
REPORT FOR: CABINET

Date of Meeting:	19 March 2020
Subject:	2020-2021 Security, Health and Safety Compliance (Homesafe) Works
Key Decision:	Yes
Responsible Officer:	Nick Powell, Divisional Director of Housing
Portfolio Holder:	Councillor Philip O'Dell, Portfolio Holder for Housing Councillor Adam Swersky, Portfolio Holder for Finance and Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report asks Cabinet for authority to go to the market and procure a contractor to deliver a Security, Health & Safety (“H&S”) Compliance & Common Parts Works known as ‘Homesafe 3’. We anticipate letting a 52-week programme as part of the 2020-2021 Housing Capital Programme.

The report also seeks authority to award the contract following the outcome of the tendering process.

Recommendations:

That

1. The Divisional Director of Housing be authorised to undertake a procurement process for a contractor or contractors 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 HRA dwelling stock, funded entirely from HRA Capital resources in financial years 2020 and 2021 (rolling over into year 2022).
2. The Corporate Director of Community be authorised, following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Finance and Resources, together with the Director of Finance, to enter into the procurement and implementation of the contract(s) to the value specified in the capital programme.

Reason: (For recommendations)

Due to the estimated value of the contract, Cabinet approval was required to procure and enter into the contract to comply with the Council's Contract Procedure Rules.

Section 2 – Report

2 . Introduction

- 2.1 The intention is to procure and commence works in the financial year 2020-21 with related works completing in 2021-22. Cabinet approval is required to begin the process of procuring contractors for all projects with an estimated value in excess of £500,000.
- 2.2 Cabinet is asked to delegate authority to award and to arrange the execution of a contract(s) with the successful tenderer(s) to the Corporate Director of Community in consultation with the Portfolio Holder for Housing, together with the Director of Finance because of the timescales for this procurement exercise, to enable a phased start to the works up to the value of £2,400,00 over financial years 2020/21 to 2021/22 as specified in the Capital programme approved by Council 13th February 2020.

1. Options considered

- 3.1 The procurement options considered were as follows:

a) Open tender and award to one or more providers.

Engaging in an Open tender which in this instance would allow for wider competition. This would be subject to statutory consultation requirements (Section 20 of the Landlord & Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002 and the Service Charges (Consultation Requirements) (England) Regulations 2003/1987) ("Section 20 consultation") and will allow the Council to recover a proportion of the costs from Leaseholders.

b) Setting up a framework

A works contract of £2,400,000 is under the financial threshold requiring the contract opportunity to be advertised in OJEU and therefore we do not need to set up a Framework Agreement and there is no perceived commercial benefit in doing so.

c) Exploration of other frameworks

We are unlikely to save any money from calling off from an established Framework Agreement and there are unlikely to be existing Framework Agreements in place that cover all of the Council's requirements.

d) Negotiate an Extension based on the Current Homesafe-2 Contract.

This has been considered, but discounted as the option to negotiate has not been included in the current Contract and we are likely to get better commercial terms from an open tender process.

f) Do nothing

This is not an option as failure to deliver the programme could impact Health and Safety compliance and deterioration of block safety if upgrades are neglected by the Council.

3.2 From the options considered above, Option A is preferred as the Open Market tender will invite competitive prices, provide a quick 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 Section 20 consultations. Option A is the recommended option.

3.3 The 2nd phase of the Section 20 consultation process will indicate what the apportioned costs will be for each Leaseholder, and Leaseholders will have the option of a payment plan in order to spread costs to pay the service charges for the works.

2. Background

4.1 This project will be included within the 20/21 Housing Capital Programme. The works are essential to improve fire safety and overall stock maintenance. This forms part of a multi-faceted approach to fire safety where several projects are running simultaneously in order to improve fire safety within our assets.

4.2 Following the Grenfell incident of 2017, the Council's focus and approach has changed and there is an increased emphasis on prioritising health and safety related works to ensure the safety of our residents.

4.3 This programme is the next phase of Fire and Safety works following on from the current Security and Compliance "Homesafe 2" programme which is a 12 month programme due for completion October 2020. These works are essential to increase block security, improve fire safety and overall stock maintenance.

- 4.4 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 key fob entry intercom panels and coloured monitor video handsets to various blocks. A key facet of this scheme is installation of individual flat front fire rated doors (FD30s) to 31 blocks / 411 flats across the London Borough of Harrow.
- 4.5 This scheme will also run in conjunction with the 3 Storey Fire Door (FD30s) replacement scheme which recently gained Cabinet approval in January 2020 and is due out to tender at the beginning of the new financial year. The end result is that the Council will be in a position where all 3 storey block front entrance doors will be changed to upgraded compliant FD30s doors.
- 4.6 Overall the result of Homesafe 3 will be improved security and safety through 24-hour block access control with camera visitor entry display and improved entrance screens and level access approach for residents and visitors with disabilities, meeting Equality Act requirements to achieve better access for all. The contract will also include the installation of landlords emergency lighting, re-wiring together with service duct compartmentalisation where required and other associated works.

