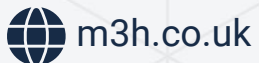


M3NHF Schedule of Rates and Version 8

Facilitated by:

David Miller

Director/Consultant | M3 & Rands



Overview of current M3NHF Schedules of Rates

Schedule of Rates Introduction



1993

Schedule of Rates developed

1994

Schedule of Rates Launched



2008

Version 6 Released



2016

Version 7 Released

2019

Version 7.1 Released



2021

Version 7.2 Released



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Growth in Items

Version 6 - 2,430 items

Version 6.1 – 2,590 items

Version 6.2/6.3 – 2,704 items

Version 7 – 3,090 items

Version 7.1 – 3,159 items

Version 7.2 – 3,440 items

Residential Works Modules

**Responsive
Maintenance Works**

RIMVOS

(Repairs, Improvements, Maintenance, Voids Ordering Schedule – designed for small Social Providers up to 1500 units)

ROS

(Repairs Order Schedule designed for Optitime and similar job scheduling systems)

VIPER

(Voids Ordering Schedule linked to Void Lettable Standards)

Water Hygiene

**Disabled
Adaptation Works**

Retrofit Works

Asbestos Works

Fire Safety Works

**Planned
Maintenance &
Property
Investment**

**Cyclical
Redecoration and
Pre-decoration
Repairs**



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Residential Servicing Modules

Gas Appliance
Servicing and
Maintenance

Solid Fuel Appliance
Servicing &
Maintenance

Communal
Mechanical &
Electrical

Lift Maintenance

Fire alarm
Maintenance

Warden Call/OAP
Alarm Maintenance

Controlled Door
Entry Maintenance

CCTV Maintenance

Communal TV
Maintenance

Electrical Works
(landlords/
communal)



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Estates & Facilities Management Modules

Estate Services

- Grounds Maintenance
- Estate Services
- Sewage Plant Maintenance
- Building Cleaning
- Window Cleaning

Facilities Management

- Part 1 – Structure & External Works
- Part 2 – Internal Works
- Part 3 – Plumbing, Heating & Electrical
- Part 4 – Communal Mechanical & Electrical
- Part 5 – Swimming Pool Maintenance
- Part 6 – Micro-Generation
- Part 7 – Fire Safety Works



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NHMF Form of Contract 2011

Suite Of Tender Documents:

- Invitation to Tender
- Articles of Agreement
- Contract Details
- Contract Conditions
- Preliminaries
- KPI Framework
- Price Framework

NHF Form of Contract Compared

	NHF	JCT	NEC3	TPC 2005
Designed by	Practitioners (LA, ALMO and RSL) plus Contractor input, and Procurement and Construction Law Solicitors and Consultants	Architects and Contractors	Engineers and Contractors	Solicitors and Architects
TUPE	Standard Clauses	Bespoke	Bespoke	Bespoke
Construction Act Compliant	Yes	No	No	NO
Termination	Fully Compliant	Clauses to be added	Clauses to be added	Clauses to be added
Social Housing Maintenance Orientated	Yes	No	No	No



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NHF Form of Contract Compared

	NHF	JCT	NEC3	TPC 2005
Model Preliminaries designed for Social Housing (IT Links, Real Time working, Appointments)	Standard	Have to be bespoke	Have to be bespoke	Have to be bespoke
Inbuilt Monitoring and Default procedures	Standard Clauses	Have to be bespoke	Have to be bespoke	Have to be bespoke
Performance Management	Standard Clauses	Have to be bespoke	Have to be bespoke	Have to be bespoke
KPI Framework	Standard	Have to be bespoke	Have to be bespoke	Have to be bespoke



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Trades

Schedule and Specification

- Foundations
- Groundworks
- Fencing and Gates
- Drainage
- Brickwork
- Masonry
- Roofing
- Carpentry and Joinery
- Plasterwork and other Finishes
- Wall and Floor Tile and Sheet Finishes
- Painting and Decorating
- Cleaning and Clearance
- Glazing
- Plumbing
- Heating, Gas Appliances and Installations
- Electrical
- Disabled Adaptations and Minor Works
- Specialist Treatments
- Energy Efficiency Appliances and Components.



