

## London Borough of Enfield

### Operational Report

**Report of:** Joanne Drew – Director of Housing & Regeneration

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**Subject:** Award of works contract – External Refurbishment works - Great Cambridge Road West

**Cabinet Member:** Cllr G Needs

**Executive Director:** Sarah Cary – Exec Director - Place

**Ward(s):** Chase and Turkey Street wards

**Key Decision:** 5129 - Approving major works schemes outlined in the Major Works Programme 20/21 and Emergency Building Safety Works

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### Purpose of Report

- 1.1 To seek approval to award the Contract for the Cambridge Road West external enveloping scheme following a compliant competitive tender process via the Southeast Consortium Procurement Framework.

### Proposal(s)

- 2.1 That approval be given to award the Contract for the Great Cambridge Road West Major Works scheme to the overall first placed bidder, following an assessment of price and quality submissions.

### Reason for Proposal(s)

- 3.1 The Better Council Homes programme includes targeted investment in Council housing. The agreed programme at Cambridge Road West includes planned external refurbishment works to address decency failures, weathertightness and replacement of external elements that have reached the end of their functional life.
  - 3.1.1 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.

3.1.2 A compliant competitive tender exercise has been undertaken utilising the Southeast Consortium Procurement Framework. The tender was evaluated based on a cost quality split of 60/40, in accordance with frameworks parameters, with the first placed overall bidder therefore considered to have provided the most economically advantageous tender. Further details are provided in Part 2.

## **Relevance to the Council's Corporate Plan**

### **Good homes in well-connected neighbourhood**

4.1 The programme will improve the quality and safety of existing homes creating thriving neighbourhoods and places

### **Sustain strong and healthy communities**

4.2 Developing and sustaining good quality and safety compliant housing in areas where people desire to live will help to create and maintain strong sustainable communities.

### **Build our local economy to create a thriving place**

4.3 Support residents to take more responsibility to increase the local economy and improve their communities by more active engagement in project delivery.

## **Background**

5.1 The Asset Management strategy has identified the need for a substantial programme of external envelope works across the estate to address decency failings, safety improvements and replace elements of the fabric which has reached the end of their functional life.

5.2 The project includes works to leasehold properties. Consultation is already underway and to date leaseholders have been issued with a prior notification notice and a notice of intent (NOI). A Notice of estimate (NOE) will be issued prior to contract award.

5.2 The contract has been procured via a mini tender via the EU compliant Southeast Consortium (SEC) Framework under their framework rules. Block in scope are detailed in the below table:-

<b>Address</b>	<b>No. of blocks</b>	<b>No of properties</b>
Manor Court	3 no. 3 storey blocks	90 dwellings
Hoe Lane	3 no. 3 storey blocks	24 dwellings
Pentrich Avenue	external areas only surrounding 3 no. blocks	24
Severn Drive	external areas only surrounding 4 no. blocks	36

Worcesters Avenue	external areas only surrounding 10 no. blocks	90
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- 5.2.1 Tenderers were issued on the SEC portal in March 2020 and bidders were instructed to submit fixed price tenders to comply with the Price Framework specification and drawings.
- 5.2.2 The Tender period spanned the initial national lockdown and amendments to the tender requirements were made to reflect this, including amending the quality questions to reflect new working practices.
- 5.2.3 As a result of these changes and to allow contractors to attend site, the tender return period was extended twice, until the 22nd May 2020.

### **Main Considerations for the Council**

- 6.1 The Council has statutory duties under a number of primary and secondary instruments including the Social Housing Regulators Homes Standard to maintain its stock in a safe , decent condition, free from defects. As such the Council has a legal duty to undertake these works.

### **Safeguarding Implications**

- 7.1 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.
- 7.2 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. Evaluation of the Contractors offers in this area are a major component of the qualitative evaluation.

### **Public Health Implications**

- 8.1 The works will improve the living conditions of those residents that receive works.
- 8.2 The contractor will be completing works in-line with the governments Covid Secure and the Construction Leadership Councils guidance.

