



CYNGHRAIR | WELSH  
CAFFAEL | PROCUREMENT  
CYMREIG | ALLIANCE

## OFFSITE CONSTRUCTION OF NEW HOMES

**FRAMEWORK AGREEMENT:**  
ref 'NH2'

**FRAMEWORK TERM:**

1 May 2019 – 30 April 2023

**CN:** 2018/S 162-369578

**CAN:** 2019/S 104-251113





## WELSH PROCUREMENT ALLIANCE (WPA) – OFFSITE CONSTRUCTION OF NEW HOMES

WPA provides a QUICK AND EASY procurement route, whilst ensuring our clients are complying with relevant Procurement Regulations.

We recognise that procurement is an ever-changing landscape. Therefore to ensure ongoing compliance with the regulations, WPA continually monitor and update our processes to reflect any changes.

By working closely with the WPA Executive Committee and our partners, WPA promotes best practice in procurement, helping to achieve social value and positive outcomes for communities across Wales.

If you would like any of the content of this brochure translating into Welsh please ask.

Os hoffech i unrhyw ran o'r gynnwys y pamffled hwn gyfieithu i'r Gymraeg gofynnwch os gwelwch yn dda.

### GENERAL TERMS & CONDITIONS

LHC uses the FAC1 standard form of contract to manage our frameworks. The LHC pro forma, which should be read in conjunction with the FAC1 in published form, details the terms and conditions that govern the operation of the framework, including the procedures to call off projects under the framework. A free copy of the LHC proforma is available upon request. The FAC1 in standard published form can be purchased at a negotiated rate from ACA, by emailing office@acarchitects.co.uk and quoting discount code reference: LHCFAC2516102017.

When calling off projects, clients can use any one of a range of standard forms of building contract including: JCT/SBCC, NEC3/NEC4, ACE, PPC, TPC, FAC1, or their own in-house agreement.



### WORKSTREAM 1

#### Volumetric building systems.

Factory produced three-dimensional units that are transported to site for fixing together.

### WORKSTREAM 2

#### Panelised building systems.

Factory produced flat panel units that are transported to site for assembly.

### WORKSTREAM 3

#### High rise systems.

### WORKSTREAM 4

#### Turnkey delivery of offsite systems.

Covers any type of residential building, including:

- Houses
- Care homes
- Flats/apartments
- Student accommodation
- Adaptive pods/room on the roof

# ABOUT THE FRAMEWORK

WPA's framework for Off-site Construction of New Homes (NH2) was established to deliver housing, apartments, and multi-occupancy buildings including care homes, sheltered accommodation and student accommodation.

Where a project is a mixed development of residential and commercial buildings or schools and community buildings, the framework may also be used to deliver the non-residential element.

Fully OJEU compliant, it provides local authorities, housing associations and other social landlords with easy access to off-site manufactured volumetric, panelised, high-rise and turnkey building systems for the use in new homes building projects.



# TENDER PROCESS AND EVALUATION

WPA's commitment to its clients is to offer robust framework agreements built on the 'Best Value' principle of fit-for-purpose products and services delivered at competitive prices. The overall structure and method of tendering and evaluation reflect this approach. The competitive tender exercise was exhaustive and rigorous, to ensure WPA can offer the best overall package of quality achieved at a competitive price, and to provide clients with a choice.

The evaluation process comprised three elements, Company Standing/Capability, Quality and Price, which applied to each Lot.

Tenderers had to pass the minimum requirement for financial requirements

LHC reserved the right to exclude tenders that did not achieve a total indexed quality score of at least 60% of the highest score, as they would be deemed not to have achieved the required quality standard.

The assessment weighting is **75/25 Quality/Price** criteria with the sum of both scores establishing the Most Economically Advantageous Tenders (MEAT).

