

DECISION MAKER: Director of Housing and Safer Communities	DATE 13 December 2024
TITLE: Contract award for Void Extensions and Associated Works (SPS 2775)	WARD(S): All
CHIEF OFFICER: Director of Housing and Safer Communities	CABINET MEMBER: Housing Management, Neighbourhoods and Homelessness
DECISION CLASSIFICATION: <ul style="list-style-type: none"> • Key Decision • Subject to Call-in • Non-exempt 	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes

I. Decision required:

This report makes the following recommendations to the decision-maker:

- I.1 To approve the award of contracts for the delivery of void extensions and associated works to void properties across the borough to:
- (a) Hennessy Ltd (Company number 03623868) (“Hennessy”) for a period of two (2) years with effect from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum);
 - (b) Max Building Services Ltd (Company number 06403002) (“Max Building”) for a period of two (2) years with effect from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum); and
 - (c) ATPB Ltd (Company number 09615960) (“ATPB”) for a period of two (2) years with effect from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum).
- I.2 To note that the award of contracts to Hennessy, Max Building, and ATPB is in accordance with Contract Standing Order (CSO) 15.
- I.3 To note that the combined estimated total contract value for all three (3) contractors is £3,000,000 (excluding VAT) over two (2) years.

- 1.4 To note that these contracts relate to Repairs & Investment (R&I) and would be revenue funded.

Signed: _____ Date: _____
Jamie Carswell, Director of Housing and Safer Communities

2. Links to Our Greenwich missions

- 2.1 This report relates to the Council's agreed missions as follows:

2.1.1 Everyone in Greenwich is safer, and feels safer

The Council, as Landlord, has an obligation to ensure that residents homes are safe. Delivering these works in accordance with the specifications will help to deliver the Council's obligations for ensuring a healthy and safe environment for residents.

2.1.2 People in Greenwich have access to a safe and secure home that meets their needs

The Council has a duty of care to ensure that residents feel safe by ensuring they have access to a safe and secure home. Through this scheme, the Council will deliver the much-needed, additional, wheelchair-accessible, family-sized homes, and make a significant impact on the OT waiting list for this type of accommodation.

2.1.3 Our Council works in the most efficient and effective ways possible

This decision would enable the Council to undertake voids extensions and associated works, which in turn would enhance the properties and create more space to better meet their needs of residents. Commercially, value for money has been demonstrated via a competitive tender exercise.

3. Purpose of Report and Executive Summary

- 3.1 This report seeks agreement to award contracts to Hennessy, Max Building, and ATPB for delivering void extensions and associated works to void properties on a boroughwide basis.

3.2 The proposed contracts would enable the Council to create wheelchair-accessible, family-sized dwellings, and provide safer homes for residents that better meet their needs.

4. Introduction and Background

4.1 The Royal Borough of Greenwich has a duty of care to its tenants and residents in general, to ensure that they are provided with accommodation that is warm, safe, and dry, and meets their specific needs. This contract will deliver much-needed, appropriately re-modelled homes for families on the Housing Occupational Therapists' waiting list, delivering 4 and 5 bedroomed, wheelchair-accessible homes. The appointment of these contractors will provide the resources to ensure that deadlines are met.

4.2 A competitive tender exercise was undertaken where eight (8) pre-selected contractors were invited to submit tenders using a 20% quality and 80% price criteria. The selected contractors are experienced in the delivery of such works and have worked with the Council on similar projects.

4.3 The Tender Process

4.3.1 The contract value is below the threshold for works contracts as set out in the Public Contract Regulations 2015 (PCR 2015) and so, the procurement process was carried out in accordance with CSO 15 (Tendering from the Approved List) where eight (8) contractors were invited to submit tenders.

4.3.2 An Invitation to Tender (ITT) exercise was undertaken via the Council's e-procurement portal, Procontract, on 19th April 2024, and closed on 10th May 2024.

4.3.3 Out of the eight (8) contractors invited to participate, five (5) submitted tenders.

4.3.4 The tenders were evaluated using the following criteria:

Main Criteria	Weighting	Demonstrated by
Quality	20%	The quality element consisted of four (4) questions for tenderers to answer and each criteria was scored using the allocated weightings.

Main Criteria	Weighting	Demonstrated by
Price	80%	The commercial element was evaluated on total tender price submitted, where the lowest cost Tenderer received 80% and, all other scores were allocated according to their difference from the lowest pricing use the prescribed formula.

(Table-1: Evaluation Criteria)

4.3.5 The ITT document stipulated that the Council would enter into contracts with up to three (3) Tenderers, the top three (3) highest scoring Tenderers, for delivering the works.

4.3.6 Following the evaluation of the submitted tenders, Table-2 below sets out the scores achieved by each Tenderer as assessed by the evaluation panel.

Rank	Contractors	Quality Score	Price Score	Total Score
1 st	Hennessy Ltd	18.00	80.00	98.00
2 nd	Max Building Services Ltd	18.80	77.75	96.55
3 rd	ATPB Limited	16.00	77.62	93.62
4 th	(Tenderer A)	16.00	76.05	92.05
5 th	(Tenderer B)	18.40	68.30	86.70

(Table-2: Quality and Price Scores)

4.3.7 Following the tender evaluation and, as can be seen in Table-2 above, officers recommend acceptance of the tenders submitted by Hennessy Ltd, Max Building Services Ltd, and ATPB Limited – the successful Tenderers who achieved the highest three (3) scores.

