

Item No:	Classification: Open	Date: 20 December 2019	Decision Taker: Strategic Director of Housing and Modernisation
Report title	Gateway 2 – Major works constructor framework (Lot 1) Haddonhall Phase 1 QHIP 2019/20		
Ward(s) or groups affected	Chaucer		
From	Head of Investment		

RECOMMENDATIONS

1. That the strategic director of housing and modernisation approves the award of the 'Haddonhall Phase 1 QHIP 2019/20' scheme via a mini-competition from the major works constructor framework to Standage & Co Ltd for a period of 36 weeks.

BACKGROUND INFORMATION

2. In October 2015, cabinet approved the establishment of the major works constructor framework ('the framework') for a period of 4 years from 1 March 2016 in the four Lots as follows:
 - a. Lot 1 - Main building works (low value schemes up to £3.5m)
 - b. Lot 2 - Main building works (high value schemes over £3.5m)
 - c. Lot 3 - District mains, boilers and internal works
 - d. Lot 4 - Communal and electrical works
3. It was noted to cabinet that the strategic director of housing and modernisation will take the decisions for works being instructed through the framework in line with his scheme of delegation and approval was obtained for exemption from contract standing order 4.5.2(h) requiring consideration of approval reports by the relevant DCRB for works being instructed through the framework.
4. The framework supports and works alongside the council's 3 existing major works partnering contracts ('partnering contracts') but more specifically, undertakes work in contract areas 1 and 2 where the partnering contracts were mutually concluded. It should be noted that 2 of the 3 partnering contractors act as reserve contractors for contract areas 1 and 2. The partnering contracts for contract areas 3, 4 and 5 are now in place until 13 June 2020 and have non-exclusive extensions in place with termination at will clauses. However, mini-competition through the framework will be used where there are no partnering contracts in existence.

5. The scope of works for this scheme includes:

- Access/Scaffolding
- Roof Works
- FRA Work
- Brick works
- Concrete works
- Asphalt Repairs
- External Redecorations
- Gutter cleaning and repairs
- Rainwater goods and Foul water drainage
- Fascia and Soffit cleaning and repairs
- Window overhauls (minor replacements)
- Kitchens & Bathrooms/WC (small percentage)
- Front Entrance Door upgrades (small percentage)
- External Walls brickwork repairs (small percentage)
- Concrete repairs and redecorations (small percentage)

6. Lot 1 is applicable to these works.

7. The duration of the works is **36** working weeks.

8. Works are expected to start on **17 February 2020** and complete on **23 October 2020**.

Procurement project plan Key Decision)

Activity	Completed by/Complete by:
Forward Plan for this Gateway 2 decision	16/10/2019
Approval of Gateway 2: Establishment of major works framework agreement	20/10/2015
Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation)	04/10/2018
Mini competition invitation	29/03/2019
Closing date for return of tenders	05/05/2019
Completion of evaluation of tenders	22/05/2019
Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation)	12/10/2019
Notification of forthcoming decision – Five clear working days	16/12/2019
Approval of Gateway 2: Mini competition award report	27/12/2019
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	06/01/2020
Contract award	08/01/2020
Add to Contract Register	08/01/2020
Contract start	17/02/2020
Publication of award notice on Contracts Finder	17/02/2020
Contract completion date	23/10/2020

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

9. This scheme consists of works to **Haddonhall** on the **Haddonhall Estate** in the Borough & Bankside area.
10. The address details are as follows:

Block Address
1-24 Prioress Street SE1 4TE
1-12 Potier Street SE1 4UX
269-279 Tabard Street SE1 4UR
6-26 Green Walk SE1 4TU
50-57,58-63,64-69,& 70-75 Rephidim Street SE1 4XB

11. The key work elements are as follows:

Access
Roof Works
Rainwater Goods and Foulwater Drainage
Brickwork Repairs
Concrete Works
Asphalt
Doors
Bin Stores And Service Doors
Windows
Kitchens
Bathroom & WC
Electrical
Electrical LD2
Electrical L/H LD2
External Decorations
FRA Works
Provisional Sums
Prelims

Policy Implications

12. This scheme is part of the Quality Homes Investment programme which includes works to maintain decency and deliver the councils commitment to a quality kitchen and bathroom.
13. Planning consent is not required for the works being undertaken within this scheme.
14. As part of the overall procurement process for this framework, Standage & Co Ltd were assessed and indicated compliance with the council's equal opportunities policy. This

scheme is for works to the housing stock and will benefit all residents in the blocks affected.

15. This report confirms that, where applicable, this scheme is designed in compliance with the council's design specification as included in the overall procurement process for the framework.

