



## Report to:

Northwards Housing Board  
13<sup>th</sup> March 2007

## Item No:

# 11g

<b>Title:</b>	Approval for the Framework Agreement (Impact Manchester) Contract		
<b>Date:</b>	7 <sup>th</sup> March 2007		
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<b>Confidential:</b>	No		
<b>For:</b> (Please tick action required)	<b>NOTING</b>	<b>DISCUSSION</b>	<b>APPROVAL</b> √

### PURPOSE OF REPORT

To seek Board approval for Northwards Housing Limited to formally sign up to the Framework Agreement Contract and explain the main principles of that contract to the Board.

### RECOMMENDATION

It is recommended that;

1. The Board approves the signing of the Framework Agreement Contract by Northwards Housing Limited.
2. Two Board members are authorised to sign the Framework Agreement Contract on behalf of Northwards Housing Limited.

### IMPLICATIONS

<b>Equality &amp; Diversity:</b>	No direct Equality and Diversity implications
<b>Financial:</b>	No direct financial implications
<b>Staffing:</b>	No direct staffing implications
<b>Decency Target:</b>	It would be more difficult and costly to achieve without this contract.
<b>Governance:</b>	Procurement is a major aspect of governance
<b>Risk Assessment:</b>	The contract reduces risk on service, price and capacity

### Equality & Diversity Implications (Please tick where relevant):

BME	<input type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input type="checkbox"/>
Elderly	<input type="checkbox"/>	Single Parents	<input type="checkbox"/>
Young	<input type="checkbox"/>	Domestic Violence	<input type="checkbox"/>
Disability	<input type="checkbox"/>	Alcohol / Drug Mis-users	<input type="checkbox"/>

## Consultation/Consideration:

	<b>Yes, No or N/A:</b>	<b>Name:</b>	<b>Date:</b>
<b>Sub-Committee:</b>	No		
<b>Area Panel:</b>	No		
<b>Ward Councillors:</b>	No		
<b>Task Groups</b>	No		

### **1. Background**

- 1.1 From the inception as a Shadow Board, this Board has approved various stages of the creation of a Framework Agreement in order to help deliver Northwards Housings' Investment Promises.
- 1.2 The first approval was 25<sup>th</sup> October 2005, which was an in principle agreement to the Two Stage Citywide Approach to procurement alongside Manchester City Council and Parkway Green Housing Trust. An update was given on 17<sup>th</sup> January 2006.
- 1.3 On 8<sup>th</sup> May 2006, this Board approved the recommendations of the evaluation panel and agreed the appointment of six contractors to the Framework Agreement.
- 1.4 On 4<sup>th</sup> June 2006, this Board approved the funding of the set up and first year costs of the Framework Agreement.
- 1.5 That Framework Agreement has since named itself as "Impact Manchester".
- 1.6 A timetable for this modern, shared procurement is given as Appendix A.

### **2. Rationale Behind Framework Agreement**

- 2.1 It is worth restating the main rationale for having a second procurement source:
  - Ability to benchmark with Manchester Working on price and quality.
  - Avoidance of monopoly contractor position.
  - Share procurement costs.
  - Increase capacity to deliver Northwards Housing Investment Promises.
  - Increase certainty to the end of the investment period (end of 2010).
  - Adheres to partnering concept.

### **3. Legal Advice**

- 3.1 As with the Framework Contract, Trowers and Hamblins have acted as independent legal advisers to Northwards Housing Limited.
- 3.2 The full Framework Agreement Contract is available to any Board member who wishes a copy. Copies are available from Larry Patrick.

3.3 Paul Hyland of Trowers and Hamlins has no outstanding issues on the proposed contract.

3.4 We are the last of the nine parties to agree to the contract as there have been a number of issues with the City Council around the Northwards Housing role, our ability to be involved with the Impact Manchester Board and groups and finally our ability to commission work as an employer, if future freedoms are granted. These are all now resolved to our satisfaction.

#### **4. The Contract**

4.1 The contract has been drawn up by the City Solicitor on behalf of Manchester City Council on behalf of all the parties.

4.2 The contract is between Northwards Housing Limited, Parkway Green Housing Trust and the Council of The City of Manchester, and the six contractors approved on 8<sup>th</sup> May 2006. These were:

- Bramhall North West
- Lord Group
- Wates Group
- Connaught
- G & J Seddon
- Morrison Facility Services – Now Manchester Working Limited.

4.3 It will be open to the new local housing companies, subject to agreement by their Boards, and other RSLs in Greater Manchester.

4.4 The Framework Agreement allows us to draw down project's (Capital Programme Schemes) up to an individual value of £20m per project. We will not exceed this.

4.5 There is no exclusivity within the contract which means there are no contractual guarantees for any contractor of any value of work. However this means that preliminary costs are higher. To avoid this Procurement and Property Sub Committee agreed 3 preferred contractors on 28<sup>th</sup> February 2007.

4.6 The commencement date is set at 31<sup>st</sup> October 2006. The contract runs until 30<sup>th</sup> October 2009. It can be extended for a further year by agreement. This effectively takes it to the end of Northwards Housing's known life and our Decent Homes Programme.

NB. This means Northwards Housing can place work orders up to that date – not that work must be complete by that date.

4.7 Northwards Housing Limited cannot be held responsible for the acts of performance failure or delay of others employers within the contract.

Northwards Housing is not an employer within the contract which means there are no liabilities. This is because our contractors for each Capital Programme Scheme are in the name of Manchester City Council. Northwards Housing has a means of becoming an employer, should it need to and chose to do so. It would do this through a deed of adherence.

- 4.8 The contract approves the existing Programme Management Board and Special Task Groups. Northwards Housing is represented on each group except the Contractors Group.
- 4.9 The contract is a partnering contract.
- 4.10 In exactly the same way as the Framework Contract with Manchester Working Limited, this contract uses;
- a) Draw down of Public Sector Partnering Contracts (PSPC) for each individual capital scheme.
  - b) The same target cost and pain/gain mechanism
  - c) For Northwards Housing Limited the PSPC is in the name of Manchester City Council.

## **5. Recommendations**

It is recommended that;

1. The Board approves the signing of the Framework Agreement Contract by Northwards Housing Limited.
2. Two Board members are authorised to sign the Framework Agreement contract on behalf of Northwards Housing Limited.

**Timetable**

1.	OJEU	22 <sup>nd</sup> August 2005
2.	Pre Qualification Questionnaires	30 <sup>th</sup> September 2005
3.	Assessment Criteria	60% Quality and 40 % Price
4.	Invitation to Tender	9 <sup>th</sup> December 2005
5.	Bid Return	7 <sup>th</sup> March 2006
6.	Appointment of Contractors	8 <sup>th</sup> May 2006
7.	Detailed work on Framework	June 2006 – March 2007