



## Repairs and Voids Materials Contract

### Report Author

Mark Rogers, Head of Service (Technical Services)

✉ mark.rogers@southkesteven.gov.uk

### Purpose of Report

To seek approval for the Council to enter into a contract with Huws Gray for the supply of building materials for use by our in-house repairs and voids trades teams.

### Recommendations

#### Cabinet is:

- 1. Recommended to approve the award of contract to Huws Gray for a period of 3 years with the option to extend annually for period of a further 2 years. The value of the contract is up to £1m per year or £5m over the period of 5 years.**
- 2. Recommended to delegate authority to the Director: Housing & Projects, in consultation with the Cabinet Member for Housing to extend the contract by up to a further two years should this be required.**

### Decision Information

Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	All wards

## 1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1 The proposals have been undertaken in accordance with the Council's Contract Procedure Rules, and the cost of the works will be met from allocated Repairs and maintenance budget. Any spend will need to be maintained within the budget envelope set for repairs and maintenance and where this might be exceeded appropriate budget approvals will need to be sought.
- 1.2 Benchmarking has been undertaken to ensure best price has been achieved as outlined in paragraph 2.12 of the report.

*Completed by: David Scott – Assistant Director of Finance and Deputy s151 Officer.*

### ***Procurement***

- 1.3 It is confirmed that a fully compliant procurement process has been completed by Welland Procurement and the Council's Procurement Lead has been consulted throughout the process.

<b>Supplier Name</b>	Huws Gray
<b>Contract Start Date</b>	1 <sup>st</sup> May 2026
<b>Initial contract duration</b>	3 years
<b>Optional extensions</b>	1+1 years
<b>Total contract duration including extensions</b>	5 years
<b>Annual contract Value</b>	Up to £1m per year
<b>Total contract value</b>	Up to £5m over 5 years

*Completed by: Helen Baldwin (Procurement Lead)*

### ***Legal and Governance***

- 1.4 The necessary processes have been followed in accordance with the Council's Contract Procedure Rules, this decision is above the Key Decision threshold. There are no further significant legal, or governance implications not already highlighted within the body of the report.

*Completed by: James Welbourn, Democratic Services Manager*

## **2. Background to the Report**

- 2.1 The Council has a clear commitment in its Corporate Plan 2024 – 2027 to ensure that all residents can access housing which is safe, good quality, sustainable and suitable for their needs and future generations which this procurement will contribute towards achieving.
- 2.2 The Council is responsible for around 6,000 properties which are let to tenants. As a social housing landlord, the Council is responsible for carrying out reactive repairs and void repairs to its properties. The Council delivers repairs and voids services through a combination of its in-house trades teams and external contractors.
- 2.3 This procurement is to ensure that the Council's in-house maintenance teams are provided with materials to undertake works through a compliant contract.
- 2.4 The Council has worked closely with Welland Procurement, Efficiency East Midlands Procurement Frameworks and Legal Services Lincolnshire to procure a compliant materials contract.
- 2.5 Eight framework providers were reviewed for compliance with project scope, eligibility for local authority use, commission rates, and level of support provided. All frameworks contain the same materials contractors available for selection.
- 2.6 The Efficiency East Midlands Procurement Frameworks was identified as a compliant route to market on a direct award basis. While suppliers are evaluated and ranked, the Efficiency East Midlands Procurement Framework facilitates direct awards to any approved supplier. This allows the Council to carry out further competition to demonstrate value for money and select the supplier offering best value for money.
- 2.7 Efficiency East Midlands Procurement Frameworks offer competitive fees, social value commitments and have a successful track record of working with the Council on other contracts.
- 2.8 Once the framework provider was selected the procurement route included sending out expressions of interest to all suppliers on the framework and asking them to a price a basket of commonly used materials to ensure a competitive process was followed.
- 2.9 The expression of interest was sent to all providers on the Efficiency East Midlands Procurement Framework asking each provider to respond to the following Council requirements:
  - Are your outlets located within South Kesteven District as set out in our requirements?

- Do you offer a one stop shop for the collection of all materials?
- Have you got a mobile van stock solution for managing inventory in vehicles?
- Do you offer a portal or similar for the Council to monitor and audit all materials purchased and ordered?
- Will you offer a delivery service for materials to be delivered to site if required?
- Will you stock items specific to the business requirements of the Council to support our first time fix commitments?

2.10 Huws Gray confirmed they would meet all the Council's requirements. The three remaining bidders on the Efficiency East Midlands Procurement Framework confirmed that they would not be able to fully meet the Council's requirements.

2.11 After the expression of interest was evaluated, Efficiency East Midlands Procurement Frameworks coordinated a benchmarking exercise whereby a basket of the top 50 most used materials for each trade was priced using the rates for each supplier on the framework.

2.12 The table below provides the costs for the four suppliers on the framework. Efficiency East Midlands Procurement Frameworks have benchmarked Huws Gray's pricing against the 1st-ranked General Building, Electrical, Joinery and Plumbing & Heating suppliers.

<b>Trade</b>	<b>Huws Gray</b>	<b>Supplier</b>
General Building items	£6,694.08	£12,651.36
Electrical items	£39,151.50	£40,948.37
Joinery items	£17,988.07	£17,503.44
Plumbing and Heating items	£16,962.36	£12,848.82
	£80,796.01	£83,951.99

2.13 Efficiency East Midlands Procurement Frameworks have confirmed that we have permission to use the figures in 2.12 above stating that the benchmarking was based on a basket of goods relevant to the Council's requirements.

2.14 The only real saving on offer is on Plumbing and Heating items, however as a package, Huws Gray are the lowest cost for the items matched. This confirms that for the Council it provides better value to keep all items together as a package and directly award to Huws Gray.

2.15 If the Council awarded individual contracts to multiple suppliers, this would require further internal resources to manage these contracts offsetting any savings made. In addition, Efficiency East Midlands Procurement Frameworks have advised against pulling spend out of the one stop shop basket contract as it may force Huws Gray to increase rates on other items to compensate for this loss.

2.16 It is therefore recommended that the Council enter into a contract with Huws Gray for the provision of materials supplies subject to approval from Cabinet.

### **3. Key Considerations**

- 3.1 The Regulator of Social Housing expects landlords to have robust systems for managing repairs and maintenance, ensuring that they are carried out effectively and efficiently. By appointing Huws Gray, the Council will ensure that a compliant contract is in place for the Council's repairs and voids teams to source materials to complete repairs and maintenance works.
- 3.2 The materials contract procurement demonstrates compliance with Council procedures taking into account the operational service requirements of a one stop shop supplier and a competitive process to demonstrate value for money.

### **4. Other Options Considered**

- 4.1 The Council could choose not to procure a new materials contractor, but this is considered not an option due the existing contract expiring. Without a contract in place the Council is not compliant with relevant procurement regulations and Council policies and procedures.

### **5. Reasons for the Recommendations**

- 5.1 The Council is required to ensure that a contract is in place for the procurement of materials for use by the in-house repairs and voids teams. The current contract has expired and requires renewal.
- 5.2 This contract has been procured in accordance with relevant Council policies and procedures to ensure transparency, value for money and compliance with procurement legalisation and Council policies.
- 5.3 Once the recommendation has been approved, the preferred bidder will be notified of the outcome, and the Council intends to execute the Contract at the conclusion of any standstill period with the intention to enter into contract on 1 May 2026.