

DECISION MAKER Director of Housing & Safer Communities	DATE 28 November 2019
TITLE Award of Contract 2734: Gilbourne Road Roof Renewal and Associated Works	WARD(S) Plumstead
CHIEF OFFICER Director of Housing and Safer Communities	CABINET MEMBER Housing
DECISION CLASSIFICATION <ul style="list-style-type: none"> - Key Decision - Exempt appendices by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended): Information relating to the financial or business affairs of any particular person including the authority holding that information. 	FINAL DECISION To be made on the recommendations in this report.

I. Decision Required

The Director of Housing and Safer Communities is requested to:

- I.1. Approve and award the contract for “**Gilbourne road roof renewal and associated works (C16)**” in accordance with the Confidential Appendix 4. The contract period is 9 months from the commencement date 05 December 2019.
- I.2. Agree to treat the information presented at the Confidential Appendix as exempt under the provisions of the Local Government Act 1972, Schedule 12A on the basis of “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”.
- I.3. We consider the offer from the Contractor referred to in the Confidential Appendix to be realistic and that the Contractors will be able to carry out the required level of Works at their tendered rates/price.

- 1.4. The Evaluation Panel recommends the tender from Contractor referred to in the Confidential Appendix is accepted.

Agreed/Not Agreed:.....

Date.....

Jamie Carswell: Director of Housing and Safer Communities

2. Links to the Royal Greenwich high level objectives

- 2.1. This report relates to the Council's agreed high level objectives as follows:

- **Ensure a healthy and safe living environment** – the programme for which funding is sought will help deliver the Council's obligations in relation to promoting a healthy and safe living environment for residents by carrying out various works set out in paragraph 3.3 of this report.
- **Housing** – delivery of this programme helps ensure the Council meets its landlord statutory obligations and maintain its housing stock.
- **Strong, Vibrant and Well-Run Borough** - continue to achieve excellence, good governance and good value for money in the management of public finance.

3. Purpose of Report and Executive Summary

- 3.1. Following approval by Cabinet in July 2018 of its Capital Works Programme for 2019/20, the Royal Borough of Greenwich are seeking to appoint a contractor as set out above to undertake roof renewals and associated works at Gilbourne Road (C16)

4. The Procurement Process and the Contract Standing Order

- 4.1. The Royal Borough Greenwich provided a list of eight contractors to invite to tender for the above works on a term contract basis.
- 4.2. Seven contractors expressed their interest in tendering. All contractors were sent an electronic copy of the tender documents on 19th July 2019 with a closing/return date of 19th August 2019.
- 4.3. Requests were received from the tenderers to extend the tender return date. The tender deadline was extended to 29th August 2019.
- 4.4. Only two contractors submitted their tenders on the deadline stated (refer to Appendix I, RBG Tender Opening Form).
- 4.5. Based on the level of tenders received and the fact that only two were received we have awaited confirmation that it was acceptable to proceed before finalising the tender evaluation.

5. Evaluations Submissions

- 5.1. A panel comprising Pellings LLP surveyors evaluated the tender submissions, focusing on the completeness of the required submitted data, arithmetical checks and obvious anomalies. In accordance with the tender, submissions were evaluated on a pre-determined price and quality ratio of 60:40.
- 5.2. All aspects (price/quality) of the evaluation were undertaken separately by different Pellings surveyors to ensure that reviewers evaluating the qualitative submission would not be influenced by having any prior knowledge of the Tenders' prices.
- 5.3. The scoring mechanism and detailed guidance was clearly set out in the Invitation to Tender so all Tenderers had a full understanding of how their bids would be evaluated and scored.

5.4. Evaluation of Price

- 5.4.1. Tenders were checked for accuracy to ensure they were arithmetically correct and submitted in accordance with the tender documents. There were no arithmetical errors and all unpriced items were clarified to ensure that they were deemed to be included in the schedule of rates/prices.
- 5.4.2. The Tender Sums received for tender evaluation only are set out in Appendix I - Tender opening form.
- 5.4.3. It should be noted that there is a significant variance in the levels of tenders received, with the higher tender being over 35% higher than the lower tender.

5.5. Financial Evaluation

- 5.5.1. Prices were scored against a simple model to provide a fair analysis of each element of the Tenderers bid (preliminaries and works costs). The results of the financial evaluation are set out in Appendix 2 - Financial Analysis. It should be noted that although the tenders received are significantly above the budget (based on works carried out to similar properties in 2012), additional funding has been approved to enable the roofing work to be carried out.
- 5.5.2. There is very little consistency in the levels of pricing between the two tenders received, with each contractor being high on some elements and low on others.
- 5.5.3. The scope of works included under this project is greater than a previous similar project which was used to produce the budget. The additional items of work include:
 - Additional fire-stopping and compartmentation works within the roof voids,
 - Remedial works/checks to rainwater downpipes which have necessitated the installation of a full access scaffold with lifts at regular intervals.

