
REPORT FOR: CABINET

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| Date of Meeting: | 14 September 2017 |
| Subject: | 2018/19 Security, Health and Safety (H&S) Compliance and Common Parts Works |
| Key Decision: | Yes |
| Responsible Officer: | Nick Powell, Divisional Director of Housing |
| Portfolio Holder: | Councillor Glen Hearnden, Portfolio Holder for Housing and Employment, Councillor Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation |
| Exempt: | No |
| Decision subject to Call-in: | Yes |
| Wards affected: | All |
| Enclosures: | Gateway 1 Procurement report 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 a Security, H&S Compliance & Common Parts Works. We anticipate letting a 30 week programme as part of the 18/19 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 officers to undertake a procurement process for a contractor to deliver a variety of Security, H&S Compliance & common parts works, including fire safety works as part of general improvements to the safety of Harrow's council housing stock, funded entirely from HRA capital resources in financial year 2018-19.
2. Delegate authority to award and to arrange the execution of a contract with the successful tenderer to the Divisional Director - Housing, following consultation with the Portfolio Holders for Housing and Employment and Finance and Commercialisation.

Reason: (For recommendations)

Due to the estimated value of the project, Cabinet authorisation was 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.

The intention is to procure immediately and to commence works on the 2018/19 programme,

2.1 Cabinet approval is required to begin the process of procuring contractors for all projects with an estimated value in excess of £500,000.00.

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 Divisional Director - Housing, in consultation with the Portfolio Holders for Housing and Finance and Major Contracts because of the timescales for this procurement exercise, to enable a phased start to H&S compliance works.

2.3 Options considered

The procurement options considered were as follows:

a) Open tender and award to one provider

Engaging in an open tender which in this instance would allow for wider competition. This would be subject to Statutory Section 20 consultation and will allow us to recover a proportion of the costs from leaseholders.

b) Setting up a framework

This would be a time consuming process that would require OJEU notification and we would also need to build in formal statutory consultation with our Leaseholders for use of any external framework. Given the nature and duration of the works this is something the Council would like to avoid due to associated costs.

c) Exploration of other frameworks from neighbouring authorities

Again as the service will be provided to a number of Leaseholders we would need to build in formal statutory consultation with them into the tender process and this is not supported by drawing down from external/internal frameworks.

d) Do nothing

This is not an option as failure to deliver the programme will result in a possible Health and Safety breach and deterioration of block safety if upgrades are neglected by the Council.

In conclusion from the options considered above Option A is preferred as the open tender will invite competitive prices, provide a quicker route to market (especially as there is an urgent need to carry out the compliance works) and enable the recovery of a proportion of costs from the leaseholders under statutory S20 consultations. This is the recommended option.

Background

3.1 The individual project will be included within the Housing Capital Programme. The works are essential to increase block security, improve fire safety and overall stock maintenance. The aim of the project is to deliver replacement doors/screens to main entrance or gated entry as appropriate and communal access/exit doors upgraded door entry systems to include fob entry call panels and coloured monitor video handsets to various blocks and individual front entrance fire rated doors across the London Borough of Harrow.

The result will be improved security through 24-hour block access control with camera visitor entry display, improved entrance screen and level access to approach for Disability Discrimination Act access for better access for all. The contract will also include the installation of emergency lighting, re-wiring and service duct compartmentalisation where required and other improvements in common parts (i.e. renewal of decoration and floor coverings).

Details of the project, the tendering process to be followed, evaluation criteria, timescale and financial implications are included in the Gateway report 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.

In addition to the above, any future reactive maintenance after the initial defects liability period will be incorporated in an on-going maintenance programme which will be included within this tender so that we can effectively reduce reactive maintenance costs from stand-alone contractors, specifically around communal door entry systems.

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.

6.1 The assigned Project Manager and our colleagues in Asset Data Planning will ensure there is a risk register in place from programme brief onwards.

6.2 Going forward, in all future programmes there will be a strategic approach to fire safety. There will be particular emphasis on the fire safety integrity of resident's individual dwelling doors. The Council will be seeking to enforce change where Leaseholders doors don't meet current standards unless they are able to provide relevant fire safety documentation.

6.3 Colleagues from a neighbouring council have had direct contact with FTPT (First Tier Property Tribunal) to enforce these standards and LBH may approach this in a similar vein to ensure that we are meeting our statutory duties.

