

# Fabric First Framework Handbook

## Document Control Sheet

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## 1 Introduction

Norwich City Council has established a multi-supplier framework – the Fabric First Framework – to assist Passivhaus and Fabric First housing developments.

The establishment of the Fabric First Framework (FFF) is therefore expected to speed up procurement of a Contractor, increase efficiency and significantly reduce costs by pre-qualifying suppliers under set terms and conditions. The framework aims to providing an efficient procurement mechanism to the delivery of housing, spurring economic growth by creating jobs and supporting businesses.

The Fabric First Framework consists of nine Contractors in three lots procured to provide the range of services and works necessary to deliver housing and associated infrastructure. The framework is available for use by Norwich City Council, any other public authority and Registered Providers (RPs).

The FFF will run for a period of 4 years commencing in 28<sup>th</sup> August 2015.

## 2 Using the Fabric First Framework

### 2.1 Framework Lots

Contractor	Lot1 1-20 dwellings	Lot 2 21-110 dwellings	Lot 3 111+ dwellings
 Dove Jeffery Homes Ltd	✓	✓	
 E.N Suiter & Sons Ltd	✓		
 Foster Property Maintenance Ltd	✓	✓	
 H Smith & Son (Honingham)	✓		
 Keepmoat Regeneration Ltd	✓	✓	✓
 Pentaco Construction	✓	✓	
 R G Carter Ltd	✓	✓	✓
 Hill Partnerships		✓	✓
 Lovell		✓	✓

## 2.2 What projects can the Framework be used for?

The Framework is intended to be used for the procurement and development of housing-led sites. This will include all activities necessary to construct houses, associated infrastructure, and ancillary buildings. Specifically this includes:

- the development of homes, to include all activities necessary to deliver completed homes including but not limited to:
- design and construction of housing, including sheltered housing
- provision of affordable housing (in association with a registered provider or as stated in the proposed Housing & Planning Bill);
- design and construction of infrastructure to support housing;
- sales and marketing of homes if required;
- aftercare and maintenance

From an OJEU compliance perspective this includes:

- 45000000-7 Construction work
- 45100000-8 site prep work
- 45200000-9 works for complete or part construction and civil engineering work
- 45210000-2 Building construction work
- 45211000-9 construction work for multi dwellings and individual houses
- 45211100-0 construction work for houses
- 45211200-1 sheltered housing construction work
- 45211300-2 houses construction work
- 45211340-4 multi dwelling buildings construction work
- 45211341-1 flats construction work
- 45211350-7 multi-functional buildings construction work
- 45211360-0 urban development construction work
- 45220000-5 engineering works and construction works
- 45111000-8 demolition, site prep and clearance work

## 2.3 Where can I use the Framework? Geographical Remit

The geographical area covered by the Framework is primarily the east and south east including London. Some Contractors are willing to bid for call offs nationally. For further details please contact us.

## 2.4 Who can use the Framework? Contracting Authorities

Hamson Barron Smith on behalf of NPS Norwich for Norwich City Council has procured the FFF on behalf of the council and its subsidiaries. Other public authorities and registered providers can access the Framework. The public authorities referenced in the OJEU notice (2012/S 69-113942) are listed in this web site: <https://www.london.gov.uk/sites/default/files/user%20list.pdf>

## 2.5 How other Public Authorities can access the Framework

Public Authorities and RPs are encouraged to use the Framework wherever this is appropriate, as it will enable Framework Users to achieve significant savings in time and costs of procurement over a full OJEU compliant procurement process.

Public Authorities and RPs wishing to procure through the Framework will be required to sign up to a letter of agreement with Norwich City Council enabling them to use the Framework. This letter effectively states that all liability arising from using the Fabric First Framework lies with the Framework User.

Once the letter of agreement has been signed, the Norwich City Council via its consultants will provide the Public Authority or RP with all information necessary to enable them to use the Framework. Public Authorities or RPs wishing to use the Fabric First Framework should, in the first instance, contact: [benedict.binns@hamsonbarronsmith.com](mailto:benedict.binns@hamsonbarronsmith.com)

## 2.6 Framework Management

The Framework is managed by Hamson Barron Smith on behalf of NPS Norwich for Norwich City Council. Hamson Barron Smith is responsible for maintaining and making available information on the Framework, arranging regular meetings with Framework Contractors and providing advice and support on Framework usage.

Hamson Barron Smith maintains schedules of profit and overheads of the Framework Contractors, and KPIs of the Framework.

