

Report for: Cabinet Member for Housing and Planning (Deputy Leader)
Title: Award of a contract for the delivery of voids works for properties recently acquired by the council through its Acquisition Programme

Report

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Lead Officer: Jack Goulde, Head of Housing Development

Ward(s) affected: All wards

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks the Cabinet Member's approval to deliver important voids works to properties that have been acquired by the council for onward leasing to the Haringey Community Benefit Society (HCBS).
- 1.2. The Cabinet Member is asked, in light of a formal procurement exercise outlined in 8.1-8.3 to approve the appointment of Contractor A (further details in Appendix Two, Exempt Report), to deliver these voids works.
- 1.3. It is expected, subject to the Cabinet Member's approval, that the contract will mobilise in the autumn of 2024. The contract will run for an initial period of one year, with an option to extend.

2. Recommendation

- 2.1. It is recommended that the Cabinet Member:
 - 3.1.1. Approves pursuant to the Council's Contract Standing Orders (CSO) 9.07.01d, the appointment of Bidder A (named in Appendix Two, the Exempt Report) to undertake building works as set out in Appendix One to the properties for a contract sum as set out in the exempt part of this report
 - 3.1.2. Approves the total sum set out in Appendix Two (Exempt Report).

3. Reasons for decisions

- 3.1. Haringey Council is forecasting a significant expansion in the number of properties acquired for onward lease to the HCBS that will require void works.
- 3.2. Following an assessment of the available options, the council requires the works set out in Appendix One and Appendix Two (Exempt Report) to be completed for these properties to be let rapidly to Haringey residents.
- 3.3. After the conclusion of a formal procurement process, Contractor A has been

identified to deliver this contract.

4. Alternative options considered

- 4.1. The primary alternative to the proposed contract would be for the required services to be delivered by existing teams within the council. However, as noted in 3.1, the council is forecasting a significant increase in the number of properties that require void works in the next two years owing to an expansion of the council's successful acquisition programme. These voids will require rapid, specialist work to allow them to be let to Haringey residents. This is a time dependent priority given that, like most local authorities, Haringey is facing acute housing need from homeless households and a requirement to reduce the council spending on expensive private rented sector accommodation for residents who have presented as homeless (please see 5.1-5.4).
- 4.2. As a consequence, it has been concluded that existing council services would benefit from additional support from a short-term void works contract to deliver these essential works in the quick timeline required.
- 4.3. An alternative option would be to conduct a direct appointment, but this option was rejected due to the estimated contract value of the scheme and to drive value for money through competitive bidding. Instead, this contract was procured via a competitive tender through the London Construction Programme Dynamic Purchasing System and Haringey Procurement and Contract System for mini-competition, using a standard, fixed price, JCT Contract with contractor's design based upon the National Federation Scale of Rates.

5. Background information

- 5.1. Haringey Council has made delivering a new generation of genuinely affordable homes a key corporate priority. Since 2019 a total of 370 homes have been acquired for the HCBS to assist with the growing requirement to provide high quality accommodation to homeless households.
- 5.2. The council is expecting to expand its already successful acquisition programme over the course of the next two years, with a minimum of 100 properties in the next 12 months expected to be brought into use.
- 5.3. Each of the current stock of 70 homes will require void works to be completed in order that the properties reach the approved standard for lettings.
- 5.4. By providing more properties in Haringey that the council can let rapidly to Haringey tenants, this contract will contribute towards reducing the borough's expenditure on other forms of expensive accommodation, including properties in the private rented sector which come at a significant financial cost. It will also allow more families to remain inside Haringey and maintain their local community connections in our borough.
- 5.5. The specification shown in Appendix One has been prepared in consultation with the Head of Business Development and Acquisitions Managers to ensure that each of the properties is refurbished to a standard that should enable the

properties to require the minimum maintenance for a period of 10 years following completion of the works.

- 5.6. Contractor A (further details in Appendix Two: Exempt Report) has been identified to deliver these voids works.

6. The Build Contract

- 6.1. The selected contractor was asked to respond to a Quality Assessment based on a scale of rates set by the National Housing Federation. They responded with their proposals and a full tender analysis based on the cost consultants estimate has been provided in Appendix Two: Exempt Report (which is exempt from publication owing to the commercially sensitive nature of this information)
- 6.2. Costs were evaluated independently by the relevant project team to ensure value for money in line with current market trends.
- 6.3. The contracts are to be awarded on a discount to the scale of rates basis. They include voids works, site establishments, site enabling works, management costs and includes overheads and profits, and there is a defects and liability period of 12 months.

7. Procurement Process

- 7.1. The contract was tendered via the London Construction Programme: Dynamic Purchasing System. Suppliers registered with the system were invited to tender. Submissions were received from nine suppliers as detailed in Appendix Two (Exempt Report).
- 7.2. Tender submissions were checked for compliance and completeness by the strategic procurement team. Nine Bids were found to be compliant and complete and were taken forward to evaluation. Evaluation was based on price and quality.
- 7.3. The information below summarises the overall tender scores achieved by each bidder in line with the tender evaluation criteria as set out in the Invitation to tender document.
- 7.4. Although Bidder B submitted the lowest priced Tender, once the Social Value scores had been received from the independent Social Value Portal, gave the highest combined score to Bidder A in accordance with the evaluation process set out in the Invitation to Tender.

