
REPORT FOR: CABINET

Date of Meeting:	17 th November 2016
Subject:	Procurement of projects for 17/18 Housing Capital Programme
Key Decision:	Yes
Responsible Officer:	Lynne Pennington, Divisional Director of Housing Services
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	Edgware
Enclosures:	Gateway 1 Procurement reports as per appendix

Section 1 – Summary and Recommendations

This report asks Cabinet for authority to go to the market and procure a contractor to deliver enveloping works to Burnt Oak Broadway, as part of the 17/18 Housing Capital Programme. We are also seeking authority to award the contract following the outcome of the tendering process.

Recommendations:

Cabinet is requested to:

1. Give authority to the Planned Investment Project Manager, following consultation with the Portfolio Holders for Housing and Finance and Major Contracts, to undertake a procurement process for a contractor to deliver the Burnt Oak Broadway enveloping project on the 17/18 Housing Capital Programme.
2. Delegated authority to award and to arrange the execution of a contract with the successful tenderer to the Corporate Director of Community, following consultation with the Portfolio Holders for Housing and Finance and Major Contracts.

Reason: (For recommendations)

Due to the estimated value of the project detailed above Cabinet authorisation is required in order to comply with the Council's Contract Procedure Rules.

Section 2 – Report

2.0 The Housing Capital Programme is now detailed on a 4 year programme agreed by Cabinet in February 2015. There are a number of projects on the 17/18 programme that will take several months to deliver. To enable these projects to be delivered in year it is necessary to commence procurement as soon as practical so that works can start on site as early as possible in the new financial year.

2.1 Cabinet approval is required to begin the process of procuring contractors for all projects with an estimated value in excess of £500k.

2.2 Cabinet is asked to delegate authority to award and to arrange the execution of a contract or contracts with the successful tenderer(s) to the Corporate Director of Communities, in consultation with the Portfolio Holders for Housing and Finance and Major Contracts because of the tight timescale for this procurement exercise.

2.3 Options considered

2.4 There are no alternatives to a full tendering process for this project that would comply with Contract Procedure Rules. As the service is provided to a

number of Leaseholders we would also need to build in formal statutory consultation with them to the tender process and this is not supported by drawing down from external/internal frameworks.

3.0 Background

3.1 The individual project is included on the 4 year Housing Capital Programme. Details of the project, the tendering process to be followed, evaluation criteria, timescale and financial implications are included in the Gateway reports at appendix 1.

4.0 Performance Issues

4.1 The new contractor will be managed effectively from mobilisation, and performance statistics will be reviewed on a monthly basis and monitored through a combination of regular site visits and formal meetings. This will ensure that any concerns raised can be rectified promptly.

4.2 In addition we intend to form monthly project groups, inviting residents and Members to support the management and monitoring of the schemes throughout their implementation.

5.0 Environmental Implications

5.1 It is the intention that the delivery of any contract will contribute to the Council's objectives around social, economic and environmental sustainability. We want to do all we can to ensure that we support Harrow's economy by buying locally wherever practical and maximise opportunities for local people in employment and training. The project will ensure that tenders provide detailed information about their contribution to the environment and sustainability. We also require bidders to sign up to the Considerate Contractor Scheme

5.2 Specific requirements on social, economic and environmental matters will vary according to the value and duration of each contract and are detailed in the appendices.

6.0 Risk Management Implications

The risks are included on the Directorate Risk Register as part of the wider capital programme delivery

There is no separate Risk Register in place yet, but one will be developed for the project once contractors have been procured.

6.1 The risks relating to the delivery of the capital programme are included in the Housing Risk Register which contains overarching risks in relation to delivery of the Capital Programme. Specific risks will be monitored on the project as it moves forward.

7.0 Legal Implications

7.1 The value of these procurements is below the financial threshold requiring a tender procedure that complies with the Public Contracts Regulations 2015 so there is no requirement to advertise in OJEU or to follow one of the prescribed procedures.