APPOINTED COMPANIES	WS	HOUSING				OPTIONS APARTMENTS				ADAPTIVE PODS				ROOM ON ROOF				TEMPORARY ACCOMMODATION				OPTIONS MIXED DEVELOPMENTS WITH A COMMUNITY BUILDING REQUIREMENT / WITH ONSITE CONSTRUCTION				ENHANCED ENERGY PERFORMANCE			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
> Castleoak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
> Engie				✓				✓																			✓		
> hatch					✓																								
> Ilke Homes	✓				✓																					✓			
> Innovare		✓				✓																							
> ISO Spaces					✓							✓																	
> Kenton Jones	✓	✓			✓							✓																	
> LoCal Homes				✓								✓															✓		
> Module AR	✓			✓	✓							✓															✓		

✓ Excluding Mid Wales

**WORKSTREAM 1**

Volumetric building systems are factory produced three-dimensional units that are transported to site for fixing together.

**WORKSTREAM 2**

Panelised building systems are factory produced flat panel units that are transported to site for assembly.

OPTIONS AVAILABLE:	OPEN PANEL	INSULATED PANELS	CLADDING AND WINDOWS FITTED	ENHANCED ENERGY EFFICIENCY
> Castleoak	✓	✓	✓	✓
> Innovare		✓		
> Kenton Jones				✓

**WORKSTREAM 3**

High rise systems - enhanced.

**WORKSTREAM 4**

Turnkey delivery of offsite systems.

## COMPANY STANDING

The first stage sought detailed information about each tendering organisation, including:

- Financial information
- Business and professional standing
- Health and Safety policy and capability
- Equal opportunity and diversity policy and capability
- Environmental management policy and capability
- Quality management policy and capability
- Sustainability and social inclusion policy

The format of the regulatory evaluation was in accordance with the principles of PAS 91 Construction pre qualification questionnaire.

One of the essential elements of the company evaluation was the full reporting of each tenderer's financial standing, supported by independent fiscal checks carried out by LHC and specialist external agencies.

## CORPORATE SOCIAL RESPONSIBILITY

Each tenderer was assessed against the corporate social responsibility questions as used in PAS91: These questions were scored on a pass/fail criteria.

## REGIONAL CAPABILITY

This section enabled the tenderer to demonstrate their ability in each region and identify whether they operate in a region already or were capable of operating in if required to do so.

## QUALITY 75%

**15% QUALITY QUESTIONS**

- Design and management
- Construction phase
- Delivery
- Handover
- Cost management
- KPIs
- Incident management
- Performance management
- Customer service

**15% PROJECT MANAGEMENT**

- Project management
- Design services
- Business continuity
- BIM
- Considerate Contractors Scheme
- Construction Logistics and Community Safety (CLOCS)

**15% HOUSING**

- Warranty provider
- Mortgage lending
- Case studies

**15% TECHNICAL**

- System details
- Building regulations
- Installation
- Third party certification
- Building elements

**15% FACTORY INSPECTION**

- Structure
- Cladding
- M&E
- Internal finish
- Kitchens and bathrooms
- Weather protection

## PRICE 25%

A spreadsheet was provided for each workstream requiring pricing or rates for the following:

- Regional variations
- Sub-contractor uplifts
- Management fees (preliminaries, overheads and profit)
- House Types
- External works (excluding workstream 2 for panelised systems)

The pricing was then evaluated for each Lot using:

- 10% House pricing
- 10% Management fees
- 5% Scenario pricing



## APPOINTED SUPPLIERS



[www.castleoak.co.uk](http://www.castleoak.co.uk)

Castleoak design, manufacture and erect timber frame solutions. Based at offices in Cardiff, with an off-site manufacturing operation, timber frame design office in Malvern and on construction sites across the UK. Castleoak has a precision offsite manufacturing operation in Ebbw Vale and the in-house design team in South Wales delivers for leading housing associations, not-for-profit operators and property developers across the UK. Castleoak produce precision engineered timber frame components including: open panel, insulated panel, prefabricated components and modular components. Castleoak also offer a turnkey construction solution.



hatch.

