



London Borough of Enfield

Title of Report:	Award of Repairs Support Contracts
Report to:	Strategic Director of Housing and Regeneration: Joanne Drew
Cabinet Member:	Cllr Savva – Cabinet Member for Social Housing
Directors:	Strategic Director of Housing and Regeneration: Joanne Drew
Report Author:	Andrew Cotton: Service Director – Council Homes
Ward(s) affected:	Borough-wide/All
Key Decision Number	KD5638
Classification:	Part 1 & 2 (Para 3)
Reason for exemption	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Purpose of Report

1. To obtain approval to award three Support contracts for Roofing and Scaffolding, Void Refurbishments North and Void Refurbishment South.

Recommendations

<ol style="list-style-type: none">I. That approval be given to award and enter into the following contracts for the initial term of 3 years to support the repairs service:<ol style="list-style-type: none">a. Roofing and Scaffoldingb. Void Refurbishment (North)c. Void Refurbishment (South)II. The authority to extend the contract for the allowable 2 further years (in one-year increments) be delegated to the Strategic Director of Housing and Regeneration.III. That approval be given for the contingency sum, inflationary allowance and staff costs detailed in the confidential appendix at a total cost of £9,317,534.73.

Background and Options

2. In June 2019, Cabinet approved the in-sourcing of the Housing Repairs Service (KD4868). This service was launched in May 2020 and has internal operatives that are able to manage a range of repairs. It is necessary to support the internal resource in cases of resource constraints exist or where capability/specialism of operatives are unable to deliver the full demands of the service. These three contracts are:
 - Roofing and Scaffolding
 - Void Refurbishment (North)
 - Void Refurbishment (South)
3. These scaffolding and roofing contract employs specialist contractors with specialist tools and materials to deliver specific services, for example scaffolding and specialist scaffolders who are competent to erect scaffolding.
4. The voids contracts will deliver refurbishment works to vacant properties, which is time critical to ensure rental income, the council is undertaking a pilot of internal delivery for these works, however expects to require sub-contractor support to deliver the required objectives. The council retains the ability to instruct works through this contract flexibly and does no works are guaranteed to the supplier by awarding these contracts.
5. The roofing and scaffolding contract delivers services to communal areas of blocks with leaseholders and therefore it has been identified that the section 20 process applies. This report authorises the award of this contract subject to observations which may be made by any relevant leaseholders after the section 20 procedure is engaged. Any relevant observations made by the leaseholders following service of the section 20 notices will be referred to the decision maker of this report ahead of contact award. The void refurbishment contracts are for works to non-leasehold properties and therefore the section 20 process will not apply to them.
6. The pre-tender estimate for these services was over the Public Contract Regulation (PCR) threshold, a restricted procurement process has been undertaken in line with these regulations.
7. Tenders were issued via the London Tenders Portal (LTP) Project Information Ref – DN558875 to the open market. The process includes two stages, Supplier Qualification Questionnaire (SQQ) which shortlists up to 5 bidders, who are the invited to Tender at Invitation to Tender (ITT) stage. At this stage three bidders returned a tender.
8. The procurement was split into 6 lots and this report requests the award of 3 of those lots, a summary of all lots is below:
 - Lot 1 – Roofing and Scaffolding – Recommended for award in this report

- Lot 2 – General Building – Due to a discrepancy in the specification this lot has been cancelled and will be re-procured
- Lot 3a – Void Refurbishment (North) – Recommended for award in this report
- Lot 3b – Void Refurbishment (South) – Recommended for award in this report
- Lot 4 – Environmental Cleaning Services – Approval via Record of Decision due to value
- Lot 5 – Passenger Lifting Equipment Servicing and Repairs – Approval via Record of Decision due to value

9. The tenders were evaluated based on a quality/cost split of 60/40.

10. The form of contract will be the JCT Measured Term Contract (MTC), which has been tendered on a schedule of rates to allow flexibility to increase or decrease volumes according to demand, this will also give the flexibility to deliver works internally when resources allow, e.g. capacity, capability or specialism.

Preferred Option and Reasons for Preferred Option

11. Consideration was given to delivering these works internally however, following review it was ascertained that the capacity and capability/specialism internally is not currently able to deliver the scope of these contracts.

12. It was considered how these contracts should be split – geographically to award 2 contracts in the borough or for the full borough. For the roofing and scaffolding contract it was concluded that one contract would provide the best value and would ensure the contract size was desirable to the market and the volume of work could ensure borough presence. For the Void refurbishment the requirement has been split geographically to ensure the contractors have resource levels to deliver the services within the required timescales.

13. In terms of procurement options there were three main routes for consideration:

- a) Use of a suitable consortia framework agreement, with appointment via direct award or mini tender.
- b) Unilateral tendering utilising the open process.
- c) Unilateral tendering utilising the restricted process.

14. Using a framework can save time and money, while still delivering a service specified to local requirements. Under this route contractors are assessed for suitability prior to joining the framework and have signed up to pre-agreed terms and conditions. Standard documentation is also provided as well as support from the framework itself. However, the section 20 implications of the framework with the range of servicing requirements in this contract mean that it has not been possible to find a compliant framework.

