

DECISION REPORT

Report for Dan Hawthorn, Director of Housing, Regeneration and Planning

Item number: N/A

Title: Award of Contract under Contract Standing Order (CSO) 9.07.1c to Belshaw Building Consultancy Ltd to provide Building Surveying services on the housing shop conversion schemes.

Report authorised by: Alan Benson, Head of Housing Strategy & Commissioning, Housing & Growth

Lead Officer: Annie Gray Housing Project Manager - 07917 680 839.

Ward(s) affected: Bounds Green, Northumberland Park, Tottenham Hale and Hornsey.

**Report for Key/
Non-Key Decision:** Non Key Decision

1. Describe the issue under consideration

1.1 The Council undertook a competitive procurement process on the 11th April to 6th May 2019 using the Council's HPCS to commission the services of a Building Surveyor for four shop conversion sites to be converted to housing.

2. Recommendations

This report makes the following recommendations:

1. To implement Contract Standing Order 9.07.1 (c), which provides that a Director may award, assign, or novate contracts valued at less than £500,000 (five hundred thousand pounds) for the purposes of appointing Belshaw Building Consultancy to provide Building Surveyor services to convert four vacant shops to housing.
2. Award a contract to Belshaw Building Consultancy Ltd for a total fee of £128,000 + VAT.

3. Reasons for decision

- 3.1 The Council requires the services of a Building Surveyor to take the following sites from RIBA Stage 1 to 7:
- 4-6 Poynton Road, N17

- 22-24 Scales Road, N18
- 27 Harvey House, N8
- 43 Finsbury Road, N22

3.2 The appointed Building Surveyor will be responsible for driving the conversion of these shop sites to affordable housing. The building surveyor will manage the design team to take designs from feasibility through to planning.

3.3 In addition, they will be responsible for preparing key information required to appoint a contractor, assessing contractor responses and advising on their appointment. Once the contractor has been appointed, they will be responsible for monitoring site performance to ensure quality and a timely delivery. The Building Surveyor will report directly to the Council’s project officer for the commission.

3.4 Two tenders were returned and the responses were evaluated on a 70/30 quality, cost basis. The scores awarded for the pricing and quality proposal is set out below:

Assessment	Belshaw Building Consultancy Ltd	Supplier B
Cost Score	30%	28.25%
Quality Score	56%	46%
TOTAL TENDER EVALUATION SCORE	86%	74.25%

3.5 It is therefore recommended that Belshaw Building Consultancy are appointed to carry out this commission. This tender is considered compliant as it sits within the budget for this service for the schemes.

4. Alternative options considered

4.1 One option considered was to appoint a separate Employers Agent/Quantity Surveyor to manage the build contract and an Architect to manage the design development. However, this option was discounted as the level of design required will be minimal as these schemes are simply conversions. Any architectural input required for the treatment of the shop fronts can be sought by the Building Surveyor.

4.2 In addition, due to the estimated construction value of these schemes there were concerns that it would be a struggle to appoint consultants separately as the commission would not be financially attractive to each specialist discipline.

4.3 The other option considered was to appoint the Building Surveyor via a framework. This was also deemed not suitable as the likely value of the contract was going to be under the OJEU threshold. The list of building surveying firms on these frameworks were also not suitably sized to have an interest in these shop conversion sites leading to an uncompetitive tender process.

5. Background

5.1 The Housing Strategy and Commissioning team have recently reviewed a series of vacant shops to ascertain if they are suitable development sites to convert to housing. Four sites have been deemed suitable so have been transferred from the General Fund to the HRA. These sites can be converted to housing under permitted development rights. These sites are known as; 4-6 Poynton Road, 22-24 Scales Road, 43 Finsbury Road and 27 Harvey House which are estimated to yield 10 new affordable homes.

5.2 To date a Building Surveyor has visited site to prepare a schedule of works required at each site to bring the properties back up to a high quality for housing purposes. Based on the likely value of the refurbishment works (average £150k per site) it was concluded that a Building Surveyor would have the most suitable skills set to take these schemes from feasibility to completion.

5.3 As the Building Surveyor will be involved from RIBA stage 1 to 7 their input on the schemes is going to be significant so it was decided that quality should be weighted at 70% and cost at 30%.

5.4 To ensure a competitive tender process four suppliers were engaged with prior to the release of the opportunity and two tender responses were received.

Scope of works

5.5 The Building Surveyor will work closely with the Council's Project Officer to agree the project brief for the schemes. The Building Surveyor will then coordinate any necessary surveys required on site to de-risk as many elements as possible for the future contractor to help ensure a competitive cost for the refurbishment works.

5.6 The Building Surveyor will work up designs and prepare the tender pack for the refurbishment works. They will make recommendations on the most suitable contractor to appoint and then will be responsible for inspecting, monitoring and reporting on the quality and progress of the site works. The Building Surveyor will also be responsible for managing any variations to the contract and validating payments for the works.

5.7 Upon completion of the works the Building Surveyor will inspect and confirm works are as per the specification. They will work with the contractor to prepare documents for handover but also to monitor any defects which transpire post completion.

6. Contribution to strategic outcomes

The delivery of the four shop conversion sites to housing will support the Council in delivering its Corporate Priorities, in particular, contributing to the Borough Plan Housing Priority of delivering new housing and new affordable housing in the borough.

7. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

7.1 Finance

This report request for the director's approval for:

The award of contract for Building Surveyor services to Belshaw Building Consultancy Ltd.

Two submissions were received and evaluated based on 70/30 quality cost and Belshaw Ltd was chosen.

This is for the surveys, architectural services and other services from management of the conversion of four vacant shops to completion into 10 affordable housing units.

The total sum of the contract is £128,000 + VAT and will be met from the new build budget in 19/20 capital programme budget.

It is estimated that the cost of completing the 10 affordable homes, including the above cost of surveying services, is £180k per unit.

This cost is within the cost estimate for this project as detailed in the approved capital programme for 2019/20.

7.2 SSC

SSC Notes the content of the report. The report sets out the quotation and evaluation process and confirms that the recommended quotation is fully compliant with the Council's requirements and represents the lowest price quotation therefore the SSC has no objection to the recommendations outlined at section 3 of this report.

7.3 Legal

N/A

7.4 Equalities

N/A

8. Use of Appendices

N/A

9. Background papers

N/A

10. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. Exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972) S (3) information relating to financial or business affairs of any particular person (including the authority) holding that information.