



## Key Decision Report of the Corporate Director of Housing

<b>Officer Key Decision</b>	<b>Date: 7 November 2019</b>	<b>Ward(s): All</b>
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<b>Delete as appropriate</b>	Exempt	
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### THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

## **SUBJECT: Contract Award for General Building Work for the Housing Repairs Service, Special Projects and Housing Legal Repairs**

### **1. Synopsis**

1.1 This report seeks approval for the award of the Lot 1 General Building Work for Housing Repairs Service and Special Projects Team and Lot 2 Housing Legal Repair Works. On 18 October 2018 the Executive gave delegated authority to the Corporate director of Housing to award these contracts in consultation with the Executive Member for Housing and Development.

1.2 The General Building Work for Housing Repairs Service, Special Projects and Housing Legal Repairs will be awarded as follows:

Lot 1 – Four contracts will be awarded for General Building work and Special Projects for an initial period of 24 months, with the possibility to extend for a further period of up to 24 months (total 48 months). The total estimated aggregate value of this contract is £3,800,000 (based on £950,000 per annum).

Lot 2 – One contract will be awarded for Housing Legal Repairs for an initial period of 24 months, with the possibility to extend for a further period of up to 24 months (total 48 months). The total estimated aggregate value of this contract is £1,600,000 (based on £400,000 per annum).

The overall estimated aggregated value of both contracts is £5,400,000.

## **2. Recommendations**

2.1 To award the contract for General Building Work for Housing Repairs Service, Special Projects and Housing Repairs to:

Lot 1 General Building Work for Housing Repairs Service and Special Projects Team

- Greyline Builders Limited
- JOS Property Services Limited
- MNM Property Services Limited
- Richwell Constriction Limited

Lot 2 Housing Legal Repairs

- RAAM Construction Limited

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

7 November 2019

## **4. Background**

- 4.1 The Housing Repairs Service delivers responsive repairs to council properties within the borough including communal repairs to approximately 29,000 properties. The contracts will provide for specialist technical support and additional support to the in-house Housing Repairs Service during busier 'peak' times and the Special Projects Team with resources to deliver Section 106 funded estate improvements. The contract will also provide for a dedicated contractor for Housing Legal Repair for Housing Disrepair Cases.
- 4.2 On 18 October 2018 the Executive approved a strategy for the procurement of new contracts for the provision of General Building Work for Housing Repairs Service, Special Projects and Housing Legal Repairs. The contract was advertised by the council on the London Tenders Portal and Contracts Finder. As the contract value was above the threshold for EU purposes, a contract notice was also published in the Official Journal of the European Union (OJEU).
- 4.3 The procurement was conducted in line with the Council's procurement rules and the Public Contracts Regulations 2015. The procurement was undertaken using a competitive tender under the Restricted Procedure.
- 4.4 Following the advertisement of the contract, Lot 1 received a total of fifteen (15) submissions at the Selection (SQ) stage. Lot 2 received a total of ten (10) submissions. For both Lots tenderers were required to achieve a minimum standard scoring of three (3) or above for each of the SQ questions, in order to be invited to tender.

A total of nine (9) organisations for Lot 1 and four (4) for Lot 2 met or exceeded the minimum requirements at the SQ stage and were invited to tender.

At this point organisations were open to apply for Lot 1 and/or Lot 2 with the understanding that any single organisation would only be awarded a maximum of one contract. Organisations

applying for Lot 1 and Lot 2 had to express a preference regarding which Lot they would like to be awarded a contract for in the event that they are one of the four highest scoring organisations for Lot 1, and also the highest scoring organisation for Lot 2.

All invited organisations submitted an ITT.

- 4.5 The contract will be awarded to the Most Economically Advantageous Tender (MEAT) based on the award criteria set at 50% cost and 50% quality, for both lots.

**The 50% quality element was further divided into the following sub-criteria:**

**Lot 1 – 50% quality made up of:**

- Proposed approach to resourcing, mobilisation and delivery of contract - 15%
- Proposed approach to cost effectiveness and quality management - 15%
- Proposed approach to customer service and equalities - 10%
- Proposed approach to social value - 5%
- Proposed approach to health and safety - 5%

**Lot 2 – 50% quality made up of:**

- Proposed approach to resourcing, delivery and administrative processes for the management of the contract – 15%
- Proposed approach to meeting volumes and timescales - 5%
- Proposed approach to cost effectiveness and quality management - 10%
- Proposed approach to customer services and equalities - 10%
- Proposed approach to social value - 5 %
- Proposed approach to health and safety - 5%

Tenderers were required to achieve a minimum score of three (3) or above for each of their method statements to assess the quality criteria, in order to have the cost element of their tender evaluated.

For Lot 1 five (5) and for Lot 2 one (1) organisation(s) met or exceeded the minimum requirements for the method statement questions and had the cost element of their tender submissions evaluated.

- 4.6 The 50% cost element for Lot 1 and Lot 2 was divided into the following sub-criteria:

**Lot 1**

<b>Item no.</b>	<b>Percentage breakdown</b>	<b>Description</b>
1	15%	Percentage adjustment to the NHF Schedule of Rates excluding sections titled Brickworks and Carpentry and Joinery (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
2	15%	Percentage adjustment to the NHF Schedule of Rates for sections titled Brickworks and Carpentry and Joinery only (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)

3	5%	Surcharge for emergency call-out requiring one or more attendances on site outside normal working hours.
4	5%	Rates and prices tendered in section 3 of this price framework
5	4%	DAYWORK – HOURLY CHARGES Inside normal working hours General building multi trade / skilled tradespeople
6	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for materials
7	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for plant and equipment
8	2%	Percentage adjustment for directing and supervising approved Specialists
<b>TOTAL 50%</b>		