## 2.7 Framework Agreement

All Framework Contractors have signed a framework agreement with Norwich City Council. The framework agreement establishes the overarching terms and conditions for the FFF and includes the following key contractual provisions:

- Subject to any earlier termination/suspension, the Framework Agreement will be for a 4 year term, finishing in August 2019
- Framework Contractors may be required to execute Collateral Warranties and assign work in favour of funders, purchasers, tenants and/or other third parties acquiring interest in the work carried out
- Mini-competition processes and evaluation criteria
- Insurances, including £10m employers liability, £10m public liability and ability to obtain £10m contractors all risk insurance
- Schedule of services

All works and services procured under the framework agreement will be subject to Project Agreements, formalised as part of the mini-competition process. The project specific form of contract includes:

JCT Design and Build contract 2011

JCT Standard Building Contract With or Without Quantities contract 2011

NEC suite of contracts

## 3 How the FFF was procured

The Framework has been established under a Restricted Procurement procedure, strictly following the Public Contracts Regulations 2006 (as amended). The OJEU notice was published on 28 April 2015.

A team drawn from Hamson Barron Smith, NPS Norwich and Norwich City Council evaluated the pre-qualification questionnaires (PQQs). The PQQ established the capabilities and experience of the prospective Framework Contractors.

Shortlisted applicants were issued with an Invitation to Tender (ITT) for the second stage.

### 3.1 Framework Contractors

The Framework Contractors are the parties who have entered into the Framework Agreement with the Council, and who must sign up to the Project Agreements with Framework users. They will carry full liability for all works or services undertaken by them through this Framework.

### 3.2 Passivhaus and Fabric First

All Contractors have demonstrated their ability and experience to construct Passivhaus or have the capability to build to this standard. All Contractors have demonstrated their ability to build to a high standard of Fabric First standard.

### 3.3 Financial Checks

All Contractors have passed Norwich City Council financial checks on their balance sheets, profitability and gearing ratios.

### 3.4 Workmanship

All Contractors have demonstrated their ability and experience of Fabric First workmanship.

### 3.5 Health and Safety

It is important to note however, that although the Council has considered health and safety as part of the tender process, Partners using the Framework retain the legal responsibility as construction Client under the Construction (Design & Management) Regulations 2014 to carry out competency checks on all appointees to a project; the Council cannot take on this legal responsibility.



## 4 Using the Framework: Procurement of Works

### 4.1 Preparing for the Tender

To use the Framework, it is important that information on projects is provided to Hamson Barron Smith at the earliest opportunity and as the project progresses, even if procurement of the project may be several months away.

The information provided should include:

- The name of the commissioning body and instructing officer (with contact details);
- The name of the project;
- A short description of the project (dates, number and type of units, type of site, funding etc.);
- Which Lot is most relevant;
- Anticipated programme;
- What RIBA stage the project is at
- Preferred contract: Traditional, single stage D&B, two stage D&B;
- Value of Commission;
- Any further comments.

Based on this information a realistic upload date can be arranged after the Expression of Interest.

**Hamson Barron Smith can provide assistance in developing the Expression of Interest**

### 4.2 Expression of Interest (EOI) 2 weeks

Opportunities to bid for work should be offered to all capable and available Framework Contractors. The Framework consists of 9 Contractors in three lots

Information that should be provided includes:

- a location plan and site plan identifying the site boundary
- confirmation of ownership of the site
- the capacity in which the Framework Contractor is expected to act, e.g. developer taking full sales risk? Contractor building for a fixed price?
- what is to be built on the site? If housing, then what tenure, mix, other uses – floor areas?
- key site issues. For example, contamination / listed buildings
- has planning permission been obtained?
- what money is available to fund development
- what sales risk exists? Who carries sales risk?
- is the development viable? Is there a positive land value? If not, is grant funding available?
- the timescale for the development; how quickly it needs to be delivered
- proposed management arrangements; e.g. who is the commissioning body?
- Proposed contract: Design and Build or Bill of Quantities?

This expression of interest is sent to Contractors of the relevant Lot and they will be asked to give a simple 'Yes' or 'No' response, but preferably with a short statement explaining their reasons for declining.

This stage is self-selecting and Framework Contractors may decline to bid at this stage. This is something they are entitled to do; we cannot reasonably expect them to bid for every opportunity that is put to the Framework Contractors.

**Hamson Barron Smith can provide assistance in developing the Expression of Interest.**

### **4.3 Invitation to Tender (ITT) – The Mini Competition**

There is a fundamental principle within the Public Contract Regulations that the OJEU notice, competitive process and resulting award, must be consistent. With call offs from the Framework, it is important that the information disclosed during the EOI and the mini-competition process provides consistency from the initial outline of the development opportunity through to the award decision.

A Framework Contractor who declined to bid in the early stages may have grounds for challenge if there is a material change and the development opportunity then becomes more attractive to them.

