

***Please note Part 2 report is now confidential appendix***

**London Borough of Enfield**

**Operational Report**

**Report of Joanne Drew**

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**Subject: Upper Edmonton Major Works Scheme Part 1**

**Executive Director: Sarah Cary**

**Ward: Upper Edmonton**

**Key Decision: 5129**

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**1. Purpose of Report**

To obtain approval to award the Contract for the Upper Edmonton external enveloping scheme following a compliant tender process via the South East Consortium framework and to increase the consultancy fees.

**2. Proposal(s)**

That approval be given to award the Contract for the Upper Edmonton major works scheme to Mullalley and Co Ltd.

That approval be given to increase the consultancy fee due to Playle and Partners (appointed in 2015 (PL15/120) in accordance with the revised tender sum.

See Appendix for further details.

**3. Relevance to the Council's Corporate Plan**

The contract will support the following objectives from the Corporate Plan:

Good homes in well-connected neighbourhoods: The programme will improve the quality of existing homes and therefore positively impact on the quality of life for our residents.

Sustain strong and healthy communities: Improving the existing homes where people desire to live will help to create and maintain strong sustainable communities.

Build our local economy to create a thriving place: Ensuring residents are able to fully participate in activities within their neighbourhood.

#### **4. Background**

The Asset Management plan and review of the Council's stock condition surveys identified a need for external and communal refurbishments and repairs to the following blocks: 1-45 Alma House; 1-20 Bradwell Mews; 1-30 Herne Mews; 1-22 Reculver Mews; 1-71 Folkestone Road; 227-297 Brettenham Road; 151-155a Victoria Road; 1-54 West Close.

There are 316 properties within this scheme of which 128 are leasehold properties.

The scope of works will include the following: roof renewal or repair; soffits and rainwater goods; renewal of flat and communal windows and doors where required; flat entrance door renewal; asbestos surveys and removal where required; repair and resurfacing of individual balconies, hallways and walkways; balcony balustrade repairs; repairs and redecoration to internal and external communal areas; cavity insulation works where required; external fabric repairs where required; communal lighting renewal; installation of door entry system where required; upgrade of integrated reception system; renew or repair fencing where required; paving and hard standing repairs or replacement where required and pram shed refurbishment where required.

The procurement plan for the 20/21 capital programme was approved at the Procurement and Commissioning Hub on Tuesday 24<sup>th</sup> September 2019, noting that all such procurement activity would be carried out in accordance with the Council's procurement rules to ensure the programme delivers value for money and achieves the quality standards expected for tenants and leaseholders.

See Appendix for further details.

#### **5. Main Considerations for the Council**

It is important that works commence at the earliest opportunity to ensure works can be completed during the summer months, allowing for an extended delivery window, due to the CV-19 social distancing requirements.

The recommended contractor has been evaluated based on quality and price. The contractors Covid Secure site operating procedures have also been reviewed, in line with Government and CLC guidance.

Playe & Partners were originally commissioned to carry out design and contract administrative services in 2015 and following consultation, have agreed to deliver the remaining services in accordance with the original agreed scope of services and fee structure. To appoint a new consultant at tender stage would result in abortive fees.

See Appendix for further details.

#### **6. Safeguarding Implications**

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

In addition to the above the Contractor is required to provide a dedicated Resident Liaison Officer (RLO) whose role is to ensure that residents needs are reflected in both the works delivered and the processes adopted by the Contractors.

## **7. Public Health Implications**

The work will contribute towards reducing heating bills, sustaining tenancies, reducing fuel poverty and improving the environment for the residents of the block.

Any measure which alleviates relative or absolute poverty within the borough, including fuel poverty, will in turn reduce the chance of developing poor health and chronic conditions. Which again would contribute to embedding inequality and poverty.

Residents of adequately heated properties are far less likely to develop respiratory and associated conditions or suffer from acute exacerbations of those. In turn helping to reduce the number of preventable referral to both hospital and residential social care.

## **8. Equalities Impact of the Proposal**

It is not deemed relevant or proportionate to carry out an equality impact assessment/analysis for the approval of the tender that represents the lowest price and complies with the tender requirements of the Council for external repairs as part of the Council's Decent Home Programme.

Individual requirements are addressed prior to starting on site to ensure all relevant individual circumstances are considered during the works.

Any contract awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010

## **9. Environmental and Climate Change Considerations**

The Contractor's offers include several environmental commitments that will be delivered to the Council including related to waste management and recycling.

In addition, the works will provide improved environmental performance from the resident's homes by providing modern facilities. Current installations are required to meet current regulations resulting in improvements in environmental performance of the home.