5.6. **Evaluation of Quality**

- 5.6.1. The qualitative assessment was measured against the Qualitative Questionnaires set out in the “Invitation to Tender” document.
- 5.6.2. Evaluation of the Tenderers’ qualitative submissions were undertaken by Alan Jeffery of Pellings LLP.
- 5.6.3. The evaluation of each Tenderer’s submission was based on the criteria set out in the Invitation to Tender and was scored against pre-determined criterion.

5.7. **Qualitative Scoring**

- 5.7.1. Bidders were advised in the Form to Tender as to how the scores will be marked. The results of the Qualitative scoring are set out in Appendix 3 - Quality Scoring which includes a breakdown of the scores against each of the requested method statements.
- 5.7.2. Generally, the quality of the method statements received as part of the contractor’s submissions were weak, although we understand that both contractors have successfully delivered projects for RBG previously and this may not necessarily be a reflection on their abilities or performance on site.

6. **Summary of Price and Quality Evaluation Results**

- 6.1. Having taken account of the scoring applied to price and quality for each tenderer, the following summarises the outcomes of the process and sets out the tenders representing the most advantageous bids to the Council. See Appendix 4 – Summary of Scoring.
- 6.2. The contractor has demonstrated by means of their tender submission and previous performance on other RBG projects, the technical, professional ability and approach necessary to carry out the works as set out in the specifications and tender documents and have submitted the most economically advantageous tender.

- 6.3. Based on the tender received when assessed on both price and quality, Contractor B referred to in the Confidential Appendix are the closest match to the Council's specifications and requirements and are the most economically advantageous tender.

Social Value

- 6.4. Social Value formed part of the qualitative assessment for this contract. Each contractor was required to set out their plans to deliver the social element of this contract as part of their tender. Although the recommended contractor referred to in the Confidential Appendix, has referenced their general approach to delivering Social Value, we will meet with them before the contract is finalised to articulate our expectations and agree some outputs. These will then be monitored monthly throughout the project.

6.5. Feedback to Tenderers

- 6.5.1. The Tenderers will be informed of their results as soon as the recommendations in the Tender Report have been approved by the Council.

7. Recommendation to Award Tender

- 7.1. Following a comprehensive and robust assessment of each tendered submission, it is recommended that Contractor referred to in the Confidential Appendix 4 be appointed to undertake the above contract.
- 7.2. We consider the offer to be realistic and that the Contractors will be able to carry out the works in accordance with the specifications and the tender documents.
- 7.3. The works programme is expected to be around 9 months. We recommend officers discuss with the contractor how best to promote their Social Value commitment as part of pre-contract mobilization.

8. Leaseholder Implications

8.1. See comments below.

9. Programme of Works

9.1. Contract signed: 28th November 2019.

9.2. Works start 16th January 2020.

9.3. Works to be completed: 05th August 2020.

9.4. Number of properties: Borough-wide

9.5. Number of leaseholders: TBC

9.6. Spend Profile

2019/20	2020/21	TOTAL
£353,937.66	£1,238,781.82	£1,592,719.48

10. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	<p>This report is asking the Chief Officer to approve (1) a contract award for Gilbourne Road roof renewal and associated works to the Contractor referred in the Confidential Appendix 4 for 9 months from 28 November 2019; and (2) agree to treat the information provided in the Confidential Appendix as exempt under the Local Government Act 1972, Schedule 12A</p> <p>The Council's procurement process is governed by:</p> <ul style="list-style-type: none">The Local Government Act 1999, which requires the Council to make arrangements to achieve best value in the exercise of its functions, which	<p>Nimi Amaso Planning &Procurement Lawyer Dated 08/11/2019</p>

	<p>includes the works contained in the proposed contract.</p> <ul style="list-style-type: none"> • The Council’s contract standing orders and fiduciary duties. • The Public Contracts Regulations 2015, which require contracts over the relevant financial threshold. <p>The procurement process was carried out in accordance with the Council’s Contracts Standing Order 14. Following a review of the tenders received, the Contractor referred in the Confidential Appendix, provided the most economically advantageous tender. The award of this contract has no legal or Human Rights Act implications. All contracts exceeding £50,000 must be made under seal or signed by two officers nominated by the Chief Legal Officer.</p> <p>Chief Officers must keep a register of all contracts awarded and record the matters set out in the schedule. Where the contract value is £25,000 or above, the Council must comply with the provisions of Regulations 112 and within a reasonable time publish on contract finder, the name of the successful contractor, the date and value of the contract, and whether the contractor is a SME (small- or medium-sized enterprise) or VCSE (voluntary, community and social enterprise). The value of the contract is below the Relevant Threshold (£4,551,413) for a works contract.</p>	
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	<p>Under Schedule 12A, Local Government Act 1972 paragraph 7, information is exempt if it relates to the financial or business affairs of any particular person (other than the authority). Chief Officers may agree that the Exempt Appendices are exempt on basis that the information contains commercially sensitive and personal information.</p>	
Finance	<p>The Director of Housing and Safer Communities is requested to approve the award of a contract for Gilbourne Road roof renewal and associated works in accordance with Confidential Appendix 4.</p> <p>Cabinet agreed funding for these works at its meeting in July 2018. As demonstrated within the body of the report, the tender sums received were significantly above this estimated budget amount. Further funding, on the 30th October 2019, has been agreed by the Cabinet Member for Housing up to the tender sum, therefore, funding is agreed and is available.</p> <p>The tender award sum will be reflected in future monitoring of the Housing Capital programme to ensure that overall expenditure commitments are contained within secured resources.</p> <p>Repairs and Investment must ensure close monitoring of expenditure against this scheme to keep within the contract value and revised budget limit.</p>	<p>Jason Coniam 11/11/2019</p>