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Deemed to be Included

All Trades



Calculating the Rate

Standard Minute Values (SMV) excluding traveling time

10% Non –Productivity Factor on Labour costs

Materials including waste allowances

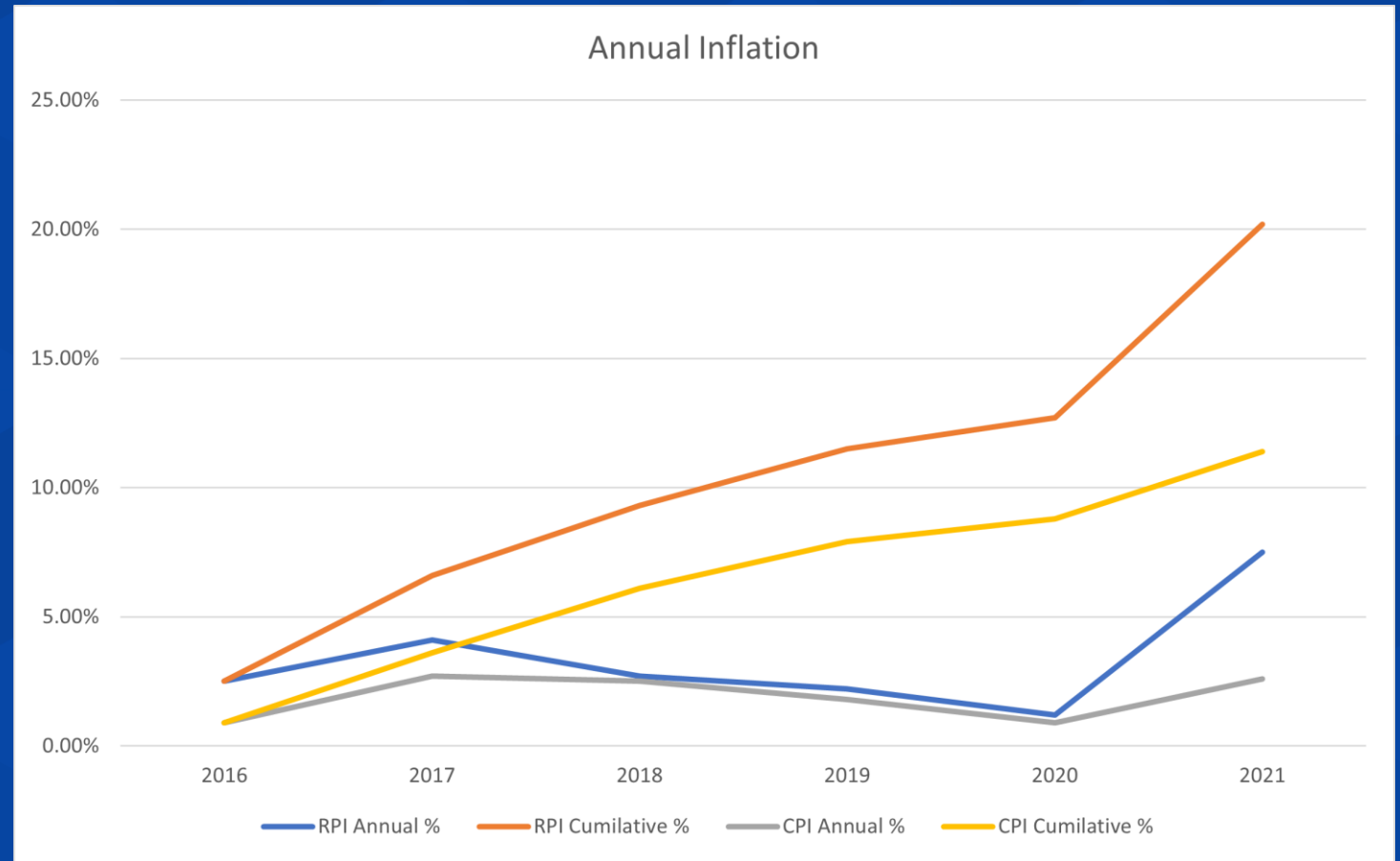
Vehicles costs at £5.15 per hour

Overheads at 15%

Profit at 5%

Calculating the Rate