Following the EOI up to seven Framework Contractors will submit a full project specific tender.

The project specific invitation to tender will be specific to the Project concerned and will be used to agree the details and scope of the works and/or services required. Framework Contractors should be advised of the criteria to be used for evaluating tenders.

The scope of the Framework is broad, and because it can be used to deliver a range of activities, the mini competition processes used will need to vary considerably to reflect the needs of the work being procured.

As part of the mini competition, a project specific contract will need to be put in place between the Framework Member and the commissioning body. This contract will exist in conjunction with the Council Framework Agreement, but should contradiction occur, the project specific contract would take precedence.

The project specific contract will be in the form of one of the following:

- JCT Design and Build contract 2011
- JCT Standard Building Contract With or Without Quantities contract 2011
- NEC suite of contracts

Insurance levels will also need to be checked to ensure that they are current and sufficient to cover the work being commissioned (see Section on Insurances).

Framework Contractors selected to tender must all tender on the same basis and all be provided with the same information.

**The basis of the competition must be clear at the start and must not change significantly, otherwise the competition must be reopened.**

The following steps are required:

### 4.3.1 Financial Appraisal

It is recommended that a financial appraisal is undertaken for each Project to appraise in detail the viability of an individual site. At tender stage, land value would form the major part of the financial evaluation. Any significant difference in the costs, values, overheads, and profit to those submitted at ITT stage will need to be justified and understood.

### 4.3.2 Scoring Matrix

Early on the weighting of the cost and qualitative scores will need to be decided. The Framework was procured on a weighting of 70% quality and 30% cost (Profit and Overheads), with project call offs going for 90%-50% price and 10%-50% quality.

In addition the qualitative assessment – the questions – will need to be developed and weighted accordingly.

In the case of development works, the project specific tender will be evaluated on the following basis: <b>Evaluation</b>	<b>Weighting used at ITT for Framework</b>	<b>Mini Competition Project Specific Tender Weighting Range</b>
<b>Quality</b>		
Quality of Fabric First and Passivhaus workmanship and knowledge of build systems	50%	10%-50%
Project management & resources Programme Approach to gaining planning Construction approach and technical proposal Risk assessment Health & safety	20%	
<b>Total Quality</b>	<b>70%</b>	<b>10-50%</b>
<b>Financial Offer</b> Construction Costs Preliminaries, Overheads and Profit	<b>30%</b> (not including construction costs)	<b>90%-50%</b>
<b>Total score</b>	<b>100%</b>	<b>100%</b>

Weighting of evaluation criteria may be varied to suit the nature of the individual project. The exact weighting of the evaluation criteria and sub-criteria to be used will be detailed within the project specific invitation to tender and should reflect the relative importance of the criteria to the success of the project.

### 4.3.3 Tender Upload

For the tender upload the following will be required on a disc to be uploaded:

1. Executive summary
  - 1.1. Overview of project
  - 1.2. Project aims and objectives
  - 1.3. The site

- 1.4. General site constraints and considerations
- 1.5. Project partners
- 1.6. Governance
- 1.7. Planning overview
2. The opportunity
  - 2.1. Delivery requirements
  - 2.2. Design requirements
  - 2.3. Standards that apply
  - 2.4. Other requirements
  - 2.5. Community engagement
  - 2.6. Funding available and viability
  - 2.7. Registered Providers
  - 2.8. Indicative programme
3. Principles of the Project Contract
  - 3.1. List of technical reports
  - 3.2. Further information
  - 3.3. Project Team
  - 3.4. Project Contract
4. Submission requirements
  - 4.1. Evaluation Framework
  - 4.2. Tender Information
  - 4.3. Financial Appraisal
  - 4.4. Insurances
  - 4.5. Disclaimer and important information
  - 4.6. Appendices
  - 4.7. Draft Project Specific Contract
  - 4.8. Form of tender
  - 4.9. Site ownership plan
  - 4.10. Technical reports
  - 4.11. Relevant design information
  - 4.12. Relevant planning information

#### **4.3.4 Tender Queries**

Queries will be emailed to the project PM for an appropriate response.

#### **4.3.5 Evaluation Team**

It is recommended that the evaluation team consists of a minimum of four people including:

- A procurement officer from the RP or public body to observe
- The project quantity surveyor (QS)
- Two other members from the Public Body or RP
- The lead architect

### 4.3.6 Evaluation Process

It is recommended that the qualitative evaluation process is undertaken by the evaluation team separate and with no knowledge of the scores of financial evaluation.

The scores of both the financial and qualitative evaluation are then added together to produce the final score.