[www.hatchmodular.co.uk](http://www.hatchmodular.co.uk)

The hatch. vision is “to work with organisations across the UK to deliver digitally designed precision manufactured modular homes, built in scalable factories, with and within the communities they serve”. hatch. has created a standardised modular product built in a localised factory setting. These bespoke factories will in turn create jobs for the communities it is building the homes for and generate income and sustainability for Housing Associations and Local Authorities. The hatch. product, known as CLiCs, is a light gauge steel volumetric system designed for both Low Rise and Medium Rise residential.



[www.kentonjones.com](http://www.kentonjones.com)

Kenton Jones manufacture, supply and construct high performance modular and prefabricated homes combining home grown Welsh softwood with locally sourced, natural and recycled products. Using innovative manufacturing processes, and intelligent yet simple architectural design, the modular system provides a fast, environmentally friendly and efficient building solution either as a kit of parts or fully volumetric system. Kenton Jones' DQR and Lifetime Home compliant affordable home is developed as a 'standard' house type suitable for terraced, semi and detached arrangements. Kenton Jones offer a full turnkey solution from tree selection to client handover.



innovare

[www.innovaresystems.co.uk](http://www.innovaresystems.co.uk)

Innovaré was established in 2005 and is the only major SIP solutions provider in the UK to design, engineer, manufacture, deliver and install their own Structural Insulated Panel System (i-SIP). The i-SIP is a large format panel system made from an insulating layer sandwiched between two timber sheets. The panels are prefabricated, high performance, lightweight building components used in external walls and roofs. The panels are made by bonding two layers of orientated strand board (OSB) structurally adhered to a core of Expanded Polystyrene (EPS). The desired thermal and acoustic properties are designed and engineered into the panels. This significantly reduces the need for mechanical heating and cooling or additional soundproofing treatments in buildings.



ilke  
HOMES

[www.ilkehomes.co.uk](http://www.ilkehomes.co.uk)

ilke Homes is a leading offsite construction company, building modular homes. The ilke factory can build up to 2,000 homes a year and up to six high quality, energy efficient and precision engineered homes per day can be installed onto a development site. Due to the variety of combinations of finishes, rooflines and layouts available, ilke products are used for small infill sites through to entire sites and are also used regularly alongside traditionally built homes both on new developments and established streets.



[www.localhomes.co.uk](http://www.localhomes.co.uk)

LoCaL Homes is a not-for-profit advanced housing manufacturer, offering high quality, high performance, low carbon housing solutions across the UK. Run on social enterprise principles and housed within a social landlord (Accord Group), LoCaL Homes provides traditional and closed panel, timber-frame systems that not only deliver cost, time and quality certainty but offer customers an added social-value housing solution. Whether it is a three story town-house, a school or bungalow, the flexibility of their products means the design doesn't need to be compromised.



[www.isospaces.com](http://www.isospaces.com)

ISO Spaces is an industry-leading, award-winning designer and manufacturer of bespoke modular buildings from recycled shipping containers. Offering a full turn-key solution from concept design to off-site construction and installation, ISO Spaces deliver bespoke containerised solutions to meet the highest quality standards and specifications. ISO Spaces works with developers, main contractors, construction partners, architects and local authorities to deliver modular developments for a wide cross section of markets. The in-house design and engineering team constantly seek to push the conceptual boundaries and the potential of shipping containers as a sustainable, flexible and cost-effective building block.



[www.m-ar.co.uk](http://www.m-ar.co.uk)

M-AR was established in 2007 by three Directors providing relatively small, off-site solutions. Today, they are a main contractor with a factory, based on the banks of the River Humber. From humble beginnings, the company has grown organically in size to a diverse 60-strong team with an efficient manufacturing facility on their six-acre site, with the same three full-time Directors and no external shareholders. By focusing on all the things that really matter to you, the company aims to deliver a high-quality service that's efficient, consistent and exceeds expectations.



