



## Decision Report of the Corporate Director of Resources

<b>Officer Decision</b>	<b>Date: 8 November 2017</b>	<b>Ward(s): All</b>
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<b>Delete as appropriate</b>		Non-exempt
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If part of the report is not for publication because it contains exempt information under Schedule 12A of the Local Government Act 1972) (see Appendix 5 to the Constitution), create a separate appendix for the exempt information (further guidance follows at the end of the template) and insert the following wording here:

### **THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION**

## **SUBJECT: Contract Award for the Framework Agreement for Municipal Building Repairs - General Building Works**

### **1. Synopsis**

- 1.1 The Council requires a number of support contracts for the provision of specialist repairs and support for the in-house teams where there are issues of urgency, specialist materials or particular skills required.
- 1.2 This report summarises the outcome of a procurement process for Municipal Repairs – General Building Works. The Corporate Director of Resources agreed the procurement strategy for this tender 30 May 2017.

### **2. Recommendations**

- 2.1 To approve the award of the framework agreement for Municipal Building Repairs – General Building Works to the following organisations:
  - Houeline Building Services Ltd
  - Richwell Construction Ltd
  - Purdy Contracts Ltd
  - Raam Construction Ltd
  - Grenville Decorators

For a maximum period of forty eight (48) months.

### 3. Background

- 3.1 The Council needs to maintain an effective responsive general building works repairs service with a scope comprising carpentry, plastering, metal work (including welding), glazing, joinery, doors and windows (including UPVC), groundwork, brickwork for the corporate landlord portfolio to ensure safe working conditions. When there are peaks in demand or where specialist work is required external contractors are used on an ad hoc basis.
- 3.2 The award of the framework agreement for Municipal Building Repairs – General Building Works is proposed to be for eighteen (18) months with the option to extend for up to a further six (6) months and an additional extension of up to another twenty four (24) months. The total framework term including the two extensions will be up to four (4) years. The formalised framework agreement will be an efficient route to the market and ensure clarity on required quality and pricing. The framework agreement will be awarded to six (6) contractors who will operate throughout the borough as required. The framework agreement is proposed to start in October 2017.
- 3.3 The options appraisal for this procurement was articulated in the Procurement Strategy (see background papers). Consultation was conducted internal departments including with legal, procurement, finance and housing.
- 3.4 This framework agreement was advertised using the Open Procedure. The Open Procedure means that all organisations who successfully expressed their interest were invited to tender and had access to the tender documents. Those organisations who submitted a tender and met the minimum requirements had their full tender, method statements and pricing evaluated. Sixteen (16) tenders were received on 26 June 2017.
- 3.5 The framework agreement was evaluated on the basis of the Most Economically Advantageous Tender (MEAT). The evaluation was conducted internally with no declared conflicts of interest. The evaluation was conducted in accordance with the original Procurement Strategy, the Council's Procurement Rules and the Public Contracts Regulations 2015.

The framework agreement has been awarded to the Most Economically Advantageous Tender based on the criteria of 50% quality and 50% cost. Quality made up of:

- Proposed methodology for undertaking and delivery of this contract (20%).
- Proposed methodology for management and supervision in delivering the contract (10%).
- Proposed methodology for Quality Management throughout the lifetime of the contract (10%).
- Proposed methodology for economic, environmental and social regeneration sustainability with proposed approach to health and safety in delivery of the contract (10%)

The sub-criteria for the quality was included within the contract advertisement and invitation to tender documentation.

- 3.6 These tenders were evaluated and the results are attached in Appendix A. Based on the evaluation, the six (6) proposed contractors for the framework agreement recommended are:
  - Houseline Building Services Ltd
  - Richwell Construction Ltd
  - Purdy Contracts Ltd
  - Raam Construction Ltd
  - Grenville Decorators Ltd
  - Bemor Building Contractors Ltd

3.7 The value of the works that may be awarded by Islington Council under the framework agreement is estimated at between £0 and £2,000,000 over the maximum forty-eight (48) months term. The Council is not under obligation to utilise the framework agreement. No guarantee is given towards volume or value of work to be awarded under this framework agreement.

## **4. Implications**

### **4.1 Financial implications:**

The contract provides a framework for non housing general repairs across the Council to a maximum value £2,000,000 over a maximum four year period. The estimated value of costs is between £0 and £2,000,000.

There are departmental budgets across the Council for general repairs and any costs of contracts awarded under this framework would need to be contained within existing budgets this includes emergency works.

Financial assessments have been completed for all contractors included in this framework and all have been assessed as above the average for the industry in terms of financial standing.

### **4.2 Legal Implications:**

The Council has power to procure municipal building repairs services under section 111 of the Local Government Act 1972 which enables the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997.

The proposed framework relates to works contracts. The value of the works that may be awarded under the framework agreement is estimated at between 0 and £2,000,000.00 over the maximum forty-eight (48) month term. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £4,104,394.00 for works contracts. Contracts below this value do not need to be advertised in the Official Journal of the European Union. However such contracts need to be procured with due regard to the principles of equal treatment, non-discrimination and transparency that underpin the Regulations. The council's Procurement Rules also require contracts over the value of £164,176.00 to be subject to competitive tender.

In accordance with the requirements of the Regulations and the Council's Procurement Rules the contracts have been subject to competitive tender. Bids were evaluated in accordance with the evaluation model. The six highest scoring tenders were:

Houseline Building Services Ltd  
Richwell Construction Ltd  
Purdy Contracts Ltd  
Raam Construction Ltd  
Grenville Decorators  
Bemor Building Contractors Ltd

Therefore the contracts may be awarded as recommended in the report. In deciding whether to award the contracts as recommended the Corporate Director of Resources should be satisfied as to the competence of the suppliers to undertake the works and that the tender prices represent value for money for the Council. Regard must also be had to the information set out in the attached appendix.

### 4.3 Environmental Implications

Environmental impact assessments have been completed for this framework agreement. Tenderers were asked to consider the environment within their submissions and each demonstrated how they proposed to reduce the environmental impact.

### 4.4 Resident Impact Assessment:

- 4.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

## 5. Reasons for the decision: (summary)

- 5.1 The Council is required to maintain an effective responsive building works repairs. The framework agreement will be utilised by the Municipal Buildings Repairs Team as well as other teams within the Council, in a category management approach. In setting up these arrangements the Council will be compliant with its Procurement Rules and the Public Contract Regulations 2015. It is therefore recommended to appoint the six (6) contractors to the framework agreement.

## 6. Record of the decision:

(to be completed after 5 days on the website and the signed report re-sent to Democratic Services)

- 6.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

### Signed by:



Corporate Director of Resources

8 November 2017

Date

### Appendices

- Appendix A – Tender return evaluation scores.

### Background papers:

- Procurement Strategy, available online here:  
<http://democracy.islington.gov.uk/documents/s11877/Signed%2018May17Procurement%20Strategy%20-%20Municipal%20Buildings%20Frameworks.pdf>

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