<p>Home Ownership</p>	<p>There were 13 leasehold properties (inclusive of RTB applicants) affected by the proposed works in this report at the time of issuing the Notice of Intention (NOI). Notice of Intentions were issued on the 7th June 2019 to all the leasehold properties within the blocks notified at that time. Notice of Estimates (NOE) have yet to be issued with a further 30 day observation period, in line with the legislative requirements, advising leaseholders of the tenders received and their estimated contribution.</p> <p>Estimated contributions will be calculated using the preferred contractors tender and if this is not a nominated contractor (should a contractor be nominated) or the lowest tender, a further Notice of the 'Award of Contract' will have to be issued explaining the reasons why along with a summary of the leaseholders observations on the estimates and the responses to them. If a further notice is required, Home Ownership Service should be advised as soon as the contract has been awarded as time to issue this notice is limited to within 21 days of awarding the contract.</p> <p>The average leaseholder contribution for these works (based on the lowest tender as per Confidential Appendix 4) will range from approximately £15,000 - £16,000 inclusive of fees with one property at approximately £12,500. However this is subject to change as this is calculated on an overall basis and not</p>	<p>Hardev Sandhu 08/11/19</p>
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	<p>by taking the estimated cost to each block as this information has not been provided as yet.</p> <p>This contract has been consulted under schedule 4.2 as Qualifying Works (i.e. duration of works to be under 12 months).</p> <p>Although, generally, only contractors on Construction line are invited to tender for the works due to certain fundamental criteria being fulfilled, it does not mean that any contractors nominated that are not on this list are disregarded completely. The same fundamental criteria should be applied to nominated contractors who are not registered on Constructionline. Landlords may have to justify their selection procedures to the First Tier Tribunal, if challenged, and if the Tribunal decide that the selection criteria is too restrictive or anti-competitive, there is a risk that the consultation could be deemed as not having complied.</p> <p>Please also note that only works identified and consulted upon in the notices can be charged for and any variations outside of this scope of works is no longer rechargeable and will therefore become a loss. The descriptions on the 'Notice of Estimate' should match the original 'Notice of Intention'. Surveys should be provided to justify the necessity for the works as this is a question that will be raised</p>	
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	<p>should the matter be disputed and ultimately can determine liability.</p> <p>Failure to comply or should the First Tier Tribunal (FTT) decide we have not complied with the consultation requirements, would severely limit the amount we are able to charge (i.e. £250 for qualifying works and £100 per leaseholder per year for qualifying long term agreements).</p>	
Risk Management	<p>Risk Management (Method Statement 3) was one of the criteria assessed during the tender evaluation process.</p> <p>Contractor referred to in the Confidential Appendix submission in this regard was poor and the review panel consider that the Project Team will require an increased level of input to manage the risks in conjunction with the contractor.</p> <p>The Project Team and the Contractor will need to work collaboratively to ensure that any foreseeable risks are properly controlled and managed</p>	Alan Jeffery 12/09/19
Health and Safety	<p>The sites will fully comply with the requirements of the CDM Regulations 2015 and will be implemented by the CDM Principle Designer (PD).</p> <p>Unfortunately, the Pre-Construction Information Pack was not available for the contractors to consider this as part of the tender exercise and they will need to undertake this post-tender. It is not believed that there are any unusual</p>	Alan Jeffery 12/09/19

	<p>or unforeseen risks with this project, so the risks of this resulting in an increase in the contractors' costs is not significant, although cannot be entirely discounted.</p> <p>Method Statement 2 of the Qualitative assessments addressed the issue of Health & Safety matters. City Heights has provided a poor response and we believe they may require an increased level of input to manage their performance regarding H&S compliance.</p> <p>The Principal Designer will need to carefully implement the H&S plans to ensure that foreseeable H&S risks are controlled and managed. The PD will be carrying out site H&S spot checks and liaising with the Contractor and Project Manager on a regular basis.</p>	
Equalities	The decisions recommended through this report have a remote or low relevance to the substance of the Equality Act.	Alan Jeffery 12/09/19
Staffing Establishment	<p>As far as the writer is aware and based on the existing staffing level on this project, there are no obvious staffing implications for the RBG.</p> <p>RGB staff will provide project management, liaison and advisory roles and for the reasons stated above the level of input required is likely to be greater than would normally be expected.</p>	Alan Jeffery 12/09/19

11. Background Papers

Exempt Appendices

- Appendix 1 – Tender Opening form
- Appendix 2 – Financial Analysis
- Appendix 3 – Qualitative Scoring
- Appendix 4 – Summary of Scoring

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