Version 7 – All rates
set in 2016



Why do we need to move to Version 8

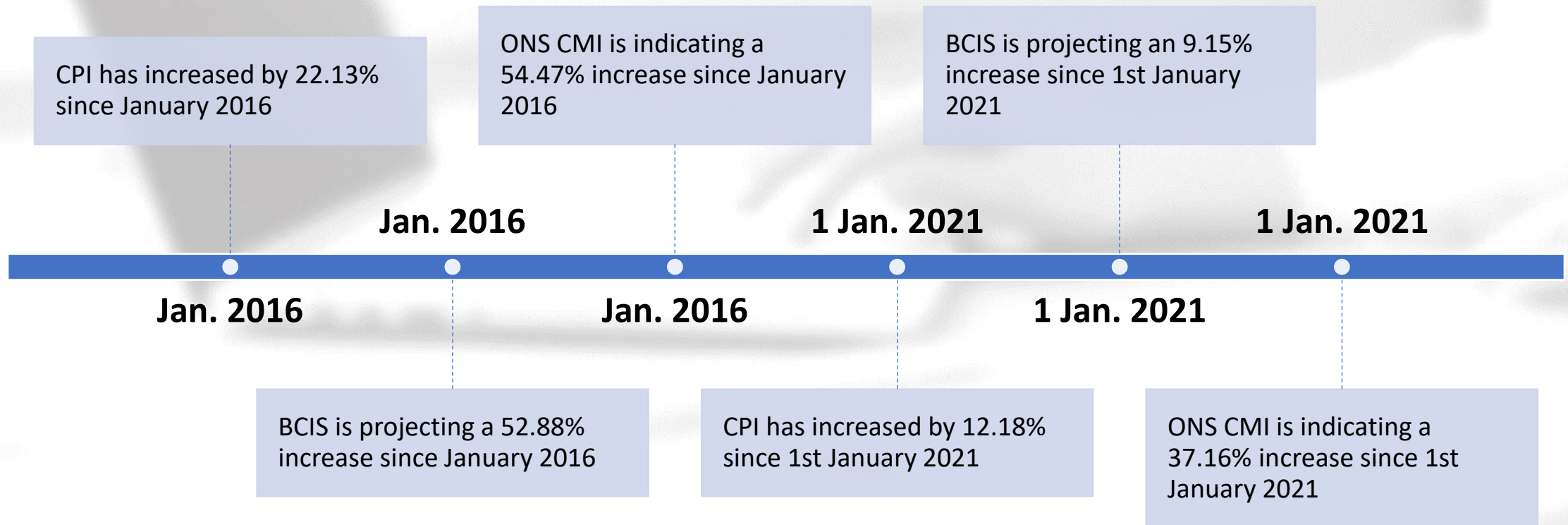


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Inflation v Market

Inflation at beginning of 3Q 2022





Unforeseen Financial Impacts on Contracts



International/National
Events– All Contracts
can/could be affected

Contract Specific
Events



International/National Events.