4.4 Risk Management

4.4.1 The risk of not awarding this contract would mean the Council would be unable to deliver the much-needed, additional, wheelchair-accessible, family-sized homes, and would not be in a position to make a significant impact on the OT waiting list for this type of accommodation. There are no apparent major risks and so, there is no need for risk mitigation plans. As set out in paragraph 4.2, the selected contractors have the required competence, are experienced in the delivery of such works, and have worked with the Council on similar projects. However, risks will be carefully monitored by the delivery team and any issues will be discussed at regular project team meetings to ensure that risks are managed proactively. The programme delivery and

associated costs would be closely managed and monitored by the R&I team to ensure efficient programme delivery and to ensure best value is achieved.

5. Available Options

5.1 Option 1: Do nothing

Doing nothing is not an option because the Council would not have the capacity and expertise to carry out voids extensions and associated works. This would mean the Council would be unable to deliver the much-needed, additional, wheelchair-accessible, family-sized homes, and would not be in a position to make a significant impact on the OT waiting list for this type of accommodation. Not undertaking the works would also not be in line with the Council's mission values of, *"Everyone in Greenwich is safer, and feels safer"*, *"People in Greenwich have access to a safe and secure home that meets their needs"*, and *"Our Council works in the most efficient and effective ways possible"*.

5.2 Option 2: Direct award to contractors of choice

This option was considered unfeasible because the Council would be unable to demonstrate how value for money was achieved.

5.3 Option 3: Carry out a procurement exercise (preferred option)

This was the preferred option. Carrying out a procurement exercise with eight (8) preselected contractors via Procontract was considered feasible because it complied with the Council's CSOs, and value for money would be demonstrable.

5.4 Option 4: Delivering the works in-house

This option is not feasible. Due to the specialist nature of these works in part and the requirement to deliver at scale it would not be possible to deliver these works internally. This is because R&I has capacity issues and lacks specialist expertise to deliver at scale. Investing in new resources (i.e., staff and equipment) would require considerable investment, which would not be cost-effective and would cause significant delays.

6. Preferred Option

6.1 For the reasons set out in paragraph 5.3, Option 3 (Carry out a procurement exercise) was the preferred option.

7. Reasons for Recommendations

7.1 Options 1, 2 and 4 are not recommended for the reasons set out in paragraphs 5.1, 5.2, and 5.4. Option 3 is recommended for the reasons explained in paragraph 5.3. Additionally, appointing suitable contractors with the resources and technical capability to deliver the works will ensure the Council has the capacity and necessary expertise to deliver the much-needed, additional, wheelchair-accessible, family-sized homes, and make a significant impact on the OT waiting list for this type of accommodation.

8. Consultation Results

8.1 There are no Section 20 implications in relation to these contracts. These are void properties that are owned by the Council and works will be carried out to create wheelchair-accessible, family-sized homes, which in turn would make a significant impact on the OT waiting list for this type of accommodation. The properties, once refurbished, will be offered as family-sized, wheelchair-accessible homes for residents on the OT waiting list.

9. Next Steps: Communication and Implementation of the Decision

9.1 Following approval of this report, the contractors will be notified of the Council's decision, and contracts will be executed.

10. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	<p>The Director of Housing and Safer Communities as Chief Officer is requested to authorise the award of contracts to the following providers for the delivery of void extensions and associated works to void properties across the borough:</p> <ul style="list-style-type: none">• Hennessy Ltd (Company number 03623868) (“Hennessy”) for an estimated total contract value of up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum);• Max Building Services Ltd (Company number 06403002) (“Max Building”) for an estimated total contract value of	Seun George Legal Assistant 16/09/2024 Ref: 98136

Issue	Implications	Sign-off
	<p>up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum);</p> <ul style="list-style-type: none"> • ATPB Ltd (Company number 09615960) (“ATPB”) for an estimated total contract value of up to £1,000,000 (excluding VAT) (i.e., £500,000 per annum). <p>The contract awards to the successful providers will be for a period of two (2) years with effect from 1 October 2024 to 30 September 2026 for a total combined contract value of £3,000,000 for all three (3) contractors.</p> <p>Compliance with Contract Standing Orders (CSOs) and Public Contract Regulations 2015 (PCRs)</p> <p>CSO 3.1 states that every contract made by or on behalf of the Council must comply with National Law, these Standing Orders and the Council’s Financial Regulations.</p> <p>This procurement process falls outside the Public Contract Regulations (PCRs) 2015 as the overall contract value for this contract award is below the relevant national threshold for works contracts.</p> <p>According to CSO 15.2 the procurement procedure is to seek at least four written quotations from a construction related Approved List to be advised by the Procurement Team. In this procurement, four tenders were received from an Approved list as advised by procurement, and the three successful providers submitted the most competitive tenders.</p> <p>In accordance with CSO 17.2, the Chief Officer is permitted to award the contract where the Contract Award Decision is made</p>	