15. Tendering a contract allows clients to create bespoke documentation designed to fit its requirements. This approach also opens the opportunity to tender to a wider group of bidders however is more costly and time consuming. In this instance it was required as the requirement is over the PCR threshold.
16. The options of open and restricted processes are either a two stage or a open stage process. Both the open and restricted process are initially open to the whole market, with the restricted process having two stages where all interested bidders submit a SSQ and are shortlisted before being invited to tender. The restricted process was chosen as it minimises the resources required in the evaluation process as ITT submissions are limited as defined in the ITT.
17. Tendering a contract using the JCT Measured Term Contract is the preferred approach as this allows the council to flex the quantities of each services ordered according to the changes in the number of homes over the 5 year term.

Relevance to Council Plans and Strategies

18. The contract will support the following objectives from the Council Plan:
 - a. **More and better homes:** the programme will improve the quality and safety of existing homes and therefore positively impact on the wellbeing and quality of life for our residents.
 - b. **Sustain healthy and safe communities:** improving the existing homes where people desire to live will help to create and maintain healthy and confident communities.
 - c. **An economy that works for everyone:** ensuring residents can fully participate in activities within their neighbourhood.

Financial Implications

19. See part 2.

Legal Implications

20. The Council has the power under section 1(1) Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. The Council has the power to alter, repair or improve its housing stock in accordance with section 9 of the Housing Act 1985. Further, under section 11 of the Landlord & Tenant Act 1985 the Council has repairing obligations in respect of properties which are occupied by its tenants and these obligations cover structure, the

exterior including drains, gutters, external pipes, installations in homes including water, gas, electricity and sanitation. Under section 111 Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions. The recommendations in this report are in accordance with these powers.

21. The Council also has a statutory duty under Section 20 of the Commonhold and Leasehold Reform Act 2002 to undertake a consultation with leaseholders whose homes will be included on the programme and who will subsequently be charged a proportion of the costs incurred. The purpose of the consultation procedure is for leaseholders to be kept informed at the key stages of entering into a new contract and to permit leaseholders to make written observations within stipulated time periods, to which the Council is required to have regard.
22. There are sanctions for failing to comply with Section 20 which could restrict the Council's ability to recover costs from leaseholders as statutory caps can be imposed as to how much it can recover through service charge.
23. As this procurement involves contracts with a value above the relevant EU thresholds, then officers must ensure compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
24. The contracts must be in a form approved by Legal Services on behalf of the Director of Law and Governance and must be executed under seal.
25. The Contract Procedure Rules require that for contracts with a value of £500k up to £1m, sufficient security (e.g. a performance bond or parent company guarantee) from the supplier should be considered to manage risk. For contracts with a value of £1m or above, the supplier must be required to provide sufficient security; if not, then the Executive Director of Resources must approve the financial risk prior to any award and the relevant Authority Report must set out the reason why it is proposed that the contract should be awarded despite absence of security and what measures are to be taken to manage this risk., Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal.
26. The Key Decision process under the Constitution must be followed as the contract value is above the Key Decision threshold of £500,000.

Equalities Implications

27. An Equality Impact Assessment has been undertaken and appended to this report.
28. The works will be delivered boroughwide to various communal areas and will benefit residents irrespective of the protected characteristics of the residents.

29. Access may be required via properties to access communal loft spaces. The successful contractor will be required to ensure all operatives will be fully briefed in line with the council's safeguarding policy. The terms and conditions of the contract will require adherence with the Equalities Act and contractors will be required to share their Equality Diversity and Inclusion policy to assure the council of their recruitment policies.
30. Engagement with residents will be undertaken by the Contractor in accordance with their processes for resident engagement and liaison which were evaluated as part of their tender submission which will be adapted according to the profile of the resident e.g. vulnerability, language spoken.

Environmental and Climate Change Implications

31. The Contractors' offer includes several environmental commitments that will be delivered to the Council including related to waste management, recycling and carbon reduction. Contractors will use local suppliers where possible to minimise the carbon footprint of deliveries.
32. Whilst the procurement commenced before the publication of the sustainable and ethical procurement policy, the policy will be shared with the successful suppliers during the mobilisation period and they will be required to meet the minimum criteria in all areas with opportunities to exceed also welcomed.

Public Health Implications

33. The works will improve the living conditions of those residents that receive works. This aligns with the provisions of the Enfield Joint Health and Wellbeing Strategy, which refers to the importance of housing quality as a determinant of health.
34. The contractors will be completing works in-line with the government's Covid Secure and CLC guidelines. They are required to provide a detailed method statement and risk assessment for each activity and the Council, and its advisors will review and comment on these prior to the commencement of works.

Safeguarding Implications

35. The works will require Contractors to enter resident's homes and therefore the Contract Documents require Disclosure & Barring Services (DBS) and adherence with the Council's Safeguarding Policy.

Procurement Implications

36. The procurement was undertaken using the London Tenders Portal (DN558875) using the Find a Tender Service. The procurement was carried out on behalf of the Council by Echelon Consultancy Limited.

37. As the procurement was undertaken by Echelon Consultancy Limited, it was not led by Procurement Services. Ultimate accountability for compliance lies with Echelon Consultancy Limited.
38. As this contract will be over £500,000, the CPR's state that the contract must have a nominated contract manager in the Council's e-Tendering portal. The contract will be managed in line with the Contract Management Framework and evidence of robust contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment shall be uploaded into the Council's e-Tendering portal.
39. As the contract is over £1,000,000, the suppliers must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of the Council's Contract Procedure Rules.
40. The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
41. The procurement and award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
42. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements

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Appendices: Appendix 1: Restricted Appendix (Confidential)
Appendix 2: Equality Impact Assessment

Background Papers

None