



KCTMO

Capital Works Framework Procurement

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Our Current Approach

- Small scale contract procurement
- High turnover of contractors
- Problems with “Stop-Start” approach

What is a framework?

- An over-arching long term agreement that sets out the terms (e.g. price, delivery) under which individual contracts are called off
- 48 month agreement, with possibility to extend
- Method of ensuring continuity of delivery, and long term collaborative relationships

How will it work?

- Initial competitive process produces prices for year 1 programme
- Four contractors selected, two awarded initial work for two year period
- Future work allocated via competitive 'mini-tender' process testing price *and* performance
- Scoping and pricing of works supported by consultants

What works will it deliver?

- Internal – Kitchens, Bathrooms, Rewires, heating
- External – Roofs, Windows, External Decorations
- Communal M&E - except lifts
- Public Realm and Landscaping
- Hidden Homes – where appropriate

Benefits

- Value for money
 - Through competitive process
 - Clear pricing and visibility of supply chain
 - Supply chain collaboration
- Improved quality
 - Long term relationships build mutual understanding
 - Future work made dependent on performance

Benefits

- Improved certainty
 - Ability to plan over a longer period of time
 - Allows contractors to work more efficiently (single site set up)

Supply Chain Efficiencies



- Contractors obliged to co-operate on a shared supply chain
- Goal is to produce:
 - Integrated briefs
 - Improved prices
 - Improved warranties
 - Long term commitments from the supply chain

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Supply Chain Efficiencies



- Using Supply Chain Management Group
 - SCMG deliver pre-procured prices for supply chain
 - Pricing in ITT will be benchmarked against SCMG
 - Certainty of programme and volume to supply chain delivers savings
 - Quality control is improved through better relationships
 - Standard specifications lead to more efficient pricing and better value

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Frameworks and Leaseholders

- Leaseholders will benefit from frameworks through:
 - Clear pricing
 - Improving quality
 - Greater certainty over long term programme

Frameworks and Leaseholders

- We want to confirm that the framework a Qualifying Long Term Agreement
- Legal advice –
 - it *is* a QLTA
 - Apply to upper tier tribunal for a determination rather than wait for a challenge
 - Will **not** be asking for dispensation from service charge regulations

Leaseholder Compliance

- Approach - Apply to upper tier tribunal for a determination that:
 - The Framework is a QLTA to which s20 applies
 - Upper Tier Tribunal decision would bind all RBKC lessees for this framework
 - No further challenges regarding the status of the framework could be heard by First Tier Tribunal

Procurement Timetable

- ITT issued – August 2014
- ITT Return – October 6th
- Evaluation Complete – November
- Board Approval – November 2014
- Leaseholder Stage 2 Notice – December 14
- Mobilisation (Tenanted Works) – Feb to Mar 15
- Start on site (Tenanted Works) – April 2015
- Upper Tier Tribunal Hearing – Sept 2015
- Works Start on Site (Leasehold) – Autumn 2015