



## Key Decision Report of the Corporate Director of Housing

<b>Officer Key Decision</b>	<b>Date: 10 March 2020</b>	<b>Ward(s): All</b>
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<b>Delete as appropriate</b>	Part Exempt	
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### THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

## SUBJECT: Contract Award for Roofing Repair Works (including Provision for Scaffolding)

### 1. Synopsis

1.1 This report seeks approval for the award of the Roofing Repair Works (including Provision for Scaffolding). On 20 June 2019, 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 Roofing Repairs Works (including Provision for Scaffolding) will be awarded as follows:

Two contracts will be awarded for Roofing Repairs Works (including Provision for Scaffolding) for an initial period of 24 months, with the possibility to extend for a further two periods of up to 12 months each. A total of 48 months. The total estimated aggregate value of these contracts is £2,300,000 (based on £575,000 per annum). There are no guaranteed volumes of work, as the amount of work required will depend on future demand.

### 2. Recommendations

2.1 To award the contract for Roofing Repairs Works (including Provision for Scaffolding) to:

- John McGuinness Roofing Contractors Ltd
- Herts Heritage Building & Roofing Ltd.

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

9 March 2020.

### 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 contract will provide additional roofing support to the in-house Housing Repairs Service during busier 'peak' times. There is a continuing need for additional support, as the service is demand-led. The contract will cover roofing repairs to residential properties and estates, including communal areas and facilities. The successful contractors will also be expected to supply and install scaffolding to facilitate the delivery of repairs they carry out.
- 4.2 On 20 June 2019, the Executive approved a strategy for the procurement of new contracts for the provision of Roofing Repairs Works (with Provisions for Scaffolding). The contract was advertised by the council on the London Tenders Portal and Contracts Finder. As the contract value was below the threshold for EU purposes, a notice was not required to be posted 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 Open Tender Procedure.
- 4.4 Following the advertisement of the contract, nine submissions were received. One organisation did not pass the compliance stage as they failed to submit the correct tender documents. The eight remaining organisations were required to achieve a minimum standard scoring of 3 or above for each of the suitability assessment questions in order to have their remaining submission evaluated. Only three organisations successfully achieved the minimum requirement at the suitability assessment stage and progressed to have their method statements evaluated. Two organisations scored 3 or more at the method statement stage and progressed to have the cost element of their tender evaluated.
- 4.5 The contract will be awarded to the Most Economically Advantageous Tender (MEAT) based on the award criteria set at 40% quality and 60% cost.

The 40% quality element was further divided into:

Item No.	Percentage Breakdown	Description
1	10%	Proposed approach to contract delivery including resourcing and ensuring that demand and contractual timescales are met
2	10%	Proposed approach to staying within budgets and meeting required quality standards in order to ensure value for money

3	10%	Proposed approach to customer services, equality and social value including communication with residents and the client, as well as ensuring negative environmental impacts are minimised
4	10%	Proposed approach health and safety during works, including training provided to staff and procedures for ensuring safety of the public and staff
Total 40%		

4.6 The 60% cost element was divided into:

Item No.	Percentage breakdown	Description
1	20%	Percentage adjustment to NHF Schedule of Rates excluding section titled Asphalt (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
2	10%	Percentage adjustment to the NHF Schedule of Rates for sections titled Asphalt only (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
3	1%	Surcharge for emergency call-out requiring one or more attendances on site outside normal working hours.
4	10%	Rates for common tasks not included in the NHF Schedule of Rates (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
5	15%	Scaffolding percentage adjustment to prices stated in paragraph 3.7 (applicable to work undertaken inside and outside normal working hours and emergency and non-emergency work)
6	1%	DAY WORK – HOURLY CHARGES Inside normal working hours Roofing operative / general building multi trade / skilled tradespeople
7	1%	DAY WORK – PERCENTAGE ADDITIONS Percentage adjustment for materials
8	1%	DAY WORK – PERCENTAGE ADDITIONS Percentage adjustment for plant and equipment
9	1%	Percentage adjustment for directing and supervising approved Specialists
Total 60%		

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

Three observations were received. One leaseholder asked to review the tender documentation relating to the contract award and was provided with the information to secure an appointment to view the documentation. One leaseholder observation related to the timing of works to the individual block they resided in and mentioned some repairs that were needed. They were advised that this consultation related to the award of the overall contract and separate consultation would take place when the council proposed to carry out works to that block. They

were also provided with information to report any current repairs to the repairs team. The final observation related to an individual's historical experience of the erection and dismantling of scaffolding for previous works and their observations will be used to improve the day-to-day operational management of these works. All leaseholders received a response to their observations.