7.2 The procurement will comply with the Councils Contract Procedure Rules

7.3. The Council also has a statutory duty to undertake a 2 stage consultation with leaseholders whose homes will be included on the programme and who will subsequently be charged a proportion of the costs incurred. Stage 1 Leaseholder Consultation is due to take place by December 2016

8.0 Financial Implications

8.1 The projects is included in the 4 year capital programme for which funds are set aside in the HRA business plan for the delivery of the external improvements over the next 30 years. The contract will be entirely funded from the HRA.

8.2 The planning estimated value of the contract is £1,300,000, including relevant fees. As the project is subject to Statutory Section 20 procedures, as detailed in paragraph 7.3 leaseholders benefitting from the improvements will be billed for their share of the cost on completion of the works.

9.0 Equalities implications / Public Sector Equality Duty

9.1 The procurement exercise is designed to deliver existing policies and strategies maintaining the current level of equality in service provision. The project will be very clear on the equalities related duties on contractors, given the wide range of needs of our customers.

9.2 An initial Equality Impact Assessment has been prepared for the delivery of the overall Housing Capital Programme. This identified no need for a full assessment at this stage because it did not identify any potential for unlawful conduct or disproportionate impact. All opportunities to address diversity, particularly vulnerability for all tenants and leaseholders will be addressed through the contract specification and ensure residents receive the same service regardless of, but taking into account specific needs. We will address these in our tendering documents and processes. The assessment will be updated as the project moves forward.

10.0 Council Priorities

10.1 The Council's vision:

Working Together to Make a Difference for Harrow

This report incorporates the administration's priorities to:

- Making a difference for the most vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference to families

10.2 Projects on the Housing Capital Programme are provided to some of the Council's tenants and leaseholders –many of whom are vulnerable. All are targeted to improve the quality of the housing stock and the environment in which our tenants live

10.3 Specifications for all contracts will ensure that the successful contractor is equipped to provide a high level of customer service to all our residents. In addition every effort will be made to ensure that local businesses are encouraged to submit tenders and that added social value to support communities will be a part of the evaluation process.

Section 3 - Statutory Officer Clearance

<p>Name: Dave Roberts</p> <p>Date: 6/10/2016</p>	<input checked="" type="checkbox"/>	<p>on behalf of the Chief Financial Officer</p>
<p>Name: Stephen Dorrian</p> <p>Date: 6/10/2016</p>	<input checked="" type="checkbox"/>	<p>on behalf of the Monitoring Officer</p>

<p>Ward Councillors notified:</p>	<p>Yes, through consultation events</p>
<p>EqIA carried out:</p> <p>EqIA cleared by:</p>	<p>NO, but an initial Equality Impact Assessment was carried out for the whole Capital Programme(see above).</p>

Section 4 - Contact Details and Background Papers

Contact: Maggie Challoner,
Head of Asset Management
0208 424 1473
Maggie.Challoner@harrow.gov.uk

Background Papers:
None

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE
(call in applies)

Appendix 1

Procurement Gateway One - Authority to Procure

This report is required for:

- All procurement intentions valued at between £100,000 and £499,999 and presented to and approved by the Directorate Procurement Board.
- Approval by the Commissioning & Commercial Board if details on the procurement strategy and evaluation criteria were not included in any prior report approved by Cabinet.

Please do not use this report template for procurement intentions valued at £500,000 and above. Procurement at this value threshold requires Cabinet approval.

If you required further guidance and/or support please refer to the Contract Procedure Rules or contact the Commercial, Contracts & Procurement team.

Project Details

Name of Procurement		HAM 0088 - Burnt Oak Broadway Enveloping 2017/18
New Procurement or Renewal		New
Sponsor	Name	Lynne Pennington
	Job title	Director of Housing
	Team	Housing
	Directorate	People Directorate
Project Manager name and number		Rukshan Kariy ext. 7669
Annual value of proposed contract		£1,300,000
Aggregate value of proposed contract (Including any extension options)		Single Contract
Proposed contract term (including any extension options)		24 Weeks
Governance:		
Has an EQIA been completed?		Yes (forms part of the Housing Capital Programme EQIA)
Name of procurement officer [on behalf of the Director for Procurement] clearing the report:		Name: Jessica Covey
Cleared by Finance Business Partner		<i>Name: Dave Roberts</i>
Cleared by Legal		<i>Name: Stephen Dorrian</i>
Cleared by DPB		<i>Date of Meeting where Cleared: Offline Approval</i>
Portfolio Holder (PH) consulted prior to DPB		Yes / No Name Date(s) Consulted:
Portfolio Holder for Finance & Commercialisation consulted prior to DPB (above £250k)		Yes - As part of the 17/18 Capital Programme

