



Haringey Council

Report for:	Leader of the Council on 30 July 2013	Item Number:	
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Title:	Decent Homes Programme 2013/14 Phase KB1 Contract: Kitchen and Bathroom Improvements
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Report Authorised by:	Mun Thong Phung, Director of Adult & Housing Services
	Signed: _____ Date: _____

Lead Officers:	Phil Harris, Deputy Director for Community Housing Services Tel: 0208 489 4338 E-mail: phil.harris@haringey.gov.uk Nick Dudman , Interim Executive Director of Property Services Tel: 0208 489 3272 E-mail: nick.dudman@homesforharingey.org
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Wards affected: All	Report for: Key Decision
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1. Describe the issue under consideration

- 1.1 On 8 March 2013, the Leader of the Council approved a strategy for the procurement of the works that will be undertaken in relation to the 2013/14 Decent Homes Programme. The strategy involved a number of work packages for which contracts would be tendered.
- 1.2 This report seeks approval of the contract award, to the successful tenderer, for kitchen and bathroom replacement works for the sum of £2,941,623.85

2. Cabinet Member Introduction

- 2.1 Improving the Council's stock is a high priority and it is important that work continues to increase the number of homes made decent in the borough.
- 2.2 I welcome and support this contract award as a means of enabling delivery of the Decent Homes programme and achievement of GLA targets for 2013/14.



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3. Recommendations

3.1 It is **recommended** that the Leader of the Council:

- (a) Approves the waiver of Contract Standing Order 9.01 (need to advertise);
- (b) Approves the award of the contract for Decent Homes Phase KB1 (Kitchen and Bathroom Improvements) to Mullaley & Company Ltd for the tender sum of £2,941,623.85 (and a client side provisional sum as set out in paragraph 6.3 of the exempt part of the report); and
- (c) Approves professional fees for this contract in the sum of £214,019.

4. Other options considered

4.1. It is recommended that the contract is awarded to the successful tenderer in accordance with the procurement regulations and the Council's procurement process and Contract Standing Orders.

Other procurement options were considered. However, this option is considered the most appropriate for the reasons set out in paragraph 11 below.

5. Background information

5.1. The 2013/14 Decent Homes programme was to have been delivered by the letting of contracts under the decent homes Contractor Framework Agreement for 2013/14 to 2017/18.

5.2 Although the Council and Homes for Haringey commenced this procurement in 2012, the process was re-commenced in 2013/14 due to an issue of legal interpretation of compliance with the Service Charges (Consultation Requirements) (England) Regulations 2003.

5.3 To enable delivery of the 2013/14 Decent Home Programme, a revised procurement approach (involving the procurement of work packages via separately tendered contracts) was developed and agreed.

5.4 Although this report recommends the contract award for the Kitchen & Bathroom Improvements package of works, there are also three other works packages:

- Decent Homes - Phase NT25 (132-458 Lordship Lane),
- Decent Homes - Phase NT24 (Headcorn and Tenterden),
- Decent Homes - Phase ST29 (Ferry Lane)

5.5 The Decent Homes Phase KB1 (Kitchen and Bathroom Improvements) work package forms part of the revised 2013/14 Decent Homes Programme approved, under delegated authority, by the Director of Adult & Housing Services (in consultation with the Cabinet Member for Housing and the Cabinet Member for Finance & Carbon Reduction) at the beginning of May 2013.



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- 5.6 The Kitchen and Bathroom Improvements contract comprises 516 homes (107 in Hornsey, 84 in North Tottenham, 223 in South Tottenham and 102 in Wood Green), all of which are tenanted.
- 5.7 The scope of improvement works within this project includes kitchens and bathrooms and associated works.

Procurement process

- 5.8 The tender process used to award the contract was compliant to Contract Standing Orders and in line with the Council's procurement policy and guidelines on sustainability and site waste management.
- 5.9 Ten contractors were invited to submit a tender for all four projects. Three of the projects are on a single estate and would require the contractor to setup their separate site compounds and site management teams, therefore the savings of amalgamating would be minimal. The invitation to tender document stated that contractors would only be awarded one project and this was reiterated during the mid-tender review meeting with the contractors.
- 5.10 It is anticipated that the contractor will start on site on 16 September 2013 and the duration of the contract will be 28 weeks. The contract is due to be completed by 28 March 2014. This will ensure that the GLA targets are met for the number of homes to be made decent and the projected spend is achieved. It was considered prudent not to award more than one package to a contractor. This decision was based on previous experience when a single contractor was awarded multiple contracts that had to be delivered in a similar timeframe to these projects which were not delivered on time due to some performance issues.
- 5.11 As the contractors could be awarded no more than one project they were asked to identify their project preferences in descending order in their tender return.