[www.engie.co.uk](http://www.engie.co.uk)

engie are a leading provider of regeneration services in the UK – covering everything from community regeneration and refurbishment to repairs, maintenance and housing development. They specialise in both large and small-scale mixed-use developments working in close partnership with local authorities, private sector funders and landowners and registered providers, engie deliver thousands of much needed new homes across the country each year.

## BENEFITS OF OFFSITE CONSTRUCTION:

As a sector we are beginning to better understand the potential benefits of using offsite construction for new-build social housing.

There are severe labour shortages in the construction industry that are only predicted to become worse. The opportunity exists now for a new industry to be developed to meet the growing demand for new homes across the country. Moving the building process away from the physical site and into a controlled factory environment has multiple advantages.



### FACTORY PRODUCTION

- Improved working conditions and Health and Safety
- Easier to train workers in a factory environment
- Better quality control
- Reduced snagging and defects
- Reduced material waste
- No weather delays

The framework option allows early engagement with suppliers to ensure that designs meet the requirements of residents and also are practical to build in a factory.

The cost savings come when the process can be refined, and efficiencies improved. Building one-of-a-kind homes does not make economic sense for offsite manufacturers.

Over the whole life of the asset, taking into consideration design costs and maintenance costs offsite can show a significant cost reduction. In the longer term, the cost of offsite is likely to be reduced as volumes grow, whereas future ongoing increases in labour and traditional materials will lead to higher costs for traditional construction.

WPA encourages a high value/whole life cost approach rather than cheapest cost.



### OFFSITE HOMES IN USE

- Energy efficiency built-in
- Reduced carbon emissions
- Lower energy bills for residents



### FASTER CONSTRUCTION = LESS TIME ON SITE

- Reduced road traffic movements
- Reduced disruption around the site
- Reduced energy use on site



### REDUCED COST

Offsite should not be considered purely as a 'cheaper' option. However, there is a potential for reduced costs if the design and build process is aligned to offsite production and installation.

*"F1 Modular worked collaboratively with both Linc and Rhondda Cynon Taf Council to produce this landmark development and important housing for the community. The quality of the modules is also excellent which will help with energy efficiency as well as quality of fit out."*

**Karen Jones, General Manager, F1 Modular**



## CASE STUDY | ABERAMAN EXTRA CARE APARTMENTS, ABERDARE

**Client:** Linc-Cymru Housing Association **Contractor:** F1 Modular

The new Extra Care facility in Aberaman, Aberdare (to be completed towards the end of 2019) is the result of a collaboration between Linc Cymru and Rhondda Cynon Taf Council.

*"We're proud to be partnering with Rhondda Cynon Taf Council and F1 Modular to build the first modular extra care scheme in the county. Using modular construction, the rate of development is far quicker than using traditional building methods, and we're already considering how we can use this method again in the future."*

**Louise Attwood,**  
Executive Director Property, Linc



This F1 Modular development will provide an Extra Care facility as part of a wider £50m Council investment to deliver modern accommodation to meet the needs of the growing older population in the County. The Council has identified the need for 300 extra care places across Rhondda Cynon Taf as demand for new models of care and support increases.

96 individual modules, which were fully fitted out with bathrooms and kitchens, were manufactured in F1 Modular's factory in Newtown, Powys before being delivered to the site on which the groundworks had already been prepared prior to their arrival to help reduce the construction period.