The risks relating to the delivery of this programme are included in the Housing Risk Register which contains overarching risks in relation to delivery of the Programme.

Specific risks will be monitored and managed on the project as it moves forward.

Legal Implications

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. However officers are still required to adhere to the EU principles of transparency, equality, fairness and non-discrimination when conducting the tendering process.

7.2 The procurement will also comply with the Councils Contract Procedure Rules.

7.3. The Council also has a statutory duty to undertake a two 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 Consultation will take place as soon as Cabinet approval is granted.

Financial Implications

8.0 Financial Implications

8.1 The project will be funded from HRA Capital budgets which will be submitted in December Cabinet 2017 for ultimate approval by Council in March 2018. Although the HRA Capital programme is being revised to ensure expenditure is kept within available resources, total expenditure budget for 2018-19 will be sufficient to accommodate this contract which is estimated at £1m for 2018-19. It will be funded entirely from HRA resources with no impact on General Fund.

8.2 The planning estimated value of the contract is £1,000,000, 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

The Council's vision:

Working Together to Make a Difference for Harrow

Please identify how the report incorporates the administration's priorities.

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

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

10.1 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

10.2 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. * The London Borough of Harrow recognises the importance of employing local people to provide local labour, and also key opportunities for apprenticeship schemes.

Section 3 - Statutory Officer Clearance

| | | |
|----------------------|-------------------------------------|---|
| Name: Milan Joshi | <input checked="" type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: 8 August 2017 | | |
| Name: Blessing Enejo | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: 2 August 2017 | | |

| | |
|-----------------------------------|---|
| Ward Councillors notified: | No - as affects all ward |
| EqIA carried out: | YES An overarching EQIA was undertaken for the programme |
| EqIA cleared by: | David Corby, DETG Chair for Community |

Section 4 - Contact Details and Background Papers

Contact: Andrew Campion,
Head of Asset Management
0208 424 1339
Andrew.Campion@harrow.gov.uk

Background Papers: None.

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

NOT APPLICABLE

[Call-in applies]

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 | | 2018/19 Security, Compliance & common Parts Works |
| New Procurement or Renewal | | New Project |
| Sponsor | Name | Mark Crodden |
| | Job title | Project Manager |
| | Team | Planned Investment |
| | Directorate | Community |
| Project Manager name and number | | Mark Crodden – 0208 424 1329 |
| Annual value of proposed contract | | N/A |
| Aggregate value of proposed contract (Including any extension options) | | £1,000,000 |
| Proposed contract term (including any extension options) | | <i>30-week Construction period Estimated to start April 2018</i> |
| Governance: | | |
| Has an EQIA been completed? | | Yes – An overarching EQIA was undertaken for the programme. |
| Name of procurement officer [on behalf of the Director for Procurement] clearing the report: | | <i>Name: Jessica Covey Date Cleared:</i> |
| Cleared by Finance Business Partner | | <i>Name: Dawn Calvert Date Cleared:</i> |
| Cleared by Legal | | <i>Name: TBC Date Cleared:</i> |
| Cleared by DPB | | <i>Date of Meeting where Cleared:</i> |

| | |
|--|--|
| Portfolio Holder (PH) consulted prior to DPB | Yes Name : Glen Hearnden Date(s) Consulted: |
| Portfolio Holder for Finance & Commercialisation consulted prior to DPB (above £250k) | Yes Name: Adam Swersky Date(s) Consulted: |
| 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>I Declare that this has been done and all completed forms are lodged with the procurement team.</i> Yes / No |

1.0 Objectives

- 1.1 The aim of the project is to deliver replacement doors/screens to main entrance or gated entry as appropriate and communal access/exit doors upgraded door entry systems to include fob entry call panels and coloured monitor video handsets to various blocks and individual front entrance fire rated doors across the London Borough of Harrow. The result is improved security through 24-hour block access control with camera visitor entry display, improved entrance screen and level access to approach for DDA access for better access for all. The contract will also include the installation of emergency lighting, re-wiring and service duct compartmentalisation where required and other improvements in common parts (i.e. renewal of decoration and floor coverings).

The intention is to procure immediately to commence works on the 2018/19 programme but given the nature of the works and resident safety as a key focus, we may bring it forward to 2017/18 if we are able to financially.

The addresses form a programme of works which has originated from the Data & Planning team following stock condition analysis of historic Northgate and Codeman maintenance data.