## Lot 2

Item no.	Percentage breakdown	Description
1	15%	Percentage adjustment to the NHF Schedule of Rates excluding sections titled Brickworks and Carpentry and Joinery (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
2	15%	Percentage adjustment to the NHF Schedule of Rates for sections titled Brickworks and Carpentry and Joinery only (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
3	5%	Surcharge for emergency call-out requiring one or more attendances on site outside normal working hours.
4	5%	Rates and prices tendered in section 3 of this price framework
5	4%	DAYWORK – HOURLY CHARGES Inside normal working hours General building multi trade / skilled tradespeople
6	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for materials
7	2%	DAYWORK – PERCENTAGE ADDITIONS Percentage adjustment for plant and equipment
8	2%	Percentage adjustment for directing and supervising approved Specialists
<b>TOTAL 50%</b>		

4.7 A two stage leaseholder consultation took place as part of this procurement.

Only one observation was received. This was a request to view the Contractor information and the schedule of rates information. The leaseholder viewed the schedule of rates and was

provided with redacted copies of the Contractor's price frameworks. The leaseholder confirmed satisfaction with the information received.

4.8 The results of the tender evaluation are set out in the attached exempt Appendix 1.

## **5. Implications**

### **5.1 Financial implications:**

Both Lot 1 General Building Work for Housing Repairs and Lot 2 Housing Legal Repairs are funded by the Housing Repairs budget (£32.9m in 2019/20). The allocation for spending on work by subcontractors is £3.47m. It is anticipated the current budget provision will continue to be available for the foreseeable future. The cost of the contract will therefore be contained within future budget provisions without causing additional pressure to the Council

The Special Projects Team in Lot 1 is responsible for the delivery of S106 funded estate improvement work. The cost of the contract will therefore be fully funded by agreed S106 resources without causing additional pressure to the Council.

### **5.2 Legal Implications:**

The council has an obligation to keep its housing properties in good repair (Part 2 of the Housing Act 1985; section 11 of the Landlord and Tenant Act 1985; tenancy conditions and right to buy lease). The council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997. At a meeting of the Executive held on 18 October 2018 the delegated authority was given by the Executive to the Corporate director of Housing to award these contracts in consultation with the Executive Member for Housing and Development.

The contracts being procured are for works. The estimated value of the proposed contracts is above the threshold for application of the Public Contracts Regulations 2015 (currently £4,551,413.00). The council's Procurement Rules require works contracts over the value of £500,000 revenue spend or £1,000,000 capital spend to be subject to competitive tender. In compliance with the requirement of the Regulations and the council's Procurement Rules a competitive tendering procedure with advertisement in the Official Journal of the European Union has been used.

Bids were subject to evaluation in accordance with the tender evaluation model. In relation to Lot 1 (General Building Work for Housing Repairs Service and Special Projects Team) the following organisations met the minimum requirements of the council and may be awarded contracts as recommended in the report:

- Greyline Builders Limited
- JOS Property Services Limited
- MNM Property Services Limited
- Richwell Constriction Limited

In relation to Lot 2 (Housing Legal Repairs) only one organisation, RAAM Construction Limited, met the minimum requirements of the council and may be awarded contracts as recommended in the report:

In deciding whether to award the contract to the recommended contractors the Corporate director of Housing should be satisfied as to the competence of the contractors to perform the contracts and that the tender prices represent value for money for the Council. In considering

the recommendations in this report must take into account the information contained in the exempt appendix to the report.

The contracts are for a period in excess of 12 months and therefore will be qualifying long term agreements under section 20 of the Landlord and Tenant Act 1985. Accordingly, leaseholder consultation has been carried out in accordance with the requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

### **5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

Carrying out building and maintenance work has several environmental impacts. During the building or maintenance process, new materials will be used, as well as energy in the plant and equipment, which will cause on-site emissions if powered by fossil fuels. The works will generate waste and there is a risk to biodiversity when working in roof spaces or around trees. In addition, the contractor will be using vehicles to arrive at and deliver materials to sites, which will contribute to air pollution (unless electric vehicles are used) and congestion.

Provision has been made within the framework specifications and contractor selection criteria to mitigate impact on each of the above with reference to relevant legislation and the stipulation that the contractor must adhere to the requirement of the Councils Housing HSE Code of Conduct for Contractors and appropriate legislation.

The Contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable. The Contractor will have a duty of care to ensure that any waste disposal is done legally and in alignment with the waste hierarchy.

In addition, Contractors should be encouraged to use low or zero emission vans. Where possible, the Contractor should use recycled or sustainably produced materials. The contractor will install energy saving replacement parts where possible and if compatible. Where complete renewals are required, then energy saving replacements will be considered.

### **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 19 September 2018 (see appendix 2). This procurement will not have any negative impact on any persons within the protected characteristics groups. This contract will have a positive impact on vulnerable groups as it will ensure that their properties are maintained to a high standard. Access to the discretionary repairs service will also enable vulnerable groups to have repairs undertaken that would normally be the responsibility of the resident. Diversity and equality are considered during the procurement process. Potential service providers will be asked a scored question during the procurement process about how they assess and manage repairs for customers with any of the

equalities characteristics. It is a contractual requirement for service providers to work to Islington Council's policies and procedures, where equality, diversity and an accessible service for all is factored into service delivery procedures.

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

6.1 The successful contractors selected for the contract award for General Building work for both Housing Repairs and Special Projects Team and for Housing Legal Repair met or exceeded the minimum requirements of all of the quality criteria of their tender, and had the highest overall score for combined quality and cost.

## **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:**

Corporate Director of Housing

Date

### **Appendices**

- Appendix 1 – Exempt
- Appendix 2 – Resident Impact Assessment

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**Background papers:** None

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