Decent Homes

16. Once all works are completed under this scheme, all properties will achieve the Government's Decent Homes standard.

Mini competition Process

17. The call-off arrangements set out in the 'operation of the framework' document was followed and a mini-competition procedure was carried out.
18. As the scope of this work is of a nature where charges can be recovered from leaseholders under section 20 of the Landlord and Tenant Act 1987, leaseholder consultation was carried out. The council did not receive leaseholder nominations.
19. All contractors listed on Lot 1 were invited to participate in the mini-competition process with instructions to return the tender by 12 noon on 14 February 2019. The list of contractors invited is as follows:
 - A&E Elkins Ltd
 - Standage & Co.Ltd
 - Architectural DecoratorsLtd
 - Thomas Sinden Ltd
 - Saltash Enterprise
 - Niblock (Builders) Ltd
20. Only 4 contractors returned a tender. **Thomas Sinden Ltd** and **Architectural Decorators Ltd** declined to tender due to other commitments and insufficient resources available to price and submit the tender.

Mini-competition Evaluation

21. The tenders were evaluated in line with the rules set out in the framework.
22. Representatives from Potter Raper Limited and the investment team participated in the tender evaluation process which involved checking whether all requirements set out in the checklist were met and assessment of price and quality specific to this scheme.
23. All tenderers were required to complete and confirm that they meet the requirements set out in the checklist. The checklist was satisfactorily completed by the four tenderer.
24. The quality element of the submissions was assessed on a pass/fail basis.
25. The quality criteria for these works were as follows:
 - Resources and management of call-off contract.
 - Management of sub-contractors.
 - Health and Safety (H&S) proposals for the call-off contract.
 - Design Proposals.
26. The quality submissions were scored using a 1 – 3 scoring system as set out in the 'operation of the framework' document. At this stage, tenderers were required to meet a

minimum threshold of 3. If they failed to meet this standard, they were not assessed any further in this process. All tenderers achieved the threshold 3.

27. The results of the quality criteria assessments were as follows:

Contractor	Pass/Fail
A&E Elkins Ltd	Pass
Standage & Co Ltd	Pass
Niblock(Builders)Limited	Pass
Saltash Enterprise Ltd	Pass

28. Tenderers were required to complete a scheme specific schedule of rates. The price evaluation included the pricing of an actual works package plus rates for composite items. Separately tendered percentages applied to overheads and profit. The costs obtained for this scheme are based on the rates tendered within the framework. This does not preclude the contractor from offering a lower rate than the framework tender.
29. Prices were sought from 4 contractors within this Lot 1.

Contractor
Standage & Co Ltd
A&E Elkins Ltd
Saltash Enterprise Ltd
Niblock (Builders) Ltd

30. All priced documents submitted were checked for arithmetical errors and general compliance with the tender requirements by Potter Raper Limited.
31. The council's appointed quantity surveyor has confirmed that the pricing has been checked in line with the framework's schedule of rates and confirmed that they are a combination of equal to or lower than the rates set out on the framework.
32. Therefore, on the basis of the mini-tender submitted, the contractor recommended for this scheme is **Standage & Co Ltd**.

Plans for monitoring and management of the contract

33. The performance of the framework contractors is monitored and managed by the investment team in accordance with the framework. Each project manager in the investment delivery team or other departmental officers provide a quarterly monitor on the performance of the framework contractors on the schemes they are working on as the framework contractors are expected to achieve certain targets set out in the Key Performance Indicators (KPIs) around the areas of time, cost and quality.
34. The framework contractors are monitored against these KPIs on a regular basis as if the framework contractors fail to perform to the required standard, their 'call-off' contract(s) can be terminated, their mini-competition opportunities can be restricted or they can be removed from the framework.
35. It is confirmed that this framework contractor has had 0 contracts terminated, 0 mini-competition opportunity exclusions and they have not been removed from the framework for Lot 1.
36. These 'call-off' contracts, whilst predominantly design and build contracts, have all design and work proposals examined and checked by both internal lead designers and cost consultants or by one of the council's professional technical services consultants, Potter Raper Limited. It is confirmed for this scheme that the lead design services will be provided by Potter Raper Limited and cost management by in house Quantity Surveyor.
37. The spend and performance is monitored by the head of investment and reported each quarter to the major works core group led by the Deputy Leader and Cabinet Member

for Housing, the Housing Investment Board led by the strategic director of finance and governance.

Health and Safety Plan

38. The CDM 2015 regulations require a developed health and safety plan to be in place prior to commencement of works and the appointment of the principal designer at scheme inception. It is confirmed that the principal designer role will be provided by Potter Raper Limited who were appointed on 1 June 2018. Works will not commence on site until it is confirmed that the health and safety plan is sufficiently developed for the type of works proposed.