5. Current Situation/ Programme

- 5.1 This report is a revised version of that approved by Cabinet 15th November 2018 for the procurement of the previous Security and Health & Safety works and Compliance 2018/19-2020/21 (Homesafe-2) 2-year programme which is currently on site covering 349 flats in 47 blocks, and this work is expected to be completed in October 2020.
- 5.2 This further programme of Health and Safety works aims to include 411 flats in 31 blocks and is expected to start at a time soon after the completion of the current Security and Compliance (Homesafe-2) programme.

6. Implications of the Recommendation

- 6.1 Approval of the recommendations will result in the completion of the required work to complete the next tranche of required fire safety and compliance works, in order to meet our landlord and statutory responsibilities.

7.0 Resources, costs

- 7.1 The contract will be procured via an Open Market tender and will be published on the London Tender's Portal. The expected external resources required for this project will be CDM Consultants, Principal Contractor and sub-contractors. The costs associated with the project will be determined by the highest scoring contractor. This will be based on monetary, quality and social value.

8.0 Staffing/workforce

- 8.1 Pre-contract: The in-house Project Manager will manage all the stages within the procurement cycle (including Leaseholders statutory notification) to ensure a quality product is delivered. The project will be subject to the Build a Better Harrow project Framework.
- 8.2 Post-Contract: The Project Manager will manage the Clerk of Works and other agencies to ensure delivery of the programme and quality of installed product and will resolve any issues that should occur as they arise.

9.0 Ward Councillors' comments

- 9.1 This programme of works affects blocks all across the Borough and it is our statutory duty to carry out the necessary works to continue to ensure the continued safety of our residents.
- 9.2 All Councillors will be informed of the works and invited to the scheduled consultation events.

10. Performance Issues

- 10.1 The successful contractor will be managed effectively from mobilisation, performance statistics will be reviewed on a monthly basis and monitored through a combination of regular site visits and formal meetings, together with monthly evaluations identifying monetary and quantitative delivery.
- 10.2 This data is also reported to Corporate Director level via the Corporate Project Monitoring process so that there is a wider awareness of the project status at any given time.
- 10.3 The Contract will provide a 12-month Defects Liability Period. The emergency lighting to block Common Parts areas will be covered by warranty for the first 5-years (4 additional years thereafter); defective products under warranty will also be included within the extended warranty. The manufacturer will need to be added to the Responsive Maintenance approved contractor list to carry out non-warranty works.
- 10.4 Going forward a service contract will need to be put in place. The emergency lighting Systems will be Cloud based, enabling remote analysis of the installations and fob management. The systems will monitor to the British Standard Testing regimes and report outcomes on a monthly and annual basis thus largely negating staff and contractor input in relation to site attendance and aims to drive down ongoing cyclical maintenance costs.
- 10.5 Alarm detection D1 LD2D systems will be the new installation standard to all housing Stock. These installations will be monitored via a cloud based system, allowing dynamic remote interrogation/reporting and real time monitoring of tampering, defaults and emergency alerts.

- 10.6 The video door entry security systems will also be cloud based, enabling remote programming of key fobs to assist in controlling block security, thus reducing the risks of fobs entering in to circulation to non-residents.
- 10.7 The implementation of cloud based safety systems is anticipated to reduce reactive maintenance resourcing, resulting from contractor attendance and staff time costs.
- 10.8 In addition we intend to form monthly project groups, inviting residents and members to support the management and monitoring of these schemes throughout their implementation.

11. Environmental Implications

- 11.1 It is the intention that the delivery of any contract will contribute to the Council’s objectives around social, economic and environmental sustainability. The Council intends to do all it can to ensure that it support Harrow’s economy by buying locally wherever practical and maximise opportunities for local people in employment and training.
- 11.2 The project will ensure that tenders provide detailed information about their contribution to the environment and sustainability. The project will require bidders to sign up to the Considerate Contractor Scheme.
- 11.3 Specific requirements on social, economic and environmental matters will vary according to the value and duration of each contract and will be part of the pre-tender procurement documentation for inclusion in the online tender portal.
- 11.4 Where practical the scheme will use products that will help reduce the Council’s carbon footprint.

12. Data Protection Implications

- 12.1 All personal data processed in connection with the project will be done in full compliance with data protection laws, including the Data Protection Act 2018 and GDPR.

