

Notice of Non-key Executive Decision

Subject Heading:	Estate Improvement - 5 year Programme
Cabinet Member:	Councillor Joshua Chapman Lead Member, for Housing.
SLT Lead:	Patrick Odling-Smee: Director of Housing Services
Report Author and contact details:	Mark Howard, Programme Delivery Manager, Housing Services Email: mark.howard@havering.gov.uk Tel: 01708 434704
Policy context:	Supports the outcomes within the London Borough of Havering's Corporate plan. Places. Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe.
Financial summary:	The estimated contract value is between £14,000,000 and £50,000,000, over 5 years. which will be funded from the Housing Revenue Account Capital Programme, Projects Code A3050 Task 1.0
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	Yes – it is a non-key decision by a member of staff
Is this a Key Decision?	No

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

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Place an X in the [] as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to commence a tendering process for a Works contract related to Estates Improvements, at an estimated contract sum of between £14,000,000 and £50,000,000, for a period of five years, with a proposed start date in November 2020, as part of the Housing Revenue Account (HRA) Capital Programme.

AUTHORITY UNDER WHICH DECISION IS MADE

Power to authorise this tender process is delegated to members of the Senior Leadership Team under Part 3 (Responsibility for Functions), Paragraph 3.3 of the Council's Constitution as follows:

Contract powers

- a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.

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STATEMENT OF THE REASONS FOR THE DECISION

1. The Programme Delivery team conduct stock condition surveys of the Council housing stocks and our Asset Management System identifies units which require refurbishments.
2. The result of these has identified various estates throughout the borough that are now in need of Estate Improvements and Planned Building Maintenance Works.
3. The Estate Improvements Programme in the HRA is a £10M initiative to improve the public realm of those estates which are not currently benefitting from the 12 Estates regeneration programme.
4. A small portion of that programme will be delivered through separate contracts which have already been procured, but the anticipated value of this contract is £9,000,000
5. Thus, the Council is proposing to procure a contractor to undertake these works. The Programme Delivery team will put together a five year programme in terms of the estates and renewal priority order.
6. The contract will deliver not only the Estate Improvements programme but other similar cyclical works such as Internal and External Decorations, Fencing, Drainage and the like.
7. The minimum contract value will be £14M, already funded for Estate Improvements and External Decoration, and the maximum contract value will be set at £50M to allow for future funding rounds for Estate Improvements.
8. In procuring a long term contract to fulfil this work, the Council will have a more favourable buying power and will have more budget certainty in terms of price for the next five years. Furthermore, carrying out these refurbishments will reduce the demand we receive for responsive repairs and will reduce the cost of one off replacements where repairs are not viable.
9. The contract will be based on a long term bespoke Schedule of Rates supplied by our Employers Agent Baily Garner as a method for pricing the elements of work.
10. The purpose of this report is therefore to obtain permission to go out to competitive tender for a long term contract of 5 year to undertake Estate Improvements including internal and external refurbishment works to housing blocks throughout the borough.
11. It is proposed to call-off the contract through a mini-competition between contractors on the General Building Works Lot of the Places for People: Property Work Dynamic Purchasing System (DPS) (OJEU reference 2016/S 170 – 305523) which commenced in September 2016 and ends on 30th October 2026.
12. Following our recent Resident and Leasehold Estate Improvement consultations, various estates have been identified as requiring estate improvement works. Our consultant Baily Garner are currently out on the estates scoping the required works,

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liaising with planning and other LBH teams in order to prepare the specification of works & design for the project.

13. The Estate Improvement Programme will involve improvements to communal areas to increase security and safety, improve accessibility, increase car parking and enhance the look and feel of estates to engender a sense of pride in place.
14. 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.
15. All works will comply with current Building & Fire Safety Regulations.
16. The types of work covered by this contract are typically:
 - External block decoration
 - Internal block decoration
 - Estate fencing
 - Estate walls
 - Renewal of gutters and rainwater pipes
 - Paving
 - Hardstandings
 - Renewal of pram stores
 - Renewal of refuse areas
17. A consultation process will be required to the blocks prior to commencement of the work. This will be undertaken by the Programme Delivery Team along with the Resident Engagement Team.
18. Performance of the contract will be managed and monitored throughout the project by the Programme Delivery Project Surveyor.
19. This contract will include leaseholders and they will be notified of the proposed contract via a Section 20 Stage 1 Notice prior to any tender being released.
20. Tender evaluation will be carried out by two surveyors within the Programme Delivery Team, who will individually score the submission for each quality question. The score allocated to each quality question will then be moderated to identify a final score by a member of the Council's procurement team.
21. All quality questions will be weighted according to their relative importance in the performance of the works. The weightings are specified by each question.
22. Financial checks will be undertaken prior to advertising the contract to ensure the proposed bidders are financially viable for this project.
23. The quality/price threshold is will be 70% Price 30% quality.

