



Notice of Non-key Executive Decision

Subject Heading:	Permission to award Phase 1 Minor Works Estate Improvement Programme including the internal and external refurbishment of 3 estates to the South of the Borough.
Cabinet Member:	Councillor Joshua Chapman
SLT Lead:	Patrick Odling-Smee – Director of Housing
Report Author and contact details:	Christian McAniskey Tel: 01708 431 235 Email: Christian.Mcaniskey@havering.gov.uk
Policy context:	This executive decision is required to provide permission to award this contract to undertake internal and external refurbishment works to four council owned blocks under the 2019/20 HRA Capital Programme as part of the Estate Improvement Project.
Financial summary:	The total contract cost is £394,158.84 which will be funded from the HRA Capital Programme Project Code A3050 Task 1.0
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	Yes it is exempt, as it is a Non-Key Decision by a Member of Staff

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Officers seek approval to award a contract for Internal and External Refurbishment works to three estates in the South of the Borough to Axis Europe for the sum of £394,158.84 (excluding VAT).

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 3.4 Powers of Second Tier Managers;
Contract powers

- (a) To award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

1. This executive decision is required to provide permission to award a contract to Axis Europe for the total contract sum of £394,158.84. The works involve the complete internal and external refurbishment works to 3 estates in the South of the Borough under the 2019/20 Estate Improvement Programme.
2. The works will improve the welfare of the Council's residents, reduce the need for Cyclical/Responsive repair works to their homes and increase the useable life of the Council's Housing Stock. In turn, this should increase the potential for a longer period of rental income from those homes.
3. This contract was procured via the Capital E-sourcing Procurement System through a single stage tender using approved contractors listed on Construction line. Financial checks were undertaken prior to advertising the contract to ensure the proposed bidders were financially viable for this project. The quality/price threshold for bidder evaluation was set as 70% Price 30% quality in line with Havering Councils Corporate Procurement Guidelines.
4. The pre-tender estimate for the works was £450,000.00 and the submitted tender from the proposed bidder Axis Europe is £394,158.84 which is £55,841.16 below the pre tender estimate.
5. We invited five bidders and received all five tender submissions which is considered sufficient for a competitive tender for this type of contract. The evaluators were two members of the Program Delivery Team within Housing Services and the moderator was a member of the OneSource Procurement Team.
6. One of the five tenderers submitted a bid which was deemed by officers to be abnormally low at £328,961.56 which is £121,038.42 below the pre-tender estimate. We also calculated the average total cost of the other 4 bidders which is £460,198.96. We requested this bidder to provide an explanation in respect of their abnormally low bid via our electronic procurement Capital E-Sourcing System. However, the evaluation panel was not satisfied that the bidder would be able to successfully deliver this project based on their submitted bid. This bidder has not been considered for tender award, therefore, the total number of bids evaluated was four.
7. Performance of the contract will be managed and monitored throughout the project by the

Programme Delivery Project Surveyor.

8. It is anticipated that works will commence on the 17th February 2020, however, this is subject to approval of this report.
9. Details of the scores achieved by each bid are set out in the table below:

	Quality /Technical Score 30%		Price / Commercial Score 70%		Total score	Rank
Axis Europe	93.94 / 100 *30	28.18	100 / 100 *70	70.00	98.00	1
Ongar Building Services	73.33 / 100 *30	21.99	93.99 / 100 * 70	65.79	87.79	2
Available property Services	66.66 / 100 *30	19.99	80.75 / 100 * 70	56.52	76.52	3
Hampson & Luck	39.99 / 100 *30	11.99	73.10 / 100 * 70	51.16	63.17	4

11. The successful bidder's total tendered amount for the works is £394,158.84 from Axis Europe.
12. This report seeks approval to award the contract for the internal & external refurbishment of the three estates to the South of the Borough to Axis Europe in the sum of £394,158.84 (excluding VAT).

OTHER OPTIONS CONSIDERED AND REJECTED

Tendering this work through an Open tender process: Rejected on the grounds that the work is specialist in nature and the quality of contractors must be assured.

PRE-DECISION CONSULTATION

Building Regulation Notices will be applied for and strictly adhered to.

Asbestos and Fire Safety Regulations will be applied and strictly adhered to.

All affected residents will be consulted regarding the impact of the works.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Howard

Designation: Programme Delivery Manager

Signature:



Date: 4th February 2020

BACKGROUND PAPERS

None

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Housing Services seek to award this contract to comply with the Council's responsibilities as a public sector landlord.

The total value of the proposed contract is £394,158.84 and is below the EU threshold for Works contracts (£4,551,413), as governed by the Public Contracts Regulations 2015. The Council was therefore under no obligation to advertise the contract opportunity in the Official Journal of the European Union (OJEU).

Officers published the opportunity via Constructiononline, in line with Contract Procedure Rule 13. Five organisations were invited to bid, five of which submitted tenders.

The Local Government Act 1999 requires the Council to make arrangements to achieve best value in the exercise of its functions. The tenders received were evaluated in accordance with Contract Procedure Rule 18.4 against a pre-determined best price-quality ratio of 70% cost and 30% quality. Officers must have satisfied themselves that the successful bid represents the best value for the Council overall.

The form of contract that will be used is the Minor Works JCT contract. The contracts will be sealed in accordance with rule 17.1 of the Havering Contract Procedure Rules.

FINANCIAL IMPLICATIONS AND RISKS

The total contract cost for the project is £394,158.84 (excluding VAT). This is fully funded from HRA Capital Programme Project Code: A3050 Task 1.0.

As required by the Councils Contract Procedure Rules a financial check has been carried out on the proposed contractor and their rating is recorded by Experian as very low risk.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker



Signed

Name: Patrick Odling-Smee

Cabinet Portfolio held:

CMT Member title: Patrick Odling-Smee

Head of Service title: Director of Housing

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 5/2/2020

Signed J. P. R.