

Key Decision Report of the Corporate Director of Housing

Officer Key Decision	Date 23 September 2021	Ward Finsbury Park
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Delete as appropriate	Exempt	Non-exempt
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Appendix 1 to this report is exempt and not for publication as it contains the following category of exempt information as specified in, category 3 of the Access to Information Procedure Rules, Schedule 12A of the Local Government Act 1972, namely: information relating to the financial or business affairs of any particular person (including the authority holding that information).


SUBJECT:

Award of a Direct Award Proposal from Quinn (London) Ltd. for refurbishment works at Block B2, as part of the Phase 1 works on the Andover Estate, N7

Synopsis

1. This report seeks authority for refurbishment works at Block 2, as part of phase 1 works on the Andover Estate.

2. Recommendation

To award the contract for the refurbishment of Block B2, as part of phase 1 works on the Andover Estate, to Quinn (London) Ltd, in the sum of £1,645,459.26.

Date the decision is to be taken:

23 September 2021

3. Background

- 3.1 In May 2017 a hybrid Planning Application was submitted, comprising a detailed application to deliver 64 new homes and associated landscaping (Phase 1) and an outline application to provide a further 135 new homes (Phase 2). Formal planning approval for the scheme was granted in June 2018 under Planning Application Nr. 2017/2065/FUL including detailed consent for the works at Block B2.
- 3.2 The Phase 1 works were tendered under LBI's '2014 Lot 2 Contractors Framework Agreement' and Geoffrey Osborne were appointed to progress design development under a 2 – Stage tender process procured through a JCT Pre-Construction Service Agreement (PCSA). Their Stage 2 tender was significantly over budget and further design development and value engineering was undertaken, resulting in a final tender submission in July 2020.

- 3.3. A review by Calfordseaden LLP indicated that the tender value included for Block B2 was disproportionately high and meant that value for money was not being achieved for this element of the works and these works were subsequently omitted from Geoffrey Osborne's scope of works.
- 3.4 As a result, LBI instructed Calfordseaden LLP to issue a Direct Award Invitation to Quinn (London) Ltd., using the Lot 1 Contractors Framework. This framework is for work valued up to £2,000,000.
- 3.5 Quinn (London) Ltd. are a contractor in Lot 1 of the Framework and are considered well-suited for Block B2 as they have experience of refurbishment and remodelling projects and have prior experience of working on the Andover Estate where they have been involved in soft-strip and asbestos removal works.
- 3.6 The Direct Award Invitation process followed the procedure set out in Schedule 1B Direct Award in the Contractors Framework Agreement.
- 3.7 A Direct Award Proposal was received from Quinn (London) Ltd. by the deadline date of 2 October 2020 in the sum of £1,618,019.67 with a 59 weeks delivery programme comprising:
7 weeks pre-contract
6 weeks lead-in and mobilisation
46 weeks on site

4 Proposal Evaluation

- 4.1 Whilst no arithmetical errors were found in the Quinn (London) Ltd. proposal, a cost difference of +£148,163.67 (representing +9%) when compared with Calfordseaden LLP's Order of Cost was established. As a result, a number of clarifications were sought, and post tender Direct Award Proposal adjustments have now been agreed by Calfordseaden LLP with Quinn (London) Ltd. resulting in an Adjusted Direct Award Proposal of £1,645,459.26.
- 4.2 Full commentary of these adjustments is contained in the exempt appendix to this report.

5 Proposed Scheme

- 5.1 The proposed works comprises the conversion of existing garages and remodelling of 6 Nr. existing under-utilised flats in Corker Walk, into larger, more efficient flats together with structural and circulation improvements to the deck-access serving the existing residential dwellings above. Residents will remain in occupation during the works.

6. Timetable

- 6.1 Key Officer Decision – September 2021
Start on Site – Q3 2021
Completion – Q3 2022

7. Financial implications

- 7.1 This 6 unit existing social rented (SR) property refurbishment scheme is part of the wider Andover phase 1 scheme delivering a total of (100%) 42 SRSs.