The programme covers 34 blocks (please see **Appendix A** below). Installation is anticipated to take 30 weeks with an estimated value of £1,000,000 this programme is a one-off tender via the online Due North portal to invite competition and demonstrate value for money through the open market. Landlord electrical supplies are currently being surveyed and any enabling works to facilitate emergency lighting and re-wiring are to be carried out on a separate contract ahead of these works.

The contract will be closely managed in-house with a strong contract administrator and clerk of works holding regular site meetings and measuring against tendered KPIs. This contract will be measured by the time on site, quality, customer satisfaction, number of defects, sustainability and social value.

- 1.2 The properties on the programme represent works that our Asset management team has identified as priorities where elements are beyond use of life and in poor condition and actioning fire safety works for improvements in safety.

The replacement elements are anticipated to have a 30-year life enhancing security and improving safety compliance and wellbeing for all residents, meeting the Council's landlord responsibilities for on-going maintenance and inclusivity under DDA.

We will look to deliver this project within the 18/19 fiscal year programme. We will deliver within budget whilst achieving the desired quality standards using techniques such as:

- Cash flow forecasting or
- KPI's including Resident Satisfaction surveys
- Focus on Health & Safety
- Sustainability
- Community Investment
- Social value

- 1.3 There are no in-house resources or direct labour organisations available to take on this scope of works for the Council, therefore it is a necessity to go out to tender to seek out market competition

2.0 Savings & Essential Spending

2.1 This contract will be competitively tendered online through London Tenders portal. Tenders will be selected through a point system covering three categories: Quality/ Technical, Social Value and pricing. The proportional split is 30%, 10% social value and 60% accordingly.

2.2 The funding stream for this contract will come from the HRA account.

2.3 The works are essential for increased block security, improved fire safety and overall stock maintenance.

3.0 Benefits

3.1

- Compliance with the Harrow Councils Housing Ambition Plan includes specific actions to improve resident's safety, quality of life, equality and diversity and the sustainability of our stock.
- The Asset Management team within Housing Services have given a commitment to involving residents and getting closer to the customer. The contractor's performance will be evaluated through a wide ranging KPI suite and a process to engage residents in evaluating the success and performance of the contract will be established. Using this mechanism contractor's performance can be monitored from the outset to maintain and improve upon customer satisfaction.

- The delivery of this contract will contribute in the achievement of Harrow's objectives around social, economic and environmental sustainability.

3.2 Business Benefits:

- Improvement of housing stock:
 - Greater security: Less time and cost on repairs.
 - Less call outs: Improved Tenant and Leaseholder satisfaction.
 - Improved safety: General safety and fire safety.
- Improved block access: equality for residents and visitors.
 - Improved security of LBH Managed key fobs.
- Customer and Resident improved standard of living and wellbeing.

4.0 Critical Success Factors and Dependencies

4.1 The project is dependent on successful tendering process and subsequent financial analysis and appropriate governance sign-offs. The project will be considered a success by delivering on time and within budget whilst achieving high levels of customer satisfaction in both the product quality and service received.

5.0 Social Value Considerations

It is intended to extract as much local community benefit from this scheme as possible, therefore 10% of the award criteria will be allocated to the offer of community benefits which is the social value element of the contractor's tender bid submission. Social value is monitored at tender analysis and during project delivery via an online portal.

6.0 Change and Risk Management

6.1 Housing Asset Management's Planned Investment team will be utilising an IT 'Share Point' facility providing a central location for project filing. This affords other staff with easy access to project information.

The Clerk of Works keeps a detailed property tracker which is circulated in-house and to the winning tenderer which highlights the current status of the project on a block by block basis.

This programme scope of works is wide ranging covering differing contract disciplines. A significant proportion of this work is mechanical and electrical and it is anticipated that any winning contractor would have experience specifically in the fields of door entry and emergency lighting.

Door entry system specified will be based on a PAC electronic system being the standard to different hardware manufactures so a change in supplier should pose few problems.

6.2

- Changes in the specification from previous contracts – any specification changes will be ratified by the various tenant bodies and members involved. Any detailed financial reporting will be made available e.g. life cycle costing exercises
- Changes for customers – Once the tender is awarded, The Asset Management Team will carry out extensive resident consultation prior to a start on site(s).
- Utilising an e-tendering process provides an independent audit trail of decision making and analysis.
- The tender documentation and tender questions and responses are stored on a centralised online hub and allowing easy access by HAM team members or procurement services to pick up and continue processing the ITT evaluation process in a Project Manager's absence.