Following evaluation of the project specific tender, unsuccessful bidders must be sent a notification of exclusion letter detailing the following:

- The name of the successful bidder
- The standstill period end date (if applicable)
- Award Criteria and sub-criteria (if applicable)
- Their scores
- Reasons for their scores
- Successful bidder's scores
- Narrative to explain why the successful bidder scored higher marks including characteristics and relative advantages of the winning tender compared to their tender (subject to any known confidentiality/ IPR obligations)
- Contact details to request further information

Successful bidders must be sent an Intention to Award Contract letter by email.

### 4.3.7 Standstill Period

There is no legal requirement to hold a standstill period following a mini competition under the framework. However, Government guidance recommends that the standstill period applies to mini-competitions in excess of the relevant EU threshold and the adoption of the standstill period (and disclosure) will reduce the risk of call-off contracts being declared ineffective. This means that a clear evaluation approach for a mini-competition is needed otherwise there will be no mechanism for which to explain the award decision.

## 4.4 Project Specific Considerations

### 4.4.1 Insurances

Insurances should also be checked on a project specific basis, for example, Contractors All Risks Insurance will be sought on a project specific basis. Insurances may also need to be raised in some cases. At the time of appointment on to the Framework, all Framework Contractors held the following insurances:

- Employers Liability £10m
- Public Liability £10m
- Contractors All Risks £10m (or proof from insurers that a minimum of £10m could be obtained)

### 4.4.2 Warranties and Liquidated Damages (LDs)

Each project will need to specify the requirements for Warranties and LDs in their tender submission.

### 4.4.3 Key Performance Indicators (KPIs)

In this Framework key performance indicators (“KPIs”) are used for the following purposes:

- to monitor performance of the Contract, with a view to both Norwich City Council – the Employer - and Contractor having data which they will review at progress and other meetings so that each of them can bring forward suggestions for the improvement of the performance of the Contract and the delivery of the Works;
- to identify performance below the performance target which, if continued for three monthly Measurement Periods, or applying to three or more KPIs, leads to a requirement for the Contractor to produce a Remedial Plan; and
- to identify performance that is below the minimum standard that the Employer is prepared to accept (“Minimum Acceptable Performance”) and which, if not improved, will lead ultimately to termination of the Contract for Contractor Default.

The following KPIs are used on the Framework. Details of the KPI scoring matrix and KPI document are available on request.

- KPI1
  - No. of concerns that were rectified.
  - No. of early warnings on risk register mitigated
- KPI2
  - Record the number of defects per completion.
  - As required by each contract Passivhaus or other certification post completion
  - As required by each contract demonstration of achieving Passivhaus or other standard
  - % of contractors and sub-contractors that received fabric first tool box talk
  - Where relevant, % of contractors and sub-contractors that passed Passivhaus tradesperson certification
  - As required for each contract % of rectification completed on time
- KPI3
  - Demonstrating a proactive and collaborative approach to aligning, as far as practicable, the client's budget cost with the Contract Sum and anticipated Final Account. It is expected the contractor will play a pivotal role in approaching and gaining best value from the trade market, together with early warning of Post Contract changes and potential variations.
  - Accuracy of cash flow forecast provided by contractor.
- KPI4
  - Subject to any client approval to changes: Delivery of project against contractor's programme.
  - Where required agility to increase, decrease or amend build programme.
- KPI5
  - Provision of health safety & welfare provisions on site (pass - 5 (more than 8 for each of the 5 sections of the monitor's report) pass 4 (at least seven for each of the 5 sections of the monitors report) or fail -0 (less than 35 in total of the sections of the monitors report)
  - No of non-compliance with legislation or regulations (a pass - 5 or fail - 0)

- KPI6
  - For Norwich City Council projects and other projects where applicable and subject to availability of new entrants, number of new entrants recruited and retained - framework target is 10% of the overall workforce must be sourced through Building Futures initiative. Pass - 4; 5 for above 10% or fail - 0
  - Provision of information on Local SME appointment as percentage of total Contract Sum.
  - Provision of information Local SME appointment as percentage of total sub-contractor appointments.
- KPI7
  - As agreed for each project reach of PR and marketing initiatives (community engagement, column inches; social media reach and presentation reach).
  - Participation and commitment in joint research, training and monitoring projects.

## 5 Fabric First Framework Advice and Fees

### 5.1 Advice

Hamson Barron Smith can advise on the following:

- Assess the attractiveness of the development opportunity by considering
  - Key local experience
  - Perceived challenges
  - Local market demand
  - Design requirements and sustainability
  - Comment on any initial master planning or design work
  - Contract and terms
  - Mix and phasing
- Reviewing Procurement options including:
  - Drafting the EOI
  - Drafting the ITT
  - Evaluating the ITT
  - Producing a tender report on the ITT

### 5.2 Fees

Available on request.