

MEETING TITLE AND DATE
Cabinet – 15 June 2016

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| Agenda – Part: 1 | Item - 10 |
| <p>Subject: Procurement Framework Memberships – London Housing Consortium Framework, Brent Housing Partnership Framework and Royal Borough of Kingston Framework Wards: All KD 4254</p> | |
| <p>Cabinet Member Consulted: Cllr Ahmet Oykenner, Cabinet Member for Housing & Housing Regeneration</p> | |

REPORT OF:
 Director – Regeneration & Environment
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1. EXECUTIVE SUMMARY

This report seeks Cabinet approval for Officers to register with and access a number of procurement frameworks set up by other public sector partners and Local Authorities, both for construction work and professional consultancy services.

2. RECOMMENDATIONS

- 2.1 That authority is delegated to the Director of Regeneration and Environment to complete the procedures and paperwork to enable Enfield Council to join the London Housing Consortium (LHC) Framework and subsequently procure Construction works as appropriate, subject to final approval of individual scheme DAR's (delegated authority reports) by the Cabinet Member for Housing and Housing Regeneration.
- 2.2 That approval is also given for the Cabinet Member for Housing and Housing Regeneration to join the Board of LHC as a representative of Enfield Council.
- 2.3 That authority is delegated to the Director of Regeneration and Environment to complete the procedures and paperwork to enable Enfield Council to join the Brent Housing Partnership Framework and subsequently procure Consultancy Services contracts as appropriate, subject to final approval of individual scheme DAR's by the Cabinet Member for Housing and Housing Regeneration.
- 2.4 That authority is delegated to the Director of Regeneration and Environment to complete the procedures and paperwork to enable Enfield Council to join the Royal Borough of Kingston Framework and subsequently procure Consultancy Services contracts as appropriate, subject to final approval of individual scheme DAR's by the Cabinet Member for Housing and Housing Regeneration.

3. BACKGROUND

- 3.1 The Council has recently procured (in late 2014 / early 2015) its own framework of major works contractors for the delivery of the Decent Homes Major Works programme. This framework has now been running successfully for 12 months and contracts can be awarded under it for a further 3 years.
- 3.2 To ensure maximum flexibility and value for money when procuring Council contracts, Officers would also now recommend that the Council enter into a number of other procurement frameworks to supplement our access to the wider market.
- 3.3 A number of works frameworks have been considered and it is felt that the “LHC Framework” gives the maximum benefits, not only in terms of procuring major works contracts, but also for specialist works contracts such as kitchen only programmes, aids and adaptations works, lift installations and other specialist items. Membership of this framework would also allow Enfield to have a representative on the LHC governing body, the offer of which, Officers recommend should be taken up by the Cabinet Member for Housing and Housing Regeneration. A small percentage fee is payable per contract procured, the cost of which will be more than met from potential savings on works contracts that may be subsequently let from this framework. It is a requirement of LHC membership that the joining local authority (in this case, Enfield) provides a specific cabinet level approval to enter into membership and access the frameworks.
- 3.4 It is also recommended that Enfield Council should enter into 2 other frameworks, which provide access to Consultancy services. Both the Brent Housing Partnership and the Royal Borough of Kingston have procured suitable Consultancy frameworks, which are accessible to other Local Authority partners. These frameworks would present considerably cheaper and quicker processes for accessing Consultancy Services for the Decent Homes Works contracts, rather than procuring our own framework arrangements. A small percentage fee is payable per contract procured, the cost of which will be more than met from potential savings on consultancy contracts that may be subsequently let from these frameworks.
- 3.5 Both of these consultancy frameworks provide ‘Lots’ for multi-disciplinary services alongside single skill sets such as Architecture, Building Surveying, Quantity Surveying, Structural Engineers and Employers Agents / Contract administrators, etc. They also have firms on the framework for specialist services such Clerk of Works, CDM Regulations, Asbestos Surveys, Party Wall Surveying and Stock Condition surveys. They also have specialist “Lots” for Mechanical and Electrical Engineers and also Lift Consultants. All ‘lots’ apply to both new build and refurbishment projects.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative options considered were as follows:
 - (a) Continue to procure exclusively via our own framework for any Works contracts
 - (b) Tender each individual consultancy contract via the London Tenders Portal
 - (c) Procure our own Consultancy Services framework