All officers involved in the procurement of a service must complete a confidentiality and declaration of interest form at the outset of the commissioning / procurement project.

I Declare that this has been done and all completed forms are lodged with the procurement team.

Yes

1.0 Objectives

The objective for the enveloping contract for 2017/18 is to help improve the overall aesthetics and energy performance; whilst helping to maintain and protect the external fabric and integrity of the building.

There are three physical blocks with four entrances. The block addresses are 321-331, 333-343, 345-355 and 357-367. These three storey blocks date from the 1960's and are of a concrete panel construction. They have pitched tiled roof and Upvc windows. At the rear of the blocks there are external storage sheds and bin storage areas. An access road run along of rear of the blocks and provides parking. The buildings are all generally concrete frame, finished externally in a combination of rendered pebble dash and fair faced cavity brickwork. Roofs are pitched constructed weathered with concrete tiles, and drained by cast iron gutters and downpipes. Balconies are concrete construction overlaid with mastic asphalt and enclosed by painted metal handrail and balustrades with Georgian wire glazed panels.

Windows and balcony doors are typically double glazed PVCu units. Communal doors are timber framed with Georgian wired glazed panels. A door entry system is provided at the front and key lock at the rear.

The works will consist of a single phase and comprise of the following works:

- External Wall Insulation (EWI)
- Extension of the roof gables involving extending the timber rafters, new fascia shutters and downpipe re-alignment.
- Complete rewire of the common parts to include emergency lighting and new sub-mains.
- Communal Ariel Satellite System
- Common parts landscape design
- Door Entry System.
- New Refuse areas
- Structural repairs
- Common parts decoration

These works have been instructed to HAM Planned Investment for procurement as they address the works previously identified in 2013/14.

2.0 Savings & Essential Spending

The budget of £1.3M for this project will be part of a budget for Enveloping and External works 2017/18 programme.

The Enveloping and External Works for this project is based on validation surveys embracing maintenance/repair and Health and Safety works and improvements produced by the Asset Data Planning team. The External Schemes Programme 2016/17 indicates works that will be required in the foreseeable future.

3.0 Benefits

This is a large contract with specialist elements in the works package and it is therefore expected to be suited to medium and large and size contractors which should potentially stimulate a greater number of returned tenderers with stronger competition in the ITT e-tender to give the best current market price.

We aim to extract as much local benefit from this scheme as we can. This has included presentations to local businesses to encourage local contractors to tender for our 2015/16 Housing capital Programme.

Other sustainability initiatives including encouraging recycling and carbon foot print for site energy through targets will be set within the ITT criteria together with other sustainability KPI indicators.

Customer satisfaction for the proposed works will be recorded against given KPI targets.

4.0 Critical Success Factors and Dependencies

Planning: the project is dependent on the successful outcome of Planning Permission for refuse bin-storage and EWI; planning is not expected to be problematic, should there be issues there is sufficient time in the programme not to affect the contract start.

Statutory S20: appointment of a contractor is dependent on successful Leaseholder consultation; this is low risk but could delay the start of the contract if consultation is protracted. It is envisaged that this process will begin in December 2016

5.0 Programme

The Tender exercise is expected to commence once Gateway 1 has been approved and will following the proposed timeline detailed below.