## **10. Risks that may arise if the proposed decision and related work is not taken**

The primary risks that may arise if the decision and works are not taken are set out below:

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>
Increased levels of resident dissatisfaction with the condition of their homes	High	Medium
Increased fire risk from certain items that require replacement	Low	High

May lead to increased number of repairs and therefore future costs	Medium	Low
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## 11. Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

Item	Risk	Impact	Probability	Mitigation	Owner
1	Quality Issues	<b>H</b>	<b>M</b>	Set benchmark, monitor site meetings through Contract Administrator (CA) & Clerk of Works (COW) reports, measure continuous improvements using KPIs.	Project Manager
2	Cost Overrun	<b>M</b>	<b>M</b>	Applied lessons learned from previous scheme, early reporting, comprehensive specification, inclusion of contingencies, tender analysis	Project Manager
3	Time Overrun	<b>H</b>	<b>M</b>	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	Project Manager
4	Coronavirus	<b>M</b>	<b>M</b>	Service continuity maintained. Please refer to Part 2	Project Manager

## 12. Financial Implications

The project is included in the 30year HRA Business Plan, which was detailed in Housing Revenue Account (HRA) Business Plan Budget 2019/20, Rent Setting and Service Charges report (KD5008) and was approved by Cabinet and Council in February 2020.

See Appendix for further details.

### **13. Legal Implications**

The Council has the power under s.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 in this way.

Under s.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.

Under s.11 Landlord and Tenant Act (1985) (as amended) the Council has repairing obligations in respect of properties which are occupied by its tenants. Under Schedule 6, Part 111 Housing Act (1985) similar responsibilities are placed on the Council in respect of properties held on leases after having been sold under the Right to Buy scheme.

The value of the contract exceeds the relevant EU threshold, which means that the Public Contracts Regulations 2015 (PCR 2015) apply to the procurement. The use of a framework is a compliant route to award, provided that the procurement process complies with the PCR 2015, the Council's Contract Procedure Rules (CPR), and the terms of the framework itself. The P&C Hub carried out due diligence on the SEC framework, and has confirmed that a compliant procurement process has been undertaken.

The terms of the contract procured must be consistent with the SEC framework, and in a form approved by the Director of Law and Governance.

In respect of any contract with a value of £1m and over (as is the case here), the Council's CPRs (s.1.18) state that the contractor must be required to provide sufficient security. 'Sufficient security', means one of the following: (i) parent company, ultimate holding company or holding company guarantee where their finances prove acceptable; (ii) director's guarantee or personal guarantee where their finances prove acceptable; (iii) performance bond, retained funds or cash deposit; or (iv) any other security as determined by Financial Management Services and/or Legal Services. Evidence of the form of security required or why no security was required must be stored on the E-Tendering Portal for audit purposes. The Council should liaise with the Procurement & Commissioning Hub for assistance on this.

As the value of the contract exceed £250k, officers must ensure this report goes through the Council's Key Decision process.

The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

### **14. Workforce Implications**

There are no direct workforce implications in this tender approval process.

## **15. Property Implications**

No corporate property implications noted by Property Services

## **16. Other Implications: Procurement**

A review of known suitable works framework agreements was undertaken by the Service to identify available agreements to the Council, critiquing each option to narrow down those that can be considered, considering delivery timescales.

Due diligence and approval of the South East Consortium (SEC), the preferred agreement, was undertaken by the Procurement & Commissioning Hub prior to any procurement.

A business case was presented to the Procurement & Commissioning Review Board on 24/09/2019 that reviewed the procurement and approved.

The Call-Off from the Framework must be carried out in line with the relevant framework process and via the Councils E-Tendering Portal, with all documentation retained.

As the contract is over £250k the service must ensure that sufficient security has been considered.

The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

## **17. Options Considered**

Consideration was given to the procurement of the works through a competitive tender process.

In terms of procurement options there were two main routes for consideration:

1. Use of a suitable consortia framework agreement, with appointment via direct award or mini tender.
2. Unilateral tendering of a bespoke contract utilising either the open or restricted process.

Using a framework can save time and money, while still delivering a service specified to local requirements. 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.

Tendering a contract allows clients to create bespoke documentation designed to fit its requirements. This approach also opens up the opportunity to tender to a wider group of bidders.

## 18. Conclusions

Taking into account all of the above the procurement process for the Upper Edmonton major works scheme has been conducted in accordance with the Council's Standing Orders and therefor recommend award to the winning bidder and an increase in the consultancy fees as a result.

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**Appendices: Appendix 1 - Confidential report**

**Background Papers: None**