13. Risk Management Implications

Risk included on Directorate risk register? Yes
 Separate risk register in place? Yes

- 13.1 A risk register specific for this procurement will be started from the outset of the process and will be maintained and reviewed by all relevant staff regularly.
- 13.2 The assigned Project Manager and Housing Asset Management team will ensure there is a risk register in place from programme brief onwards.

- 13.3 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 Leaseholder's doors don't meet current standards unless they are able to provide relevant fire safety documentation.
- 13.4 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.
- 13.5 Specific risks will be monitored and managed on the project as it moves forward. The aim of risk management is to identify business risks and effectively manage them.
- 13.6 This project is subject to multiple access requirements to each address. Lack of access co-operation would severely impact on project performance and programme delivery, delaying the safety improvement for our residents.
- 13.6 We will continue to hold Resident Consultation meetings to explain the necessity of these works. A full time site based Resident Liaison Officer will be provided through the contract and will work collaboratively with our in-house Resident Consultation Officers to mobilise awareness amongst residents to encourage co-operation.
- 13.7 Other risks to the success of this project are:-
- Procurement risks
- a). Market saturation** – following Grenfell fire the UK is focussed on Fire Safety compliance works on a national level, resulting in the possibility of fewer than required tenders.
- b). Project commencement** – the above scenarios would add further governance input, resulting in a delayed start on site, which could cause a deferral in the next tranche being rolled out. If this were to happen we would keep all relevant Officers updated with the situation and informed of solutions.

14. Procurement Implications

- 14.1 As set out in the Options considered section above, our preferred route is Option A as the Open Tender will invite competitive prices, provide a quick 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 Section 20 consultations.
- 14.2 There are also economies of scale to be had in procuring a single contract over two years rather than two separate contracts. The

evaluation criteria will be: Price 60%, Quality 30%, and Social Value 10%.

15. Legal Implications

- 15.1 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.
- 15.2 The procurement will also comply with the Council's Contract Procedure Rules, which required the Council to conduct a competitive tender process.
- 15.3 The Council also has a statutory duty under Section 20 of the Landlord & Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002 and the Service Charges (Consultation Requirements) (England) Regulations 2003/1987) 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.
- 15.4 The form of contract will be JCT Intermediate Building Works and legal services will ensure that the contract is properly executed.

16. Financial Implications

- 16.1 The project will be funded entirely from HRA Capital resources with no impact on General Fund and no requirement for additional borrowing.
- 16.2 The programme will be contractually committed as one contract to one supplier and expected to spend £800k 2020/21 with the remaining £1.6m in 2021/22 from HRA capital programme approved by Council 13th February 2020.
- 16.3 As the project is subject to Statutory Section 20 procedures, Leaseholders benefitting from the improvements will be consulted prior to commencement of works in accordance with the statutory timescales and billed for their share of costs on completion of works.

17. Equalities implications / Public Sector Equality Duty

- 17.1 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.
- 17.2 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.

18. Council Priorities

- 18.1 Below we have identified how the decision sought will deliver on some of the Council's priorities:-

a). Building a Better Harrow

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.

b). Supporting Those Most in Need

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.

We will also adapt the safety systems to be installed where possible for residents with specific needs (i.e. visual and sensory solutions on door entry/ Alarm Detection systems for the deaf and hard of hearing). For visually impaired, the product already is inclusive and addresses the need with flashing lights and braille on the control panel.

c). Delivering a Strong local Economy for All

Under Social Value requirement local resourcing of labour and material that may bring more supply chain spend into the Borough.

d). Modernising Harrow Council

Moving to a cloud operated emergency lighting, door entry and alarm detection systems enables earlier remote notification of defaults (maintaining a higher level of safety for our residents), so that they can be repaired sooner, whilst reducing internal staff resource required.

We are utilising technology and innovation to modernise how the Council works.

Section 3 - Statutory Officer Clearance

Name: Tasleem Kazmi	<input checked="" type="checkbox"/>	on behalf of the * Chief Financial Officer
Date: 10 th February 2020		
Name: Stephen Dorrian	<input checked="" type="checkbox"/>	on behalf of the * Monitoring Officer
Date: 31 st January 2020		
Name: Lisa Taylor	<input checked="" type="checkbox"/>	on behalf of the * Head of Procurement Nimesh Mehta
Date: 10 th February 2020		
Name: Paul Walker	<input checked="" type="checkbox"/>	Corporate Director
Date: 25 th February 2020		

MANDATORY

Ward Councillors notified:

No - as impacts all ward

EqIA carried out:

YES An overarching EQIA was undertaken for the programme
Directorate Equality Task Group
(DETG) Chair

EqIA cleared by:

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	NO
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