Event	Date
Brief freeze	26 November 2015
Internal Governance	
- Internal approval (Gateway 1)	27 November – 10 December 2016
Project Team Appointment	12 December 2016
Design Review Meetings	19 December – 23 January 2017
Planning / Building application (submission)	01 February 2017
Publish ITT advert and Invitations to Tender	06 February 2017
Deadline for submitting clarifications	13 March 2017
Tender submission deadline	20 March 2017
Evaluate Tender submissions	20 March – 31 March 2017
Award recommendation	31 March 2017
2nd Stage Consultation	1 April 2017
Internal Governance	
- Internal approval (Gateway 2)	April 2017
- Divisional Procurement Board	April 2017
Planning approval	28 March 2017
Notification of decision to award (subject to planning and section 20 approval)	01 May 2017
Mobilisation	01 May 2017 – 31 May 2017
Contract commencement date	01 June 2017
Contract completion date	October 2017

6.0 Social Value Considerations

The successful tenderer will be monitored for the numbers of local employees who live in HA postcodes and their use of local supply chains utilised, it is hoped this will stimulate local recruitment.

This project is to be procured by open tendering, it is hoped the scale, value and nature of these works would attract contractors within a 10-mile radius more able to use local supply chains and sub-contractors.

It is expected this will encourage local contractors to be involved in the bidding process. Local contractor involvement is more likely to bring with it a greater proportion of staff living locally.

Social value will be included as part of the evaluation criteria for this project. Tenders will be asked to provide details of their commitments to social value through the delivery of this contract with consideration to the councils sustainable procurement policy that commits the Council and its supply chains to deliver a set of principles that improve the sustainability of the Council, our supply chains and the community that we serve

7.0 Change AND Risk Management

Utilising an e-tendering process provides an audit trail of decision making and analysis. The tender documentation and tender responses are stored on a centralised internet hub and so this makes it easier for any HAM team member or procurement services to pick up and continue with the ITT evaluation process in the Project Managers absence.

Residents will be facilitated with monthly contractor resident surgeries piloted on the Francis Road project; this provides a direct contact opportunity for residents to assist in access arrangements, positive suggestions to resolve their issues. Similarly for general project information and correspondence HAM will be utilising 'Share Point' which will be the centralised location for electronic project filing and data. Team members therefore will be able to access project information as required.

8.0 Procurement Options and Evaluation Criteria

The approach to market will be an open tender for this new project requirement.

Eligible tenderers will be measured in both their quality, commercial and social value submissions, with a quality weighting of 30%, commercial weighting of 60% and social value of 10%. The Most Economically Advantageous Tender will be recommended for award of the contract.

The ITT evaluation breakdown is shown below:

Quality / Technical	Area weighting	Overall weighting
Project Examples	20%	30%
Delivery of the Specified Requirements	30%	
Programme of Works	10%	
Resident Communication	15%	
Key Performance Indicators	15%	
Health & Safety	10%	
Total for Quality/Technical	100%	
Quality Threshold – 20% out of the available 30%		
Social Value	Area weighting	Overall weighting
Total for Social Value	100%	10%
Commercial - Cost	Area weighting	Overall weighting
Cost submission	100%	60%
Total		100%

9.0 Legal Comments and Clearance **THIS SECTION MUST BE WRITTEN [AS A CLEARANCE] BY THE LEGAL TEAM**

10.0 Contract Management

The proposed contract is JCT Intermediate Building Contract 2011 with contractor's design which accommodates detailed contractor / manufacturer design of the proposed "External Wall Insulation", "Bin store area designs and common parts "Door Entry Systems

The contract will be managed by holding monthly progress meetings which will measure actual physical and financial progress against projected spend.

The Contract Review form will be completed every month with the contractor input. This measures the outcomes, outputs and performance of the contract.

Project managers will attend a monthly capital/contract challenge sessions with the Planned Investment Manager and Finance Staff.

Capital/Contract Information is reported regularly to Departmental Contracts Board.

11.0 Recommendations

That permission is sought to proceed to consult through the statutory S20 process.

That permission is sought to compile the specification and drawing documentation for the tendering process.

That Permission is granted to tender into the enveloping and external works through an open ITT route using the e-tendering 'DueNorth'.

That permission is granted to Housing Asset Management to enter into contract with the successful contractor following successful statutory S20 two stage leaseholder consultations.

Approvals

Approved as part of the cabinet report