### **Equalities Impact of the Proposal**

- 9.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report, however it should be noted that the any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010

## Environmental and Climate Change Considerations

- 10.1 The works will provide improved environmental performance from the resident's homes by providing modern facilities. Current installations are required to meet bespoke requirements and current regulations and this will typically result in improvements in environmental performance of the home.
- 10.2 Where relevant, works will be in accordance with current "Approved Document L – Conservation of Fuel and power" requirements and will enhance the thermal comfort of flats and reduce draughts.

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

- 11.1 The table below details the risk if the proposed decision to award this contract is not approved

Risk	Likelihood	Impact
The Council will fail to meet Decent Homes Standard	High	Medium
Increased levels of resident dissatisfaction with the condition of their homes	High	Medium
Deterioration of property that may lead to increased future costs	High	Medium

### Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- 12.1 The table below highlights risks identified and mitigating actions taken.

Risk	Mitigating action	Residual risk High / Medium or Low
Necessary procurement skills for the project	The works have been procured through the SEC Framework and therefore the procurement has been conducted in full compliance with Public Contract Regulations 2015	Low
Compliance with Public Contracts Regulations 2015	Contract procured via established framework with support from the framework providers who ensure compliance with the framework rules and Public Contract Regulations 2015	Low

Contractor claims for additional monies	Robust Quantity Surveying support/resource within the Council to ensure contract provisions applied	Low
Contractual issues	The Councils requirements are built into the bespoke contract and tender documentation	Med
Supplier performance	Clearly defined key performance indicators (KPI's) have been incorporated into the contract.  Structured and regular meetings to be held with the Councils Project Manager to monitor programme and performance.	Low
Coronavirus	Service continuity maintained. Please refer to Appendix 1.	Low

### Financial Implications

- 13.1 An investment budget was approved as part of the rent setting report in February 2020 and the costs of these works are included, in the HRA 30-year business plan.

### Legal Implications

- 14.1 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.
- 14.2 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.
- 14.3 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.
- 14.4 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.

- 14.5 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.
- 14.6 In respect of any contract with a value of £1m and over (as is the case here), the Council's CPRs (7.2) 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.
- 14.7 As the value of the contract exceeds £500,000, officers must ensure this report follows the Council's Key Decision process.
- 14.8 The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

### **Workforce Implications**

- 15.1 The above report has no direct implications on the current workforce at this time as these are works not completed by our employees.
- 15.2.1 Should there be future actions which result in this work being insourced consideration will need to be given to the Council's statutory obligations with regard to the TUPE regulations.

### **Property Implications**

- 16.1 There are no property implications in connection with this report

### **Other Implications - Procurement**

- 17.1 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.
- 17.3 The Call-Off from the Framework must be carried out in line with the relevant framework process. As the service is using the SEC Tendering Portal all procurement documentation associated with this procurement must be uploaded onto the Councils E-Tendering Portal following successful authority to award being obtain

- 17.4 As the contract is over £250k the service must ensure that sufficient security has been considered.
- 17.5 The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
- 17.6 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.
- 17.7 The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

### **Options Considered**

- 18.1 The anticipated contract values are expected to exceed the EU procurement threshold for works contracts currently at £4,733,252. The procurement options available for consideration are:
- i. Use of a suitable OJEU Compliant Framework via direct award or mini competition.
  - ii. Tendering through OJEU either using the open or restricted process.
- 18.2 Frameworks offer the most expedient route to market available, whilst remaining compliant with the Public Contract Regulations 2015. Suppliers on frameworks are assessed for suitability prior to joining the framework with pre-agreed terms and conditions. Standard documentation is available but can be amended to include specific requirements by the client.
- 18.3 Tendering through OJEU allows clients to create bespoke documentation designed to fit its requirements. This approach gives tender opportunity to a wider group of bidders but requires a long time from document preparation and procurement to tender receipt.

### **Conclusions**

19. That approval be given to award the External Refurbishment works -Great Cambridge Road West, to the first ranked overall bidder, utilising the South East Consortium (SEC) Framework.

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Report Author: Sarah Stevenson-Jones  
Resident Safety Director  
[\[sarah.stevenson-jones@enfield.gov.uk\]](mailto:sarah.stevenson-jones@enfield.gov.uk)  
[Tel No - 0208 132 1848]

Date of report 4<sup>th</sup> December 2020

PL 20/037

## **Appendices**

Appendix 1 – Part 2 (Confidential) report