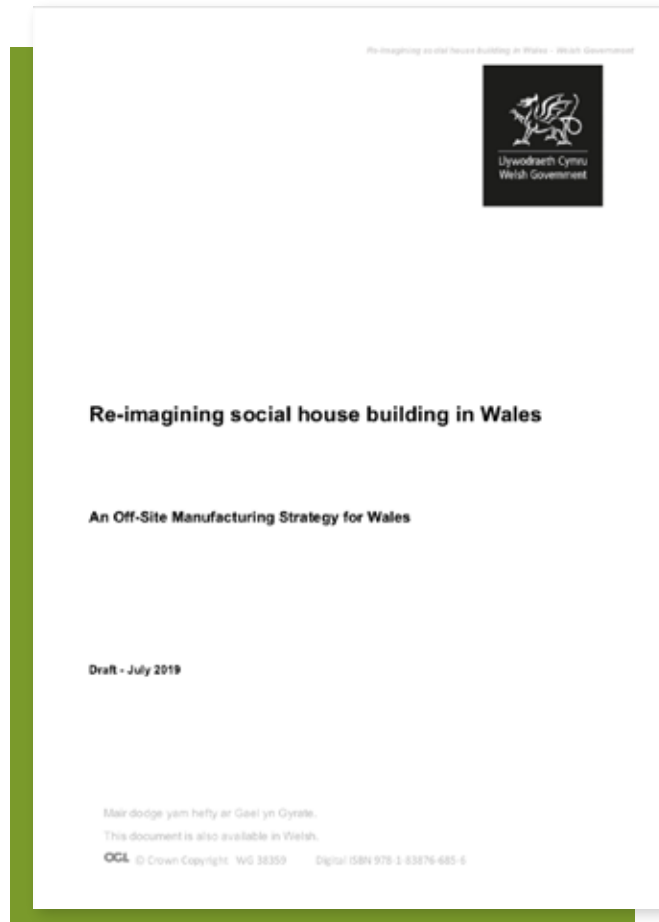
The development includes 40 independent apartments (36 one-bedroom and 4 two-bedroom) for people aged

55 and over within a three-storey building. There will be on-site assistance for residents with decreased mobility and other care needs. The communal facilities include a dining room and cafe, hair salon, therapy room, lounge, laundry, winter garden room, activity room and guest suite. Ancillary areas such as kitchen, staff room and offices are also provided, along with a 24-space car park and a garden which will also be used in conjunction with the neighbouring Blaengwawr Primary School.

The project was partly funded by the Welsh Government's IHP fund and the project was procured via the first Welsh Procurement Alliance framework for Offsite Construction of New Homes (NH1).



## WELSH GOVERNMENT VIEW ON OFFSITE



“ Welsh Government is committed to investing in housing for social rent in Wales. Given the well-documented capacity constraints faced by traditional house builders, this public investment creates the potential to accelerate the opportunity to manufacture homes ‘offsite’. ”

### OUR VISION

is to reimagine how new social homes are built in Wales

### OUR SOLUTION

is to build better social homes in Wales, more of them and more quickly

In recent years the Welsh Government has encouraged the offsite sector with IHP funding. The outcomes from these innovative developments are ensuring that social housing providers now have improved confidence in the offsite options available to them.

**WPA are passionate about offsite construction. We firmly believe that the offsite housing manufacturers can play a huge role in delivering the quantity and the quality of homes that are required to meet the future needs of the social housing sector in Wales.**

