

## Notice of KEY Executive Decision

This Executive Decision Report is part exempt and Appendix 1 is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial or business affairs of companies and the Council, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

<b>Subject Heading:</b>	Replacement roofing coverings and associated works 1 year programme 2020/21
<b>Cabinet Member:</b>	Councillor Joshua Chapman Lead Member, for Housing.
<b>SLT Lead:</b>	Patrick Odling-Smee
<b>Report Author and contact details:</b>	Philip Sharp , Programme Delivery Project Surveyor Email: <a href="mailto:philip.sharp@havering.gov.uk">philip.sharp@havering.gov.uk</a> Tel: 1708 434727
<b>Policy context:</b>	This executive decision seeks authority to award a contract to undertake the one-year replacement of roofs and associated works throughout the Borough as detailed in the 2020/2021 HRA Capital Programme.
<b>Financial summary:</b>	The tendered price is <b>£998,950.00</b>  To be funded from the Housing Revenue Account Capital Programme A2847 Task 4.0
<b>Reason decision is Key</b>	It is a key decision as expenditure will exceed £500,000
<b>Date notice given of intended decision:</b>	5th November 2020

**Key Executive Decision**

<b>Relevant OSC:</b>	Places
<b>Is it an urgent decision?</b>	Yes
<b>Is this decision exempt from being called-in?</b>	<i>No</i>

**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

Permission to award a new contract in the sum of **£998,950.00** to Breyer Group plc to undertake a one year programme for the replacement of roofs and ancillary works to council housing properties at various locations throughout the London Borough of Havering as part of the 2020/2021 HRA Capital Programme

### AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 3.3 of the London Borough of Havering Constitution (Powers of Members of the Senior Leadership Team) '(Contract powers) authorises members of the SLT to award all contracts with a total contract value of between £500,000 and £5,000,000.

### STATEMENT OF THE REASONS FOR THE DECISION

#### 1. Background

- 1.1. The council has a statutory duty to maintain the fabric of the housing stock and the programme delivery team conducts condition surveys of the Council housing stock on a regular basis.
- 1.2. The result of the surveys have identified 127 properties throughout the Borough that are now in need of immediate replacement roof coverings, upgrading thermal insulation and roofline works to pitched and flat roofs.
- 1.3. The proposed contract is expected to take seven months to complete.
- 1.4. The contract is solely for general needs properties
- 1.5. A further five year long-term agreement is in the process of being developed for the remaining roofs within the Borough.
- 1.6. The checkpoint 1 was waived on 7<sup>th</sup> May 2020 submitted by Mark Howard Programme Delivery Manager via an Approval Form For Competition Financial Thresholds Exceptions

#### 2. Decision leading to proposed works

- 2.1. It is imperative we undertake regular external maintenance work to the council-owned housing stock to protect and maintain the general condition of the buildings in a cost effective manner thus reducing future repairs of the building.
- 2.2. The works will improve the welfare of the Council's residents and reduce the need for responsive repair works to their homes. Additionally this contract will assist in reducing heat loss, potentially bring about a reduction in fuel

## **Key Executive Decision**

poverty and also improve sound proofing particularly with regard to aircraft noise.

2.3. The replacement of roof coverings includes upgrading roof insulation to 270mm thick in accordance with current Building Regulations, along with associated roofline works.

### **3. Material Choice**

3.1. The new clay and concrete roofing tiles will comply with BES 6001 which proves that products have been made with constituent materials that have been responsibly sourced.

3.2. A KPI of 95% for the recycling of roofing materials has been included in the contract conditions.

### **4. Fire safety design**

In light of the Grenfell disaster the specification has ensured that the materials and working practices reduces the risk of fire as much as possible in that :-

1. Clay and concrete tiles are inert to fire.
2. The application of felt roof coverings to flat roofs operate under a “Hot Permit system” in site as well as the “safe2torch” guidelines.
3. In addition, the roofing felts will be the flame free felt system.
4. There are minimal flat roofs which are asphalt covered; where asphalt has to be replaced the specification requires fire extinguishers to be located close to the works and the melting pot for the asphalt to be accompanied by an operative at all times whilst in use.

### **5. Social value**

5.1. Social value has been included in the contract requirements. The contractor will be required to provide additional social value aimed at increasing job and training opportunities and using where practicable the local supply chain for materials.

5.2. In addition Breyer have stated in answering Technical question 3 submitted with their tender they will offer 1 job opportunity and 1 placement for Work Experience within their QS academy.

5.3. Breyer will also implement their “Place of Change programme” through the Breyer Foundation which has been designed to bring careers opportunities to the heart of communities by working in collaboration with existing local community partners and third-sector organisations.

## Key Executive Decision

### **6. Tender process**

The procurement was carried out via the CapitalEsourcing portal and issued to seven bidders. Four bidders returned priced tenders. Three bidders responded but failed to put in a tender.

