

# Property Services 7 Newington Barrow Way, N7 7 EP

### Key Decision Report of the Interim Corporate Director of Resources

Officer Key Decision		Date: 4 Jun	e 2019	Ward(s):
Delete as appropriate	Exempt		Non-exempt	

## THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION



### 1. Synopsis

- 1.1 This report seeks approval for the contract award in respect of recladding of the Bridge School in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 The property comprises of a primary school at ground floor level, with residential accommodation above. Islington Council is the freeholder, with the residential accommodation leased and managed by the Guinness Partnership. The existing cladding rain screen is to be removed and replaced with a non-combustible system.

### 2. Recommendations

2.1 To approve the contract award for the recladding of the Bridge School, 251 Hungerford Road, N7 9LD to ENGIE in the sum of £2,851,352.

### 3. Date the decision is to be taken:

12 June 2019

#### 4. Background

4.1 Nature of the service

The council is seeking to procure a contractor to replace the existing Category 2 (some fire retardant properties) rain screen system at the Bridge school with a non-combustible replacement system.

4.2 Estimated Value

An application for funding for this project was successfully made to central government. The cost of replacing the cladding is  $\pounds 2,851,352$ . The Ministry of Housing, Communities and Local Government has agreed funding of  $\pounds 2.975$  million for these works, covering the cost of the cladding, along with reasonable costs associated with the removal and replacement of the cladding, such as access, scaffolding, materials and labour. Details of the procurement exercise are in 4.6.

# 4.3 Timetable

The key dates for this project as

- Contract award 20 May 2019
- Design phase 20 May 2019 to 18 September 2019
- Pilot scheme 23 September to 26 October 2019
- 26 October 2019 to 20 April 2020

# 4.4 Options appraisal

In the absence of a framework agreement suitable for these works, a two stage restricted competitive tender was the best option for procuring these works. Working in collaboration with another organisation was not an option for this contract.

4.5 Key Considerations – References to social value and impact on staff

The overriding social benefit of this project is investing in a council owned asset to bring it up to the highest standards of fire safety. The new cladding system will also upgrade the insulation of the building, reducing the risk of fuel poverty.

London Living Wage will apply to this contract.

There are no pensions, staffing or TUPE implications under this contract.

The successful contractor is also required to fulfil the following commitment:

- The creation of one paid job placement with training specific to cladding that could enable the recipient to acquire skills and enhance their ability to progress in this area of construction.
- The job placement to be paid at the London Living Wage in line with Islington Council policy.
- The job placement to last for the duration of the contract as a minimum.
- The contractor will work with Islington Council`s Employment Service to source and short list appropriate Islington residents for the consideration of the Contractor.
- Islington Council's Employment Service will support the contractor in making any arrangements required for the interview and subsequent employment of the successful candidate.
- Islington Council's Employment Service to provide any required pastoral care to the successful candidate if and when required.

## 4.6 Evaluation

This tender was conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations

A limited or 'restricted' number of these organisations meeting the SQ requirements as specified in the advertisement were invited to tender (ITT). Tenders were evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the award criteria in order to determine the most economically advantageous offer.

Following the SQ evaluation, six organisations were invited to tender. The tender evaluation was based on an assessment of the most economically advantageous tender (MEAT). MEAT was identified using 50% quality and 50% tender price. The 50% quality requirement was made up of four questions, relating to mobilization and delivery of works (15%), approach to communication and partnership working (10%), approach to contract management and quality of finished build (15%) and approach to supply chain management (10%). In order to be awarded the contract, the winning tenderer had to score a minimum of three (3) points for each of the quality questions.

The price element (50%) was the cost of the tender including council set provisional sums. This was analysed and scrutinised by the project quantity surveyor and checked for arithmetical errors.

ENGIE achieved the overall highest total combined quality and price based on the advertised criteria and it is recommended that they be awarded the contract.

4.7 Business Risks

A full risk assessment has been completed as part of this procurement process, and risk management will be a key consideration of managing this contract.

- 4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 4.9 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report		
1 Nature of the service	Recladding of the Bridge School, 251 Hungerford Road, N7 9LD.		
	See paragraph 1.1		
2 Estimated value	The value of this contract is £2,851,352		
	See paragraph 4.2		
3 Timetable	<ul> <li>Contract award 20 May 2019</li> <li>Design phase 20 May 2019 to 18 September 2019</li> <li>Pilot scheme 23 September to 26 October 2019</li> <li>26 October 2019 to 20 April 2020</li> <li>See paragraph 4.3</li> </ul>		
4 Options appraisal for tender procedure including consideration of collaboration opportunities	The tender was conducted in a two stage restricted produre. See paragraph 4.4		
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing	TUPE does not apply. The London Living Wage will apply to this contract. The contractor will be expected to fulfil additional social benefit clauses. See paragraph 4.5		
implications 6 Award criteria	50% price, 50% quality. The award criteria price/quality breakdown is more particularly described within the report. See paragraph 4.6		
7 Any business risks associated with entering the contract	See paragraph 4.7		
8 Any other relevant financial, legal or other considerations.	See paragraph 5.1 and 5.2		

# 5. Implications

# **5.1** Financial implications:

If the recommendation for recladding of Bridge School contract award is approved, there would be financial implication, the scheme estimated to cost  $\pounds 2.9m$ , which is to be fully funded by the grant awarded by the government. However, the financial risks if the project overspends would

also need to be considered and budgeted as part of contract agreement to ensure overall costs do not exceed the maximum fund awarded by the government.

### 5.2 Legal Implications:

The council owns the freehold of the Bridge School building, the upper part of which is leased to Guinness Trust for residential use and the lower part is leased to the Bridge Learning Trust for the purposes of the academy. The maintenance and repair of the structure and exterior of the building is a landlord responsibility under the lease. Accordingly, the council may enter into a contract for the works to the Bridge School building (Local Authority Contracts Act 1997).

The estimated value of the contract was below the financial threshold for public works contracts for the application of the Public Contracts Regulations 2015 and therefore the requirement to advertise in OJEU did not apply. However, the contract has been procured using the restricted procedure set out in the 2015 regulations. Accordingly, the contract may be awarded to the highest scoring bidder provided the decision maker is satisfied that the price represents value for money or the council. In considering the recommendation in this report the decision maker should take into account the information contained in the exempt appendix to the report.

### 5.3 Environmental Implications

The refurbishment of the site has both short and long-term environmental implications. During the refurbishment the main impacts will be waste generation, material use (including the embedded emissions) and energy use for the tools and equipment as well as transport. There may also be nuisance impacts such as noise, dust and traffic management and care will have to be taken around asbestos management. As noted in the report, the contractor will be required to submit proposals to minimise these impacts.

In the long-term, the refurbishment will impact upon the energy efficiency of the building. Improved insulation should reduce the building's energy consumption.

### 5.4 Resident Impact Assessment:

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.

A Resident Impact Assessment was completed on 28 May 2018. The successful contractor will have to implement control measures to mitigate any potential nuisance to residents.

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

6.1 The combination of cladding in use on the Bridge School needs to be replaced by a noncombustible, fully tested system.

## 7. Record of the decision:

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

### Signed by:

Interim Corporate Director of Resources Date

## Appendices

- Appendix 1 RIA
- Appendix 2 Exempt from publication

## Background papers: None.

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