6.3 The key risk to this programme is individual flat access. Strong cooperation will be required of the contractor, LB Harrow Housing Asset Management Team and individual residents. This will help to mitigate delays to the programme duration and reduce the necessity of 'ad hoc' installations from block to block and street to street to maintain continuity and quality.

7.0 Procurement Options and Evaluation Criteria

7.1 The recommended approach to market for this procurement is to carry out an open tender process. The procurement will be advertised on the London Tender Portal and on Contracts Finder which is expected to attract suppliers interested in bidding for this contract.

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

| Quality / Technical | Area weighting | Overall weighting |
|--|-----------------------|--------------------------|
| Project Examples | 25% | 30% |
| Delivery of the Specified Requirements | 30% | |
| Programme of Works | 15% | |
| Resident Communication | 15% | |
| Key Performance Indicators | 5% | |
| Health & Safety | 10% | |
| Total for Quality/Technical | 100% | |
| Quality Threshold – 20% out of the available 30% | | |
| Community Benefits | Area weighting | Overall weighting |
| Commitments | 100% | 10% |
| Commercial - Cost | Area weighting | Overall weighting |
| Cost submission | 100% | 60% |
| Total | | 100% |

8.0 Legal Comments and Clearance

Legal notes the processes to be undertaken by officers in tendering for a contractor to deliver a variety of security, Health and Safety compliance and common part works on the Council's housing stock and advises that the process is carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

The form of contract for the works to be undertaken should be agreed in consultation with Legal.

9.0 Contract Management

9.1 The nominated Project Manager is Mark Crodden whom reports to Ruk Kariy, Planned Investment Manager. Approvals and reports will be delivered to the Housing Contracts Board and the Council's Capital Forum.

There will also be a Clerk of Works and an internal Resident Liaison officer. These members of staff will work cohesively with the winning tenderers resource pool which will usually consist of a senior Contracts Manager.

The Council has identified a range of performance measures. The aim of the performance measures are to ensure that the service delivery standards are maintained and that a culture of continuous improvement is embedded. To enable transparent and equal tendering KPI's including social value will be set and form part of the tender criterion

and will be used as the target standards to be achieved by the successful contractor during the course and at completion of the works.

We also have a Contract Review form which will be completed every month with the contractor. This measures the outcomes, outputs and performance of the contract.

There will be a monthly core group meeting with contractor staff on site.

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

Capital/Contract Information is reported regularly to Capital Challenge review monthly and Departmental Contracts Board.

9.2 This is an operational contract.

10.0 Recommendations

That permission is given to commence procurement for **2018/19 Security and Compliance** for the term of **30 Weeks** at the estimated tender value in the range of **£1,000,000**.

Approvals

*****Approved as part of the cabinet report*****

Appendix A - Better Homes: Security/common parts/lighting

| | |
|----------|-------------------------------|
| 1-9 | Apsley Close |
| 16-27 | Apsley Close |
| 13-36 | Atherton Place |
| 3-21 | Antoneys Close |
| 22-33 | Antoneys Close |
| 2-16 | Augustine Road |
| 18-32 | Augustine Road |
| 34-48 | Augustine Road |
| 31-41a | Binyon Crescent |
| 47-57a | Binyon Crescent |
| 37-66 | Bucknall House Atherton Place |
| 79-85 | Byron Road |
| 86-96 | Byron Road |
| 1-31 | Grange Court Northolt Road |
| 11-22 | Grove Avenue |
| 23-40 | Grove Avenue |
| 41-44 | Grove Avenue |
| 45-68 | Grove Avenue |
| 69-80 | Grove Avenue |
| 81-96 | Grove Avenue |
| 97-114 | Grove Avenue |
| | |
| 43-59 | Hanselin Close |
| 1-10 | Northolt Road |
| 61-113 | Northolt Road |
| 133-151 | Northolt Road |
| 115-121A | Northolt Road |
| 123-131A | Northolt Road |
| 153-171 | Northolt Road |
| 1-4 | Pinner Grove |
| 5-28 | Pinner Grove |
| 29-34 | Pinner Grove |
| 35-40 | Pinner Grove |
| 41-64 | Pinner Grove |
| 65-76 | Pinner Grove |