

<b>Item No:</b>	<b>Classification:</b> Open	<b>Date:</b> 12 December 2018	<b>Decision Taker:</b> Strategic Director of Housing & Modernisation
<b>Report title</b>	<b>Gateway 2 – Major works constructor framework (Lot 1)</b> Albert Westcott & Harold Maddison QHIP 2018/2019		
<b>Ward(s) or groups affected:</b>	Newington Ward		
<b>From:</b>	Director of Asset Management		

## RECOMMENDATIONS

1. That the Strategic Director of Housing and Modernisation approves the award of the Albert Westcott & Harold Maddison QHIP 2018/2019 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 roof recovering/replacement, communal area repairs and decoration, walkways repairs including painting and repairing the metal handrails, balcony decorations and repairs, minor brickwork and concrete repairs, doors repair/renewals, minor repairs to windows, replacement of communal windows, external decorations to all previously decorated surfaces, kitchen and

bathroom replacements, electrical works, fire safety works, signage and asbestos removal.

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 4 February 2019 and complete on 11 October 2019.

**Procurement project plan (Key Decision)**

Activity	Completed by/Complete by:
Forward Plan for this Gateway 2 decision	07/03/2018
Approval of Gateway 2: Establishment of major works framework agreement	20/10/2015
Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation)	04/07/2018
Mini competition invitation	18/07/2018
Closing date for return of tenders	24/08/2018
Completion of evaluation of tenders	17/09/2018
Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation)	16/11/2018
Notification of forthcoming decision – Five clear working days	13/12/2018
Approval of Gateway 2: Mini competition award report	20/12/2018
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	31/12/2018
Contract award	07/01/2019
Add to Contract Register	07/01/2019
Contract start	04/02/2019
Publication of award notice on Contracts Finder	04/02/2019
Contract completion date	11/10/2019

**KEY ISSUES FOR CONSIDERATION**

**Description of procurement outcomes**

9. This scheme consists of works to blocks on Alberta Estate in the Walworth area. This includes 25 leasehold properties and 0 Right to Buy (RTB) applicant. The address details are as follows:

Block Address
1-48 Albert Westcott House, Alberta Street, SE17 3SE
1-48 Harold Maddison House, Alberta Street, SE17 3SG

10. The key work elements are as follows:

Access
Roof Works
Asphalt
Rainwater Goods
Concrete Works
Brickwork Repairs
Metalworks
Windows
External Doors
Kitchens
Bathroom & WC
Electric To Dwelling
Landlord Electric
Asbestos Removal
Fire Ducting Works
External Decorations

### **Policy Implications**

11. This scheme is designed to deal with work to meet the Quality Homes Investment Programme (QHIP) which includes works to maintain decency and deliver the councils commitment to a quality kitchen and bathroom.
12. Planning consent is required for the replacement of the crittal windows to the staircases of each block within this scheme.
13. As part of the overall procurement process for this framework, Standage & Co. Ltd was 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.
14. 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**

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

### **Mini competition Process**

16. The call-off arrangements set out in the 'operation of the framework' document was followed and a mini-competition procedure was carried out.

17. 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.
18. All contractors listed on Lot 1 were invited to participate in the mini-competition process with instructions to return the tender by 1pm on 24 August 2018. The list of contractors invited is as follows:
- Niblock (Builders) Ltd
  - Standage & Co. Ltd
  - Architectural Decorators Ltd
  - Thomas Sinden Ltd
  - A& E Elkins Ltd
  - Saltash Enterprises Ltd
19. All 6 contractors returned a tender.

### Mini-competition Evaluation

20. The tenders were evaluated in line with the rules set out in the framework.
21. Representatives from Potter Raper Partnership (PRP) 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.
22. All tenderers were required to complete and confirm that they meet the requirements set out in the checklist. The checklist was satisfactorily completed by all tenderers.
23. The quality element of the submissions was assessed on a pass/fail basis.
24. 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
25. The quality submissions were scored using a 1 – 3 scoring systems 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.
26. The results of the quality criteria assessments were as follows:

Contractor	Pass/Fail
Niblock (Builders) Ltd	Pass
Standage & Co. Ltd	Pass
Thomas Sinden Ltd	Pass
A& E Elkins Ltd	Pass
Saltash Enterprises Ltd	Pass
Architectural Decorators Ltd	Pass

27. 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.
28. Prices were sought from 6 contractors within this Lot 1.
29. All priced documents submitted were checked for arithmetical errors and general compliance with the tender requirements by PRP.
30. 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.
31. 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**

32. 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 calling from the framework 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.
33. 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.
34. 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.
35. 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, Calfordseaden LLP or PRP. It is confirmed for this scheme the lead design services will be provided by PRP and cost management by in house quantity surveyor.
36. 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**

37. 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

PRP who were appointed on 12 May 2017. 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**

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

### **Financial Implications**

39. 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.
40. The works identified in this report form part of the Housing Investment Capital programme. The cost of these works will be funded from HRA resources allocated for the QHIP programme.

### **Legal Implications**

41. 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**

42. Consultation meetings were held with residents on 13 December 2017 and 12 April 2018 to discuss the scope of works. In addition, a leaseholders meeting was held on 15 November 2018 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.
43. 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&M18/072)**

44. The report is requesting delegated approval from the Strategic Director of Housing and Modernisation to award the contract Albert Westcott & Harold Maddison QHIP 2018/2019 via a mini-competition from the major works constructor framework to Standage & Co. Ltd
45. Any other variation or extension of the contract beyond the scope of this report will require further approval in line with the council's procurement protocols.

**Director of Law and Democracy**

46. The legal implications are contained in the main body of this report.

**Director of Exchequer (for housing contracts only)**

47. These are works of repair and are therefore chargeable to leaseholders under the terms of their leases.

48. There are 25 leaseholders and 0 RTB included in the contract that will be affected by the works. In accordance with the Landlord and Tenant Act 1985 (as amended) section 20 notices of intention were served 29 May 2018 and expired on 4 July 2018. There were no observations received from leaseholders at this stage.

49. Section 20 notices of proposal were served on 16 October 2018 and expired on 16 November 2018. There was 1 observations received from a leaseholder 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.



20 December 2018

Signature..... Date .....

**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.

<b>1. DECISION(S)</b>
As set out in the recommendations of the report.

<b>2. REASONS FOR DECISION</b>
As set out in the report.

<b>3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION</b>
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**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	Brian Checkley 020 7525 3848

**APPENDICES**

Appendix number	Title of appendix



**AUDIT TRAIL**

<b>Lead Officer</b>	Ferenc Morath, Head of Investment		
<b>Report Author</b>	Brian Checkley – Contracts Manager		
<b>Version</b>	final		
<b>Dated</b>	12 December 2018		
<b>Key Decision</b>	Yes	<b>If yes, decision date on forward plan</b>	N/A
<b>CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>	
Strategic Director of Finance and Governance	Yes	Yes	
Director of Law and Democracy	Yes	Yes	
Director of Exchequer	Yes	Yes	
Cabinet Member	n/a	n/a	
<b>Date final report sent to Constitutional Officer</b>	20 December 2018		