Leasehold Implications

39. Formal legal consultation with leaseholders has been undertaken by the council's specialist housing services team.

Financial Implications

40. In addition to the works cost, it is considered prudent to add a 5% risk contingency fund, to the contract sum to allow for any unforeseen issues. Any additional works will be agreed with the lead designer and project manager and any costs arising due to any unforeseen works will be agreed by the quantity surveyor.
41. The works identified in this report form part of the Housing Investment Capital programme. The project code for this scheme "Haddonhall Phase 1 QHIP 2019/20" (H-1211-9701) and the scheme will be funded from the HRA resources identified for the QHIP programme.

Legal Implications

42. It is confirmed that this scheme falls under Lot 1 and the 'call-off' contract to be used is JCT Intermediate Building Contract with Contractor's Design 2011. The contract documentation will be passed to legal services to formalise a contract for the scheme in due course.

Consultation

43. Consultation meetings were held with residents on 25 September 2018 and 25 April 2019 to discuss the scope of works. In addition, a leaseholder meeting was held on 26 September 2019 to discuss their contributions. All residents, the T&RA and local councillors will be written to advise the commencement date of the works and a further meeting will be held.
44. Regular meetings will be held with resident representatives during the course of the works to provide regular updates and address any concerns that may arise. Regular newsletters will be issued as the works progress and residents will be invited to regular coffee mornings. In addition a resident's project board will be established to discuss the works once the project comes to site. The resident project board will meet on a monthly basis for the duration of the works package.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (H&M19/131)

45. The report seeks delegated approval from the Strategic Director of Housing and Modernisation to award the 'Haddonhall Phase 1 QHIP 2019/20' scheme via a mini-competition from the major works constructor framework to Standage & Co Ltd
46. There is an estimated funding shortfall over the life of the Housing Investment programme. There is also likely to be further demand on the capital programme as a consequence of local or national demands for resources following the tragic Grenfell fire. It is, therefore, important that the cost of these works is carefully monitored and that accurate forecasting is in place.
47. Any variation or extension to the contract beyond the scope of this report will require further approval in line with council's procurement protocols.

Director of Law and Democracy

48. N/A.

Director of Exchequer (for housing contracts only)

49. These are works of repair and are therefore chargeable to leaseholders under the terms of their leases.
50. There are 21 leasehold properties included in the contract that will be affected by the works. In accordance with the Landlord and Tenant Act 1985 (as amended) Notices of Intention were served on 04 October 2018 and the observation period ended on 20 November 2018.
51. Section 20 notices of proposal were served on 04 September 2019 and expired on 11 October 2019. There were 2 observations received from leaseholders included in this package and they were responded to in writing. The observations were not of a nature that would impact on the commencement of these works.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the Council's Contract Standing Orders, I authorise action in accordance with the recommendation contained in the above report.

Signature.....

Date.....

Michael Scorer 14 January 2020

Michael Scorer, Strategic Director of Housing and Modernisation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

1. DECISION(S)

1. DECISION(S)

As set out in the recommendations of the report.

2. REASONS FOR DECISION

As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

I declare that I was informed of the conflicts of interests set out in Part B4.*

(* - Please delete as appropriate)

BACKGROUND DOCUMENTS

Title:	Held at	Contact
Major works project file	160 Tooley Street, SE1 2QH	Jo Taylor 020 7525 3614

APPENDICES

Appendix number	Title of appendix

AUDIT TRAIL

Lead Officer	Ferenc Morath, Head of Investment		
Report Author	Jo Taylor Contract Manager		
Version	Final		
Dated	16 December 2019		
Key Decision	Yes	If yes, decision date on forward plan	N/A
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Strategic Director of Finance and Governance	Yes	Yes	
Director of Law and Governance	Yes	Yes	
Director of Exchequer	Yes	Yes	
Cabinet Member	N/a	N/a	
Date final report sent to Constitutional Officer			

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	Haddonhall 1 Estate- Quality Homes Investment Programme 2019/20
Contract Description	QHIP
Contract Type	JCT Intermediate Building Contract with Contractor's Design 2011
Lead Contract Officer (name)	Jo Taylor
Lead Contract Officer (phone number)	0207 525 3614
Department	Housing and Modernisation
Division	Asset Management
Procurement Route	'Call-off' Major Works constructor Framework.
EU CPV Code (if appropriate)	N/A
Departmental/Corporate	Departmental
Fixed Price or Call Off	
Supplier(s) Name(s)	Standage & Co .Ltd
Contract Total Value	£639,13.89
Contract Annual Value	
Contract Start Date	17 February 2020
Initial Term End Date	
No. of Remaining Contract extensions	0
Contract Review Date	N/A
Revised End Date	N/A
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	345675
Comments	N/A
London Living Wage	Yes

This document should be passed to the member of staff in your department responsible for keeping your departmental contracts register up to date.