Brexit and its
consequences

Covid-19 Pandemic
and its consequences

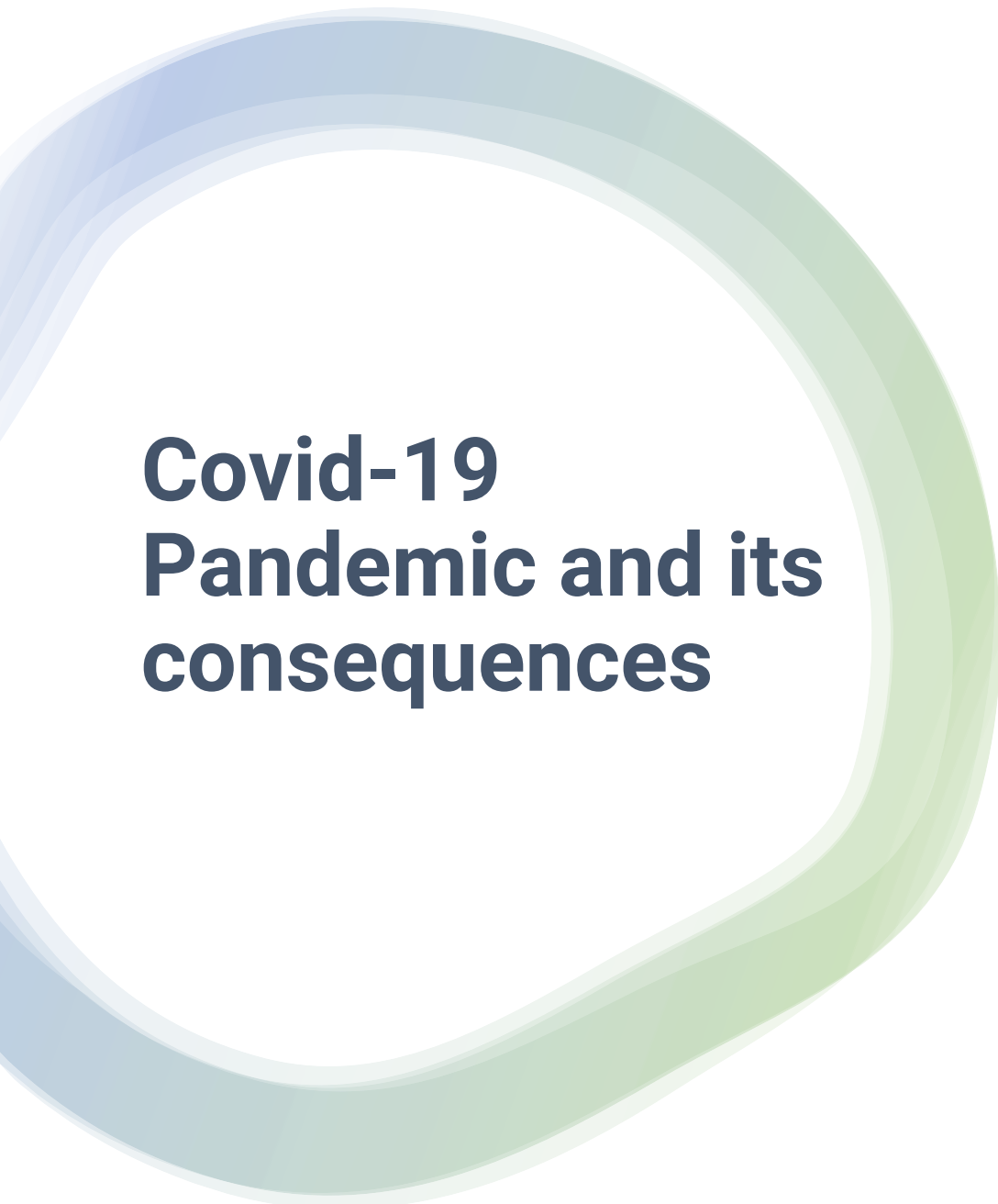
Climate Change and
Energy Costs

Building Safety and
Regulations



Brexit and its consequences

- 60% of Imported Materials used in UK Construction and Maintenance comes from EU Countries
- 80% of all Softwood comes from EU Countries.
- EU Operatives who left during pandemic and who want to return will be subject to new Immigration regulations.
- Non Tarriff Barriers (NTBs) with the EU introduce additional costs and time impediments to the import of certain materials and components – UK government considers this will be 5-11% increase for goods and 3-14% for services - Delays in checking imports at the Ports
- Hard v Soft Brexit



Covid-19 Pandemic and its consequences

- Additional Health and Safety Measures
- Lockdowns – only emergency works undertaken by most Clients
- Isolation – affecting access and availability of labour.
- Material availability – Production, Stocking, Delivery, and Increased DIY activities
- Increases in costs outstripping CPI Inflation




Climate Change and Energy Costs

- Winter Storm Uri affected a number of Chemical plants in Texas affected the production and supply of insulation, paints, adhesives and packaging materials. – **costs escalating**
- Hotter than normal weather during the summer in Sweden affected the cutting of timber, leading to reduced supplies. (shortage of imported timber led to a 1.3% decline in monthly construction output) Timber yields are also increasingly threatened by wildfires and increased pest action. – **costs escalating**
- Cold Winter in Europe in 2020/21 resulted in lower levels of gas being stored, a relatively windless summer meant it was difficult to replenish power supplies – **costs escalating**
- **Conflict between Russia and Ukraine**