- 4.2 Option (a) is feasible and will still form the primary route for our works procurement, however Officers feel that access to a second works framework provides additional flexibility and also a 'fail safe' position in the event of Contractor defaults under our own framework.
- 4.3 Option (b) is time-consuming and costly in terms of Officer time. It also prevents longer-term engagement with a smaller group of consultants, specialising in Enfield's Council Housing programme, due to the 'unpredictable nature' of appointments via a wider tendering process.
- 4.3 Option (c) is also time-consuming and costly in terms of Officer time and would require the support of specialist procurement consultants and lawyers. Typically a framework procurement exercise of this nature can cost between £75,000 and £100,000 and it is unlikely that the Council would make sufficient cost and efficiency savings over the life of the Decent Homes programme to justify this type of expenditure.
- 4.4 Other frameworks have also been considered however, they either have not been set up to allow access by Enfield Council or they do not offer us the scope of potential partners that we seek for this programme of works.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The three frameworks are all OJEU (Official Journal of the European Union) compliant and provide a cost efficient method for the Council to continue to procure works and consultancy services in a transparent and legally compliant way.
- 5.2 The Contractors and Consultants on these frameworks are generally well known to Enfield Council and have established track records in the delivery of the works and services that we require.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

Joining the three frameworks does not mean that the Council will spend more on procurement – costs of individual engagements and projects will still need to remain within the budgets as agreed in compliance with financial regulations. In fact, it is more likely that tendered prices will be lower because of the purchasing power of the consortia. There is no upfront cost to join any of these frameworks. A small percentage fee (of typically 0.2% to 0.4% of the contract value is charged for each contract that we commit) and sufficient savings will be accrued from procuring through these frameworks to more than cover this cost.

6.2 Legal Implications

The contracts to carry out the required services will be called off by the Council from the OJEU procured and compliant framework agreements described in the Report. On the basis that the framework agreements have been compiled to incorporate local authorities as a category or user, as outlined, then provided call-off contracts are called off by the Council in accordance with the requirements laid down under each framework agreement, there should be negligible, if any, risk to the Council in joining and participating in such framework agreements to secure the savings which ought to flow from membership and participation, as set out in the Report.

- 6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Obtaining membership of the frameworks detailed within this Report is incidental to the delivery of the Housing Decent Homes programme, which is intended to help ensure maximum flexibility and value for money.
- 6.2.2 The Council has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.
- 6.2.3 The Council proposes to procure contracts under the London Housing Consortium, Brent Housing Partnership and the Royal Borough of Kingston Frameworks.
- 6.2.4 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to call-off from an existing framework as long as the framework terms permit such.
- 6.2.5 The Council must comply with its Constitution, CPRs and as the contract value exceeds the EU threshold, it must also comply with the Public Contracts Regulations 2015.
- 6.2.6 The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.7 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Assistant Director of Legal and Governance Services.

6.3 Property Implications

The proposal to effect access to the three Frameworks will potentially provide useful and cost effective procurement options for construction-related professional services and works.

7. KEY RISKS

- 7.1 The key risk to the Council in delivering a programme of works and services is the risk of challenge for failure to procure in a legal and transparent process.

- 7.2 The use of the OJEU procured frameworks proposed in this report mitigates the risk to the Council of any challenges and provides a compliant basis for the award of future contracts.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The programme procured via these frameworks will contribute positively to the Council's priority of Fairness for All. The schemes to be delivered are all significant projects aimed at improving the quality Council Housing and dealing with back-log repairs currently affecting the level of 'Non-decency' in our Housing stock.

8.2 Growth and Sustainability

The capital works to be procured will assist in making Council Homes more attractive to potential future tenants. Improving the standard of the housing stock also enhances the sustainability of the area and promotes social cohesion.

8.3 Strong Communities

The projects will contribute to strong communities by ensuring that residents are able to fully participate in the activities of the wider community.

9. EQUALITY IMPACT IMPLICATIONS

- 9.1 It is not judged to be relevant and proportionate to carry out an equality impact assessment/analysis for this proposal as it refers to the on-going appointment of Consultants and Contractors via supplementary procurement routes to those already in place for the Council.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 The projects delivered via these frameworks are all expected to have a positive impact on resident satisfaction performance indicators through the improved quality of the housing and the improved level of service.

11. HEALTH AND SAFETY IMPLICATIONS

- 11.1 All construction work falls under the Construction (Design & Management) Regulations 2015. A programme of the size and nature of the Decent Homes investment plan and the subsequent schemes delivered will also qualify for notification to the Health and Safety Executive. Health and safety considerations for these types of projects include welfare facilities until the end of the project, various audits, inspections and reviews by both in-house and third party professionals. The passage of accurate and specific information is also critical and this will include asbestos survey reports in the form of an asbestos register leading

to specific refurbishment surveys, fire risk assessments and any required significant design changes.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 These frameworks will help the Council to continue to deliver a cost effective procurement process for the delivery of Decent Homes works to a significant portion of the Councils Housing stock. The works delivered will have significant benefits in terms of improving quality of life, energy efficiency and tackling fuel poverty – all factors which research has shown can have significant public health benefits.

Background Papers

None.