Issue	Implications	Sign-off
	<p>following Competitive Award Approval Route A, providing that the procurement is compliant with the relevant Procurement Strategy Decision and is within the Approved Budget.</p> <p>In accordance with CSO 28.3 the Chief Officer is permitted to award the contracts if the tenders are within budget and £500,000 and over, provided they are the lowest price.</p> <p>The Chief Officer is therefore authorised to award these contracts.</p> <p>Best Value Under the Local Government Act 1999 the Council is required to achieve the best value in the exercise of its functions. In reaching a decision, the Chief Officer must take into account the reasons for the award of these contracts as set out in the body of the report and the Council’s fiduciary duty to achieve Best Value.</p> <p>Under the Human Rights Act 1998 local authorities have a duty to promote and protect human rights. The award of these contracts do not have legal implications under the Human Rights Act 1998.</p> <p>Consult with Legal The report author should consult with the Legal Department regarding the drafting and execution of these contracts.</p>	
<p>Finance and other resources</p>	<p>This report makes the following recommendations to the Director of Housing & Safer Communities:</p> <p>I.1 To approve the award of contracts for the delivery of void extensions and associated works to void properties across the borough to the following tenderers who provided the most economically advantageous tenders:</p>	<p>Maqsood Sheikh, Accountancy Business Change Manager, 26th November 2024</p>

Issue	Implications	Sign-off
	<p>(A) Hennessy Ltd for a period of two years from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (£500,000 per annum).</p> <p>(B) Max Building Services Ltd for a period of two years from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (£500,000 per annum).</p> <p>(C) ATPB Ltd for a period of two years from 1st October 2024 to 30th September 2026 at an estimated total contract value of up to £1,000,000 (excluding VAT) (£500,000 per annum).</p> <p>1.2 To note that the award of contracts to Hennessy, Max Building, and ATPB is in accordance with CSO 15.</p> <p>1.3 To note that the combined estimated total contract value for all three contractors is £3,000,000 (excluding VAT) over two years.</p> <p>1.4 To note that these contracts relate to Repairs & Investment (R&I) and would be revenue funded.</p> <p>For this key decision, the overall value of the contract is £3m. The maximum value of the contracts will be around £0.75m in the current year, £1.5m in 2025/26 and £0.75m in 2026/27. As most if not all the work is likely to be of a capital nature, there is an intention to seek capital funding. However, capital budgets are currently being revised and are yet to be finalised.</p>	

Issue	Implications	Sign-off
	<p>Delaying the award of the contract will mean leaving the properties void and consequently delay the delivery of additional, wheelchair-accessible, family-sized homes. There will also be a loss of rental income while these properties remain empty.</p> <p>Work would normally be carried out on void properties so any additional expenditure that will be incurred in these particular properties relates to extensions and associated works.</p> <p>Once completed the extended properties will generate a higher rent than they currently do as the extensions will result in additional one or two bedrooms in individual properties.</p> <p>Consequently, it will be financially beneficial to award the contracts and to cover the costs from overall HRA resources if capital funding is not immediately available. In the short term rent loss will be minimised by starting work as early as practicable and, over the longer term, higher rents compared to the existing rents will be generated from the larger properties with extra bedrooms.</p>	
Equalities	<p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.</p> <p>This report contributes to the Council's Equality and Equity Charter and the Council's Equality Objectives 2020-2024 by inspiring trust and confidence in all the borough has to offer.</p>	<p>Joe Williams, Quality & Monitoring Officer, 24th June 2024</p>
Climate Change	<p>The recommendations contained within this report make no contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020.</p>	<p>Donald Harding, Finance & Commercial Manager, 24th June 2024</p>

Issue	Implications	Sign-off
Home Ownership	There are no leasehold implications for these contracts because the works are to void properties which are council owned.	Sandra Adetosoye, Service Charge Production Manager, 25 th June 2024.
Risk Management	Key risks in relation to the proposal in this report, together with applicable mitigating actions have been considered and set out in the Background section above. The risks will be monitored and managed in line with the Council's risk management Toolkit.	Joe Williams, Quality & Monitoring Officer, 24 th June 2024
Procurement & Social Value	The decision in this report complies with CSOs 15.1 and 15.2, which stipulates the requirements for below-threshold works contracts. Procurement supports the recommendations in this report.	Dominic D'Souza, Sr. Procurement Business Partner Housing & Safer Communities, Strategic Procurement, 24 th June 2024
Health and Safety	All health and safety issues will be considered and the Council will appoint a Council Representative / CDM Coordinator for each site.	Joe Williams, Quality & Monitoring Officer, 24 th June 2024
Health and wellbeing	The approval of this report will ensure that much-needed; family-sized, wheelchair-accessible homes will be provided for residents on the OT waiting list. Residents will be provided with homes that meet decent standards of warm, safe and dry conditions, thus ensuring that our residents are provided with healthier lifestyles.	Joe Williams, Quality & Monitoring Officer, 24 th June 2024

10. **Report Appendices**

None

11. **Background Papers**

None

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