Building Safety and Regulations

- Dwellings required to be “Fit for Habitation”
- Actual and Alleged Disrepair Cases – No Win No Fee Law Firms
- Insufficient Compliance Inspections and Stock Condition Surveys
- Compliance Gap affected by Covid
- Out of date data



Causes of Material Price Increases

- Reduced production due to Covid Factory Closures, Climate problems in Texas and Scandinavia;
 - roof tiles on 20 to 36 weeks lead in
 - Cement production 11.21% down in 2021
- Reduced stock holdings due to Covid “DIY”
- Congestion at UK and Overseas Ports
- Containers in the wrong place
- Suez Canal Blockage
- Increases in energy costs from Russia/Ukraine conflict

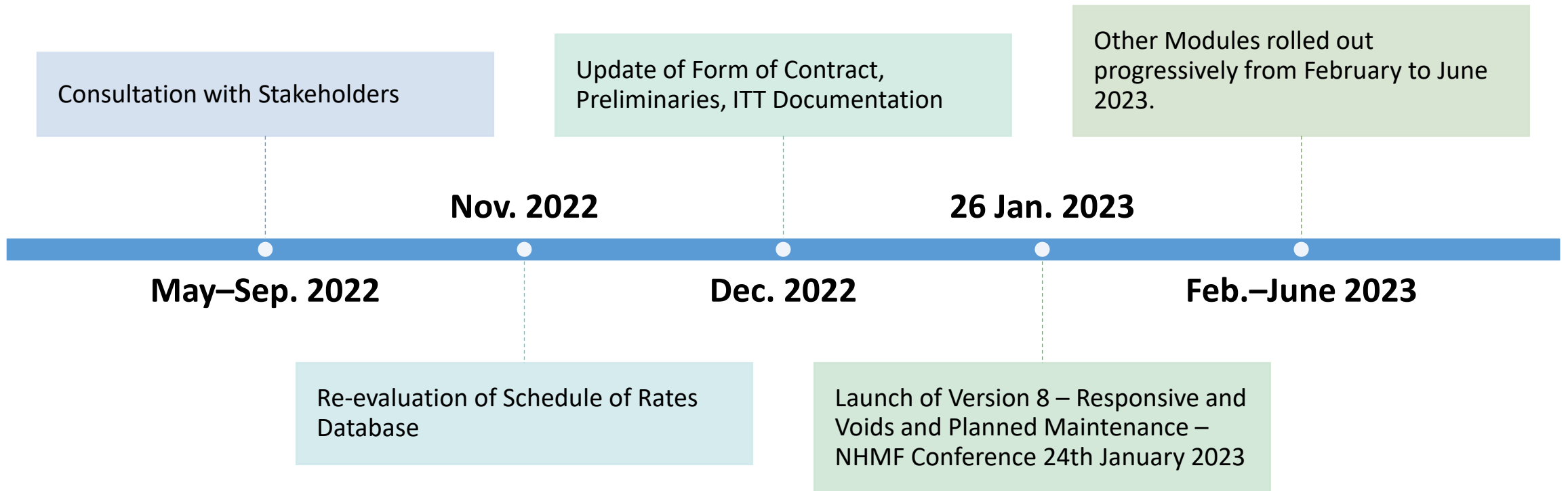
Market at 2Q 2022

Erratic Tendering Patterns

Same tender can have a spread of adjustments from double digit discounts to double digit plusages.

Same tenderer may offer discount on one contract and plusage on a very similar one in same geographical area.

Programme for Version 8



Consultation with Stakeholders

What do we need to change in the Schedules of Rates.

What is missing from the Schedules of Rates

What can be deleted from the Schedules of Rates

Are any new trades or elements required

Are any new modules required

Should we have a separate DLO/Contractor operational module for inspections, abortive works, support to other operatives etc.

Consultation with Stakeholders

Should a Social Value offer be part of the model Invitation to Tender evaluation criteria.

Should a Sustainability Value offer be part of the model Invitation to Tender evaluation criteria.

Should the Schedules of Rates be in a totally electronic format with no hard copies.

Is a 10% non productivity allowances on labour costs sufficient to cover pre-inspection, close down, material sourcing etc.,

Is a 15% Overhead allowance on total labour, vehicles, materials and specialist subcontractors adequate, with the addition of 5% for profit on cost plus overheads.