Resident communication and consultation

- 5.12 Homes for Haringey sent out detailed newsletters to residents, Council Officers and Ward Members.
- 5.13 When the contractor is appointed, a meeting will be arranged for the residents to meet the contractor and the Homes for Haringey Project Team, so that any concerns can be addressed before works start.

Leaseholder Implications

- 5.14 There are no leasehold properties in this project.



6. Comments of the Chief Financial Officer and Financial Implications

- 6.1 If the Council awards the contract to the successful tenderer, the total cost of the project (including the professional fees, but excluding the client side provisional sum referred to in paragraph 6.3 of the exempt part of the report) will be £3,155,642.85.
- 6.2 The contract has been evaluated using the Most Economically Advantageous Tender Method.
- 6.3 Financial provision exists for this project within the Decent Homes Programme for 2013/14.

7. Head of Legal Services and Legal Implications

- 7.1 The value of the contract referred to in paragraph 3 is below the EU threshold for works. Therefore it has not been necessary to undertake an OJEU tendering process in accordance with the Public Contracts Regulations 2006.
- 7.2 This is a key decision and the Directorate has confirmed that it has been included on the Forward Plan.
- 7.3 The Leader has power under CSO 16.03 to approve the recommendations in this report.
- 7.4 The Head of Legal Services confirms there are no legal reasons preventing the Leader of the Council from approving the recommendations set out in the report.

8.0 Equalities and Community Cohesion Comments

- 8.1 Homes for Haringey's Asset Management Strategy, 2010/2017, covers all investment in the Council's housing stock, including decent homes.
- 8.2 In compliance with the Council's public sector equality duty, an Equality Impact Assessment was undertaken as part of drawing up the Strategy. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the standard of work that is consistent with the Decent Homes policy, and that consideration of specific language and other needs are identified and addressed when drawing up programmes of work.
- 8.3 The tender process used to award the contract was in line with the Council's procurement policy and guidelines, which have equalities considerations at all the key stages.



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9. Head of Procurement Comments

- 9.1 The procurement of interim packages is necessary to ensure that works take place this financial year whilst the OJEU for the contractors framework takes place.
- 9.2 The tender has been prepared and tendered on a quality/price basis of 40%/60% and evaluated as the most economically advantageous tender for this award.
- 9.3 The selected contractor is as recommended in paragraph 3.

10. Policy Implications

- 10.1 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provides a strategic framework for the delivery of the Decent Homes Programme.
- 10.2 The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.
- 10.3 This improvement programmes will contribute to the achievement of Council Priorities:
- Improving the environmental performance of council housing stock
 - Providing decent homes and improving well-being
 - Delivering cost effective services

11. Reasons for Decision

- 11.1 A decision is required to enable the approval of the contract for Kitchen and Bathroom improvement works to 516 tenanted homes to proceed in this financial year as this will contribute towards achieving the GLA targets for the number of homes made decent and the projected spend of the GLA grant by 31 March 2014.
- 11.2 This contract was not advertised in accordance with CSO 9.01 in this instance as it was in the Council's overall interest not to do so because the 10 contractors that had successfully completed the pre qualification questionnaire for the abandoned Decent Homes Contractor Framework Agreement were considered to be the market leaders for this type of housing projects and there would no advantage going back out to the market.
- 11.3 The proposal is to award this project to the highest scoring most economically advantageous tenderer that is available to deliver this project as set out in Appendix A (the tender evaluation) in the exempt part of the report.

12. Use of Appendices



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Appendix A is the exempt tender evaluation report

13. Local Government (Access to Information) Act 1985

- 12.1 This report contains exempt and non exempt information. Exempt Information is contained in Appendix A of this report and is NOT FOR PUBLICATION. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972): Information relating to the financial or business affairs of any particular person (including the authority holding that information).