## WHO CAN USE THE FRAMEWORKS?

### ELIGIBILITY

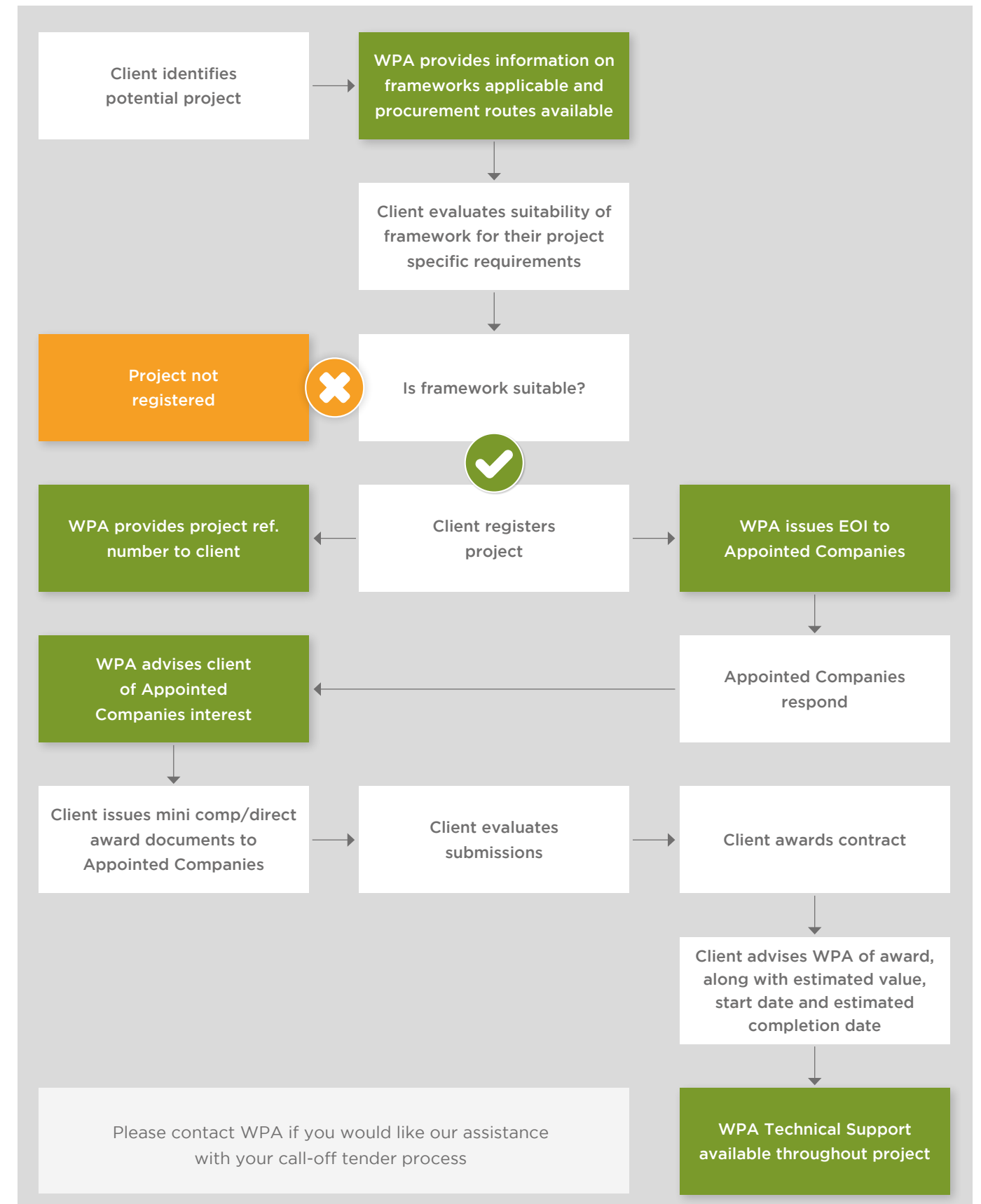
WPA is part of LHC, a not-for-profit organisation, governed by public law, and a central purchasing body providing procurement services.

Over 200 publicly funded organisations throughout the UK currently use LHC frameworks to procure works, goods and services to construct, refurbish and maintain social housing, schools and public buildings. The specific classes of public sector organisation authorised to use the framework include:

**NB:** this is not a definitive list of potential users. Please contact WPA for a full list of eligible organisations.

- Local Authorities and any subsidiaries and joint-venture vehicles of those Local Authorities
- Housing Associations and other Registered Social Landlords (RSLs)
- Health Authorities, Councils, Boards and Trusts
- Publicly funded schools
- Universities, colleges and other further education establishments
- Police authorities
- Fire and Rescue services
- Registered charities
- Government departments

## EASY GUIDE TO USING WPA FRAMEWORKS







CYNGHRAIR | WELSH  
CAFFAEL | PROCUREMENT  
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In association with:



Trusted procurement for  
better buildings and homes



**Welsh Procurement Alliance (WPA)**

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 [WPA \(Welsh Procurement Alliance\)](https://www.linkedin.com/company/welsh-procurement-alliance/)