Supplier Name	Total Quality Score (40%)	Total Price Score (50%)	Social Value 10%	Total % Score (100%)	Position
Bidder A	32.00	48	7.38	87.82	1st
Bidder F	26.40	40	3.98	70.19	6th
Bidder H	19.00	38	0.00	57.32	8th

Bidder G	28.00	35	4.19	67.26	7th
Bidder D	27.00	46	2.87	75.43	4th
Bidder B	32.00	50	2.69	84.69	2nd
Bidder E	24.00	47	2.72	73.31	5th
Bidder I	9.00	41	0.00	50.00	9th
Bidder C	34.00	38	6.25	78.07	3rd

8. Contribution to the Corporate Delivery Plan (CDP) 2022-2024 high level

Strategic Outcomes

- 8.1. The contract has been designed to make a significant contribution to Haringey's strategic objectives and support the delivery of key themes within the CDP.
- 8.2. **Homes for the Future:** The contract will ensure that:
- Properties within the remit of this contract will receive timely and efficient void improvement works that will ensure tenants are living in high quality and well-maintained accommodation.
 - As noted in 6.4, the bringing into use of more council run properties will contribute to the reduction in spending on costly private sector housing for homeless households as well as allowing tenants to remain part of the community in Haringey.
- 8.3. **Responding to the Climate Change Emergency:** Responding to the climate change emergency is a core part of this contract's requirements, including:
- As noted in 9.1-9.4, the contract contains specific requirements for the maintenance of high-quality technical infrastructure within the properties that are part of the remit of this contract. This includes provisions to enhance water consumption and energy efficiency.
- 8.4. **Placemaking and economy:** The contract includes an emphasis on creating new economic opportunities in the borough:
- Each of the recommended contractors has committed to providing additional social value to Haringey by the use of apprenticeships and, where possible, by utilising local supply chain procurement of labour and materials.

9. Carbon and Climate Change

- 9.1. This contract will ensure that all natural gas boilers installed either in HCBS properties or other homes will meet the Energy-related Product requirements,

and be installed to Part L, energy conservation of Fuel and Power requirements. EPC rated boilers provide improved energy efficiencies in relation to both the climate and assisting residents from experiencing fuel poverty based upon the rising energy costs.

- 9.2. In addition, Sure Stop isolation valves will be installed in all properties as prevent traditional isolation valves failing without a secondary method of isolation, thus resulting in water conservation as per the Water Act of 2014.
- 9.3. All gas boilers will also utilise Hotun Tundish which provide an audible tone and flashing light on the unit when the system experiences pressure failure, this cost effective solution can not only prevent damage to the boiler, property, leave residents without reliable heating or hot water, but also, forewarn residents of issues which will allow the council to inspect and rectify as require, resulting in improved appliance performance.
- 9.4. The specification for the voids works is designed to ensure that residual waste from the works is minimised and materials selected are sustainable.

10. Statutory Officer Comments

10.1. Legal

- 10.1.1. The Council's works requirements in this instance were below the relevant
- 10.1.2. Public Contracts Regulations of 2015, as amended (PCR15). Because of the Value of these contract the Cabinet need to approve the award of the contracts under CSO 9.07.01(d). On that basis, the Assistant Director of Legal and Governance sees no legal issue with the Cabinet/Councillor approving the award of the contract to the successful bidder(s).

10.2. Procurement

- 10.2.1. Strategic Procurement (SP) note that this report relates to the approval to award a contract to Contractor A to undertake void works to properties that have been acquired by the Council. SP note that a competitive tender was launched via the LCP's Minor Works DPS. The adopted procurement is in line with Contract Standing Order (CSO) 9.04.1(b) and Regulation 34 of the Public Contract Regulations.
- 10.2.2. The Tenderers' bid submissions were evaluated in accordance with the scoring methodology contained within the published Invitation to tender document. Bid evaluation was based on price and quality and the preferred bidder's submission demonstrates value for money. SP support the recommendation to approve the award in accordance with CSO. 9.07.1 (d) and 16.02.

10.3. Finance

- 10.3.1. The recommended contract award will cover the cost of delivery of voids works for properties recently acquired under the existing homes acquisition programme. The costs of these contracts will be funded from the existing homes acquisition budget/MTFS. There is cost provision within each

acquisition for bringing the unit up to lettable standard. It is expected that the cost per unit will not exceed the provisions made. Further finance comments are contained in the Exempt Report (Appendix Two).

10.4. Equality Impact Assessment

10.4.1. The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

10.4.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

10.4.3. The proposed decision relates to the Award of a contract for the delivery of voids works for properties recently acquired by the council through its acquisition programme.

10.4.4. As referenced in 5.1-5.4, this decision will increase the quality and supply of council owned properties which can be leased through HCBS to homeless households in the borough. This will have a positive impact on individuals who have presented to the council as homeless, providing these individuals or families will a safe, secure home inside Haringey which will allow them to maintain their community connections, including with their work or educational commitments.

10.4.5. Data held by the council suggests that women, young people, BAME residents (Black and Minority Ethnic), LGBTQ+ residents and individuals with mobility, health or other welfare needs are over-represented among those who present as homeless to the council. These communities will positively benefit from the proposed increase in HCBS leased properties facilitated by this contract.

10.4.6. As an organisation carrying out a public function on behalf of a public body, the Contractor will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the works does not result in any preventable or disproportionate inequality.

11. Use of appendices

- Appendix One – Specification of works
- Appendix Two – Exempt Report

12. Local Government (Access to Information) Act 1985

- 12.1. Appendix Two is NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).