6.1. Tenders were evaluated on the basis of 70% of the overall score available for price and 30% for quality and against the requirements set out in the invitations to tender by an evaluation panel and then moderated in accordance with the Councils Contract Procedure Rules.

6.2. The tender results are as follows:

Tendered sums : -

**Table 1**

<b>Tendering Contractor</b>	<b>Tender sum</b>
A.	£ 1,654,053.00
B.	£ 1,283,382.65
C.	£ 998,950.00
D.	£ 956,920.00

6.3. The final scores were as follows:

Table 2

<b>FINAL SCORES</b>				
	<b>Technical, (quality) score</b>	<b>Commercial score</b>	<b>Weighted Total score</b>	<b>Rank</b>
<b>Tendering Contractor</b>	<b>30%</b>	<b>70%</b>		
A.	15	40.50	55.50	4
B.	21	52.19	73.19	3
<b>C. (Breyer Group plc)</b>	<b>20</b>	<b>67.05</b>	<b>87.05</b>	<b>1</b>
D.	14	70	84.00	2

## Key Executive Decision

- 6.4. The result was that although tenderer D had the lowest tender price their technical score was the poorest, which affected their overall ranking.
- 6.5. The total tendered amount for the works is £998,950.00 from Breyer Group plc. This is 26% below the pre-tender estimate of £1,355,000.
- 6.6. We have carried out arithmetical checks on all the submitted tenders and none had any discrepancies.
- 6.7. The pre-tender estimate allowed for the discovery of asbestos which is a costly item. Breyers tender sum will provide a safe cushion for this.
- 6.8. Breyer are a bigger company than the lowest tenderer so have greater purchasing power.
- 6.9. Breyer are a good local company with considerable roofing experience and are a reputable company fully able to carry out the programme satisfactorily.
- 6.10. The quality of this bid was acceptable and it is considered to represent value for money.

Exempt Appendix 1 contains the detailed evaluation outcomes from the tender process.

## Key Executive Decision

### **OTHER OPTIONS CONSIDERED AND REJECTED**

To do nothing - Rejected

To procure the work through a framework – Rejected because as the work is straightforward we feel that better value has been achieved through competitive tenders.

The frameworks such as LHC, South East Consortium and Fusion 21 did not have at the time sufficient contractors to tender.

Restricted tender – Constructionline - Chosen

This option was chosen because of the flexibility it gives for the PQQ and financial assessment of contractors to be carried out which would not be available under a framework.

### **PRE-DECISION CONSULTATION**

No Section 20 Stage 1 Notices to leaseholders are required on this programme as no leasehold properties included within it.

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

Name: Philip Sharp

Designation: Capital Projects Surveyor

Signature:



Date: 29/10/2020

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

This report seeks approval to award the contract for roof covering replacement and ancillary works to selected council housing properties throughout the Borough in the sum of £998,950.00 (excluding VAT) to Breyer Group plc. The value is below the EU's public procurement threshold for works, (£4,733,252). The scheme is fully funded from the HRA Capital Programme and does not impact any leaseholders.

Officers have confirmed that the procurement complies with the Council's Contract Procedure Rules.

The Housing Revenue Account (HRA) specifically accounts for spending and income relating to the management and maintenance of council-owned housing stock. The services procured under this contract will cover various properties all located within the London Borough of Havering owned or managed through the HRA as set out in the section 74 of the Local Government and Housing Act 1989.

The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory constraints. Together with the specific duty to maintain HRA assets the contract may be procured in accordance with these powers.

The proposed form of Contract is the standard JCT Intermediate Contract (2016 Edition) with council standard amendments. This is an industry form of standard contract and will adequately protect the Council's interest.

Due to the value and in accordance with the Councils Constitution the Contract will need to be sealed.

Officers consider that that a performance bond or guarantee would not be necessary

## Key Executive Decision

### **FINANCIAL IMPLICATIONS AND RISKS**

#### **Finance**

This is a one year contract with Breyer Group, costing £998,950.00. It will be funded from the Housing Revenue Account, Capital Programme, Project Code C28470 Task 4.0.

#### **Inflation**

There will be no uplift of the contracted rates for inflation

#### **Financial Stability**

An Experian financial check has been carried out on the proposed company and this was satisfactory as Breyer Group were classed as a very low risk.

#### **Budget**

The contract value is £998,950.00 and is fully funded within the Housing Revenue Account A2847 Task 4.0.

### **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.

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

**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.

The procurement process been 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.

The Council will seek to ensure that socio-economic status will not dictate health and safety outcomes for occupants of new and existing homes.

**Key Executive Decision**

**HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

**See Appendix 2 for EqHIA checklist**

**Key Executive Decision**

**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

Signed

Name: **Patrick Odling-Smee**

SLT Member title: Director of Housing

Head of Service title

Other manager title:

Date:

**Lodging this notice**

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

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_