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24. Performance of the contract will be managed and monitored throughout the project by the Programme Delivery Project Surveyor, our external Employers Agent, Baily Garner and the Clerk of Works.
25. The proposed Form of Contract is the standard JCT Measured Term Contract (2016 Edition) with Council amendments and will include for price fluctuations over the duration of the contract.
26. This will take into account the possible volatility in prices over the duration of the contract due to Covid 19, Brexit and oil prices. This will reduce the likelihood of Contractors overpricing the works due to the financial risk being taken over such a long contract duration.
27. Quality standards for sub-contractors will be introduced by the Council in order to improve the quality of the supply chain and the key service and quality requirements will be emphasised in the invitation to tender documents and closely monitored throughout the duration of the contract
28. Specific requirements for social value will be quantified and written into the contract, focussed on the Council's priorities and in accordance with the Council's Social Value in Procurement Policy 2019, and the associated toolkit.
29. In addition, 5% of the quality score will be based upon the contractors social value proposals, again targeted at the Council's key priorities
30. Sustainability of materials will be built into the specifications by ensuring the manufacturers comply with BES 6001 "Responsible Sourcing of Construction Products", to prove that their products have been made with constituent materials that have been responsibly sourced.

PROCUREMENT TIMETABLE

This procurement is intended to follow the time-line below:

Stage	Date(s)and time(s)
Tender period	29 th June 2020 to 7 th August 2020
Evaluation of Tenders	10 th August 2020 to 21 st August 2020
Section 20 stage 2 process	24 th August 2020 to 9 th October 2020
Checkpoint 2 approval	28 th August 2020
ED approval 2	6 th October 2020
Standstill period	14 th October 2020 to 27 th October 2020

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Part Place award notice in official Journal of European Union (OJEU)	27 th October 2020
Contract commencement (Mobilisation)	28 th October 2020
Contract completion date	November 2025

OTHER OPTIONS CONSIDERED AND REJECTED

1. We have considered tendering for these works as stand-alone projects each financial year.
2. However, due to the time this process takes, this would delay delivery of works over the financial year. In addition tendering this way could mean a number of different contractors delivering the works within the borough.
3. Do Nothing” as an option – rejected due to obligation to maintain homes in lettable standard
4. 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. As this is over the OJEU threshold, the process would also be lengthy
5. Tendering through a Framework: Rejected on the grounds that S20 Leasehold consultation is required and a framework does not comply with that legislation
6. Awarding work to more than one contractor – Rejected on the grounds that use of a single contractor allows more scope to develop a partnership and provide consistency of delivery.

PRE-DECISION CONSULTATION

1. This project and Forward Plan entry was raised on I-Decision on 9th March 2020 and has since been issued out to all business partners by our Programme Office team.
2. The procurement was approved by the Checkpoint Board on 4th June 2020
3. Officers are mindful of the current regeneration programme and are taking this into consideration when undertaking any refurbishment works to the existing housing stock. Officers have consulted with the New Business Team on all the above properties and they have confirmed that this work does not affect the Regeneration Programme.
4. This work is subject to satisfactory completion of consultation under Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002).

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

Name: Mark Howard

Designation: Programme Delivery Manager

Signature:



Date: 12th June 2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Housing Revenue Account (HRA) specifically accounts for spending and income relating to the management and maintenance of Council owned housing stock. The proposed works relate to Council owned or managed properties, and will be funded through the HRA, as set out in the section 74 of the Local Government and Housing Act 1989.
2. The Council is a local authority and a best value authority with duties and powers to make arrangements to secure continuous improvement in the way it exercises its functions, pursuant to Part I of the Local Government Act 1999. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions, including the matters set out in this report.
3. Under paragraph 3.3 (Powers of Members of Senior Leadership Team) of Part 3 [Responsibility for Functions] of the Council's Constitution, members of the Senior Leadership Team (SLT) Director) have delegated authority to approve commencement of a tendering process for all contracts above a total contract value of £500,000.
4. The proposed contract value is over the EU threshold for works contracts (currently £4,551,413) and accordingly is subject to the full rigours of the Public Contracts Regulations (PCR) 2015. The Local Government Act 1999 requires the Council to make arrangements to achieve best value in the exercise of its functions. Officers intend to call-off the contract from an OJEU compliant Places for People Dynamic Purchasing System (DPS) under which the Council is part of an identifiable group cited in the published contract notice. The DPS satisfies the PCR 2015 requirement for genuine competition; and exempts officers, under CPR 18.5(i), from having to evaluate tenders against the pre-determined best price-quality evaluation basis.
5. Legal officers are available to assist the client department in finalising the terms and conditions of the proposed contract.

Approved 23rd June 2020

FINANCIAL IMPLICATIONS AND RISKS

1. This report is seeking approval to commence the procurement process and does not contain any financial implications.
2. The anticipated contract value will be between £14,000,000 and £50,000,000, over 5 years, and will be funded from HRA Capital Programme, Project Code A3050

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Task 1.0. This figure will be confirmed and the contract awarded via a separate Executive Decision.

Approved 18th June 2020

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

1. 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.
2. TUPE (Transfer of Undertakings (Protection of Employment) Regulations) will not apply, as there will be no transferring staff.

Approved 15th June 2020

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

1. 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.
2. Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.
3. 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.
4. The procurement process will be carried out in accordance with the Council's Contract Procurement Rules. The proposed contractor will be expected to comply with the Council's policies with regards to the promotion of equality and diversity in service delivery and employment practice.
5. The Council will seek to ensure that socio-economic status will not dictate health and safety outcomes for occupants of new and existing homes.
6. An Equality and Health Impact Assessment was carried out for the overall Estate Improvements Programme in May 2019.

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7. The recommendations of that assessment will be applied to all works under this procurement

Approved 15th June 2020

BACKGROUND PAPERS

None

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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:

Head of Service title:

Other manager title:

Date: 24 June 2020

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____