The latest cumulative scheme costs made up of actual spend to date and budgets WEF 21-22 (as at 21-22 budget setting) is set out below:

36 units Works £22.7m

Fees + Contingency £3.7m

6 units Works £1.5m

Fees + Contingency £150k

TOTAL £28.050m

- 7.2 The report proposes to award the Works Contract in the sum of £1.650m (excluding fees) this will lead to a budget shortfall of around £300k. In addition, unbudgeted enabling works carried out by Quinn have led to a further budget pressure of £700k hence there is a total budget pressure arising of £1m.
- 7.3 It is unlikely that there will be scope within the wider new build programme to contain this pressure as such it will have to be subsidised from HRA reserves.

8. Legal Implications

- 8.1 This Report seeks the delegated authority of the Corporate Director of Housing to make a Key Decision, namely the direct award to Quinn (London) Limited of a call-off contract from the 2014 Lot 1 Contractors Framework Agreement. The total contract value is c.£1,646,000.
- 8.2 The Council has the statutory power to award this contract pursuant to its general powers of competence under Section 1 of the Localism Act 2011.
- 8.3 The total contract value of c£1,646,000 is below the threshold at which the Public Contracts Regulations 2015 apply to Works contracts and on that basis this direct award is compliant with the Public Contracts Regulations 2015.
- 8.4 The Council's Constitution Part 3 Rule 8.8 states that the Corporate Director has the authority to award a contract of this value.
- 8.5 The process outlined in the body of this report complies with the Council's Constitution Part 6 - Procurement Rules.
- 8.6 Legal Services will assist in completion and execution of the Call-Off Contract.

9. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

- 9.1 The improvements to dwellings have several environmental impacts, both during the construction of the buildings (material use, waste generation, nuisances such as dust and noise) and during the long-term occupation of the dwellings (energy and water use and transport facilities).
- 9.2 Mitigation measures will be put into place to reduce both sets of aspects. The contractor will be required to submit proposals on how they will keep their environmental impact to a minimal including their proposals for a Site Waste Management Plan.
- 9.3 Environmental sustainability has also been considered in the design, and the dwellings will meet the Code for Sustainable Homes Level 4, which requires key sustainable targets and objectives to be met including low energy, low carbon and water conscious design. The proposals will also take into account Life Time Homes standards.

10. Resident Impact Assessment

- 10.1 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.
- 10.2 A Resident Impact Assessment was completed in September 2017. The complete Resident Impact Assessment is available on request, and which identified that there would be minimal negative impacts, primarily affecting the then existing residents and leaseholders. This scheme will provide improved and enlarged homes to wheelchair users, families, young people, older people, and social residents. In addition, the communal areas will be improved for all residents to enjoy, and this will provide an opportunity for socio-economic benefits.

11 Reasons for the decision

- 11.1 Quinn (London) Ltd. are one of the contractors appointed to the Lot 1 Contractor Framework. They have provided cost values and design fee percentages acceptable to the council's appointed quantity surveyor (QS) in order to undertake this construction contract. While the price was higher than expected the QS has since satisfied himself that through a series of checks and comparisons, both with Islington's own schemes and the wider construction market in London, as well as through the value engineering exercise, that the contract price submitted by Quinn (London) Ltd is fair and acceptable.
- 11.2 It is therefore recommended that a Design & Build construction contract is awarded to Quinn (London) Ltd for the sum of £1,645,459.26 to remodel 6 Nr. existing units and

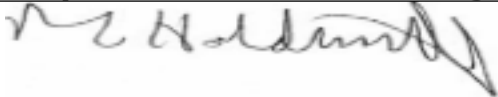
provide associated block improvements.

12. Record of the decision:

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

Background papers:

None

Signed by:	Corporate Director of Housing	Date:
		23rd September 2021
	Maxine Holdsworth	

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