 16**  ITT process
- **Nov 16**  Contractors award
- **Dec 16**  Framework in place
Follow us

Website details and link

http://www3.hants.gov.uk/minor-works-framework.htm
Next steps

1/ Register your company on In-tend.
https://in-tendhost.co.uk/hampshire/aspx/registration

2/ Under the “help” section review the document “Intend Guidance for suppliers”

3/ If you are registered already – check that your log in works and that your supplier details are current

4/ Contact the Procurement Support Team on procurement.support@hants.gov.uk for further help

5/ Queries to procurement.partners@hants.gov.uk
Any questions so far?
Operation of the framework

Our current thoughts on how the frameworks will operate

Andrew Lenthall (Building fabric)
Team leader
Property Services
The Building Minor Works Framework

- Lots
- Mini tenders
- The role of key performance indicators (KPI’s)
The Building Minor Works Framework

1/ General builder (excl. IOW) £1 - £50,000
2/ General builder £50,000 - £250,000
3/ General builder £250,000 - £1 million
4/ General builder (IOW) £1 - £50,000
5/ Recladding (SCOLA) £1 - £2,000,000
6/ Windows & doors £1 - £500,000
7/ Roofing £1 - £250,000
Lot 1. General builder £1 - £50,000

- Average potential contractor turnover = £155,000
- Potential number of opportunities per annum = 80
- Proposed number of contractors = 30

Small alterations and refurbishments
- Based on:
  - Indicative annual spend = £4.7m per annum
  - Indicative number of orders = 800 per annum
  - Average order value = £5,800
  - Assumed number of tenders per order = 3
Lot 2. General builder £50k- £250k

- Average potential contractor turnover = £1.07m
- Potential number of opportunities per annum = 34
- Proposed number of contractors = 7

Alterations and extensions

Based on:

- Indicative annual spend = £7.5m per annum
- Indicative number of orders = 80 per annum
- Average order value = £93,750
- Assumed number of tenders per order = 3 (some 5)
Lot 3. General builder £250k- £1m

- Average potential contractor turnover = £1.07m
- Potential number of opportunities per annum = 11
- Proposed number of contractors = 7

Large alterations and extensions

Based on:
- Indicative annual spend = £7.5m per annum
- Indicative number of orders = 15 per annum
- Average order value = £500,000
- Assumed number of tenders per order = 5
Lot 4. General builder £1 - £50,000 (IOW only)

- Average potential contractor turnover = £50k
- Potential number of opportunities per annum = 11
- Proposed number of contractors = 7

**Small alterations and refurbishments**

- Based on:
  - Indicative annual spend = £350k per annum
  - Indicative number of orders = 25 per annum
  - Average order value = £14,000
  - Assumed number of tenders per order = 3
Specialist building lots

Lot 5. Recladding £1 - £2m (SCOLA)

- Average potential contractor turnover = £1.4m
- Potential number of opportunities per annum = 11
- Proposed number of contractors = 7

Recladding of existing framed buildings

Based on:
- Indicative annual spend = £10m per annum
- Indicative number of orders = 15 per annum
- Average order value = £666,667
- Assumed number of tenders per order = 5
Lot 6. Doors & windows £1 - £500k

- Average potential contractor turnover = £322k
- Potential number of opportunities per annum = 13
- Proposed number of contractors = 9
- Upgrade programmes of windows and doors
  - Based on:
    - Indicative annual spend = £2.9m per annum
    - Indicative number of orders = 40 per annum
    - Average order value = £72,500
    - Assumed number of tenders per order = 3 (some 5)
Lot 7. Roofing repairs/ Replacements £1- £250k

- Average potential contractor turnover = £465k
- Potential number of opportunities per annum = 114
- Proposed number of contractors = 14
- Repair or recovering of flat and pitched roofs

Based on:
- Indicative annual spend = £6.5m per annum
- Indicative number of orders = 530 per annum
- Average order value = £12,250
- Assumed number of tenders per order = 3 (some 5)
Tender process

- Opportunities will be offered to the most appropriate lot.
- 3 to 5 contractors will be invited to mini tender for each project on a rotational basis.
- Project Officers will not be involved in selection.
- If you are busy, you can decline and wait until next time. But if you accept, we will expect an appropriate return.
Tender process

- KPI’s will be used to positively influence the opportunities for contractors.

- Mini tender criteria likely to be ‘price only’ in most cases.

- An option to retain some ‘price/quality’ weighted mini tenders is being considered.
Key performance indicator’s

- HCC will monitor KPI’s.
- Contractors who fail to meet minimum standards will receive fewer opportunities to mini tender.
- Contractors will resume their place in the rotation system when short comings are addressed.
- Thus:

  Encouraging performance improvement,
  Providing more opportunity to those with a good track record.
KPI’s will be based around the following areas:

- Health & safety performance.
- Health & safety incidents.
- Completion on time.
- Timely submission of H+S files / O+M manuals.
- Timely submission of draft accounts.
- Customer experience & feedback.
Questions & discussion?
Summary

- HCC’s current construction procurement arrangements
- An outline of the new frameworks
- An outline of the different Lots
- How you can get onto the frameworks
- How the frameworks will operate – mini tenders

Now we need your feedback
Questionnaire

The key purpose of today is to get your feedback and input so……..

Please ensure you complete the questionnaire and leave it with us at the door.