

Warwick District Council - Procurement/Cost Management

Warwick District Council is a Local Authority client providing a range of housing-related services in the district with a stock of over 5,000 properties, including 5 Sheltered Housing schemes giving older people the opportunity to live independently.

Following an initial procurement exercise for their housing maintenance contracts for 2013-2023 in 2012, Impart links were commissioned as Cost Consultants for the contracts.

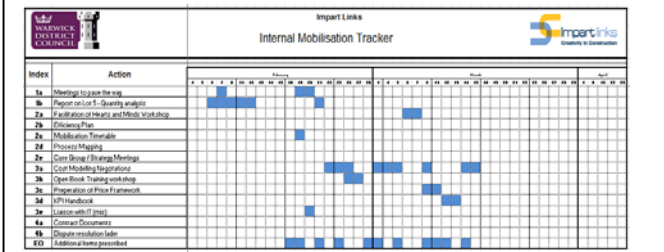
Impart links were commissioned by Warwick District Council for the procurement of their housing maintenance contracts for 2013-2023. The procurement consisted of 16 lots of work covering planned works, responsive works, voids, capital, gas servicing and various mechanical and electrical corporate packages.. After award of the contracts we were commissioned as cost consultants to manage the mobilisation and complete the monthly valuation process with each of the contractors to include quarterly reviews, used to adjust target cost details in line with the relevant price frameworks and agreement of the annual final accounts.

Impart links provide the following services to Warwick Council;

- Preparation and Recommendations of the tender
- Preparation and Agreement of the Price Framework
- Negotiate and Agree the Contract Documents
- Agreement and preparation of Annual Cost Models
- Agreement of Monthly Valuations
- Completion of Monthly Cost Report and Budget Monitoring

Negotiate and Agree the Contract Documents

The contract was procured under TPC 2005& PPC 2000 dependant on particular lots. Contract tools such as the partnering timetable and risk registers were utilised to ensure key dates and pre-conditions were met to assist in prompt execution of the contract documents



Agreement of Monthly Valuations

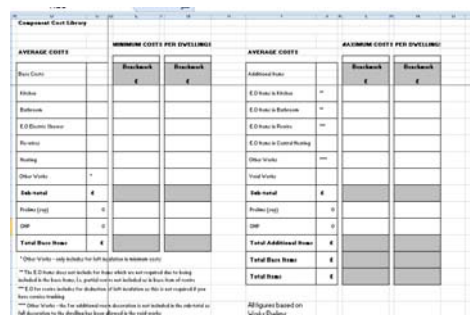
Valuations and invoices are received by Impart links and reviewed for compliance with the cost model and audited against actual works completed on site. All open book costs are validated in line with target costs and audited for reasonableness. Recommendations are then made to Warwick Council for payment in line with the contract.

Preparation and Recommendations of the tender

We created a bespoke tender pricing document allowing a range of priced options for Warwick Council, including closed book schedule of rates and open book, target costs per repair or cost per plot models.

A bespoke cost model was developed for each contractor for each Lot using the tender prices and turnover risk ranges.

Preparation and Agreement of the Price Framework



AVERAGE COSTS		MINIMUM COSTS PER DWELLING		AVERAGE COSTS		MAXIMUM COSTS PER DWELLING	
	Backlog	Backlog		Backlog	Backlog		Backlog
Block Costs							
Wishes							
Subtotal							
E.C. Items (Other)							
Reserve							
Roofing							
Other Works							
Subtotal							
Provision (net)							
DPF							
Total Block Costs							
Total Additional Works							
Total Block Costs							
Total Price							

Impart links prepared and agreed the price framework for each contract, which consisted of;

- The commercial administration method for each sub lot
- The anticipate turnover
- The method for measuring on-cost
- The application of performance profit
- Risks and indicators
- Year on Year revision target cost calculation tools

Completion of Monthly Cost Report and Budget Monitoring

Each month a valuation report is completed by Impart links detailing the commercial performance in relation to the contract. The report focuses on any exceptions and reviews performance against the budget, key areas of risk and compliance with KPI's which are linked to performance profit.

The review assesses the forecast annual cost in line with budget and flags the key variances and a proposed mitigation strategy