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

## **5. Implications**

### **5.1 Financial implications:**

This report seeks approval for the award of the Roofing Repair Works (including Provision for Scaffolding). On 20 June 2019 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.

The report indicates at 4.5 that John McGuinness Contractors and Herts Heritage Building & Roofing Ltd have been assessed as the Most Economically Advantageous Tender (MEAT) based on the award criteria set at 60% cost and 40% quality.

The total estimated aggregate value of this contract is £575k per annum for a duration of 24 months, with the option to extend for two possible extensions of up to 12 months each. Furthermore, there are no guaranteed volumes of work as the amount of work required will depend on future demand and the council will only pay if any works are carried out by the contractors.

The total estimated aggregate cost of this contract will be contained within the HRA Housing Repairs Budget, 2019/20 of which £3.465m is allocated to In-House Repairs - Sub Contractors annual Budget.

### **5.2 Legal Implications:**

The council is responsible for undertaking the repair and maintenance of its housing properties and installations therein (Part 2 of the Housing Act 1985 and section 111 of the Local Government Act 1972). The Council has power to enter into contracts for the carrying out of roof repairs (section 1 Local Government (Contracts) Act 1997).

The contract is a public works contract for the purposes of the Public Contracts Regulations 2015.). However, the estimated value of the contract fell below the financial threshold for the full application of the 2015 regulations and therefore was not required to be advertised in OJEU. Contracts below this threshold need to be procured in compliance with the principles of equal treatment, non-discrimination and transparency underpinning the Regulations. The council's Procurement Rules require works contracts over the value of £1,000,000 to be subject to a formal competitive tender process. The contracts have been advertised using a competitive tender process, in compliance with the principles underpinning the 2015 regulations and the council's Procurement Rules.

The contract may be awarded to the two highest scoring tenderers subject to their tenders providing value for money for the council.

The contract is for a period in excess of 12 months and therefore is a qualifying long-term agreement under section 20 of the Landlord and Tenant Act 1985. Accordingly, the council has complied with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

In deciding whether to approve the award of the contracts, the decision maker should take into account the contents of this report and the further information in the exempt appendix. The Executive on 20 June 2019 specifically authorised the Corporate Director of Housing to award the contracts as the estimate value exceeded the standard delegation to award revenue funded contracts up to £2m.

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

Environmental implications from this contract include material use, waste generation, carbon emissions and congestion from vehicle use, possible disturbance to habitat for wildlife and noise pollution.

The winning contractor have stated that they use standard sizes to limit the amount of waste, have strict order controls to avoid over-ordering, salvage materials for reuse and have educated their staff on which materials can be recycled. They also use a waste company that recycles 95% of their waste and have committed to work with the council to identify use of materials that are recyclable.

The contractor will minimise travel by planning their work through an electronic system and have committed to providing their supervisors and operatives with electric vehicles for this contract. Where there is likely to be disturbance to habitat, particularly bird nesting space, the Energy Services Team Nature Conservation Team will be consulted for advice and guidance. The contractor will be required to work within agreed hours and consider noise arising from works to minimise the impact of noise pollution.

### **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 06 March 2019 (see appendix 2) and has been updated following the contractor assessment. 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. Diversity and equality were considered during the procurement process. Potential service providers were asked a scored question during the procurement

process about how they assess and manage repairs for customers with any of the equality's characteristics. It is a contractual requirement for service providers to work to Islington Council's policies and procedures, where health and safety, equality, diversity and an accessible service for all is factored into service delivery procedures.

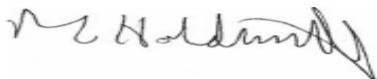
**6. Reasons for the decision: (summary)**

6.1 The two successful contractors selected for the contract award for Roofing Repair Works (with Provision- for Scaffolding) met or exceeded the minimum requirements of all 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 10/03/2020

**Appendices**

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

**Background papers:** None

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