

Further information on this report can be obtained from Contact Person,
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The Royal Borough of Kensington and Chelsea

EXECUTIVE DECISION

PROCUREMENT STRATEGY

Report Title: Procurement Strategy for External Cyclical Repairs and Decoration – Lot 20 – 6 Hesketh Place (Ref 442)

Date: Date of Proposed Decision – 24 May 2024

Decision Maker: Executive Director, Housing and Social Investment

Reporting Officer: Doug Goldring, Director of Housing Management

Reference numbers ED5009627

Pipeline: HM442

Access to information Part A – Public Access

Wards: Notting Dale

1. EXECUTIVE SUMMARY

1.1 This report seeks approval to commence the procurement activity on the Council's Project Union Construction Framework (Lot 1 – Minor Works) to appoint a contractor to carry out refurbishment works required to Council Housing properties at 6 Hesketh Place as listed in Table 1 at section 4.4 of this report.

The approval to proceed with this procurement activity is requested in accordance with The Constitution, Part 8, Section 5 – Contract Regulations clauses 7.01 - 02 and 12.01(i).

2. RECOMMENDATIONS

2.1 The Executive Director is recommended to approve the sourcing strategy for the procurement of a construction contractor to carry out the external cyclical repairs and decoration required for Hesketh Place in the forecast sum of £279,486.00 inclusive of VAT for an anticipated period of 20 weeks.

3. REASONS FOR DECISION

3.1 This Executive Decision will enable the progression of the procurement strategy for the appointment of a construction contractor to deliver the required cyclical repairs and decorations.

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3.2 The value of services to be provided is less than £1,500,000 therefore this is an Executive Decision for the purpose of sections 1.19 and 1.20 Part 4 of the Council's constitution.

4. BACKGROUND

4.1 The Council is committed to ensuring people have safe, warm, and modern Council homes, as a legacy from Grenfell. The Council's Plan 2023 – 2027 is Becoming the Best Council for a Borough that is Greener, Safer, Fairer, and has one of its priorities as "Be a good landlord, investing in and maintaining our social housing".

4.2 The residential flats form part of the properties identified to benefit from the Council's 2023/24 investment programme works due to their deteriorating condition. A construction services professional firm was appointed to carry out the feasibility survey of the properties and the scoping of the refurbishment works required to the blocks to ensure they meet the health and safety for housing requirements.

4.3 The new window installations from single glazed to double glazed and front entrance communal door replacement will improve thermal efficiency of the properties resulting in reduced energy use for the building. The works also include cavity filling to the external walls and roofing insulation. This is in line with the Council's sustainability measures to improve the thermal performance and carbon reduction objectives for all its properties. External redecoration will include façade repairs and improved (paving, bin stores, sheds, railings etc) and renewing or installing new ventilation to kitchens/bathrooms will enhance the functionality and acoustic appearance of the buildings. Similar work has been carried for adjoined properties at 7 Runcorn Place, and residents expect similar improvements to their properties that would ensure all residents receive the same standard of housing.

4.4 The properties in scope are:

Table 1 – Property Details

Estate Name	Properties	Post Code
6 Hesketh Place	Flats 1,2,3,8,9,10,11,16,17,18,19	W11 4HN
6 Hesketh Place	Flats 4,5,6,7,12,13,14,15,20,21,22,23	W11 4HN

4.5. Scope of Services

The scope of works will include, but is not limited to:

- window renewals.

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- roof repair/replacement,
- masonry and concrete repairs,
- timber repairs/replacements such as fascia boards and
- front entrance communal doors.
- redecoration to all previously painted surfaces.
- guttering, and downpipes repair/replacement, ground floor walls.

5. OPTIONS, ANALYSIS AND PROPOSALS

- 5.1 Option 1 - Do nothing - There is need to appoint a construction contractor to carry out the require works and support a safe and successful delivery of the project hence, this is not a recommended option.
- 5.2 Option 2 - Undertake a competitive procurement - (Open or Restricted procurement procedures). These routes to market were not recommended due to the considerable time it will take to complete the procurement process including residents' consultation (a minimum of 9 months).
- 5.3 Option 3 - Waiver and Direct award - This is not a recommended option as a competitive tender process is expected to test the market for value for money.
- 5.4 Option 4 - Insourcing – The in-house resources do not have the capacity to take on additional responsibilities hence, this is not a recommended option.
- 5.5 Option 5 - Procure construction services using the Council's Project Union Construction Framework – specifically set up for this type of work from carefully selected contractors, pre-qualified during a tender process meet local authority requirements. The Council's Construction Framework is fully compliant and has been assessed and confirmed capable to deliver the required works.
- 5.6 Option 5 is the recommended selection.
- 5.7 Indicative Procurement Timescale.

Table 2 – Indicative Timeline

Activity	Completed by
Approval of EDR Strategy Report	24/05/2024
Publish Mini Competition under PU Framework	27/05/2024
Closing date for Mini Competition	24/06/2024
Evaluation / post-tender clarifications / Moderation	08/07/2024
EDR Award report approved	22/07/2024
Contract signed	31/07/2024

6. CONSULTATION AND COMMUNITY ENGAGEMENT

- 6.1. Consultation letters were sent to tenants on 31 July 2023 to introduce and discuss the proposed works to be carried out. The consultation requested

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feedback and recommendations on current state of repair to their residential properties.

- 6.2. Section 20 Leaseholder Consultation was not required as the properties are currently used to accommodate residents with various mental health challenges and vulnerabilities.
- 6.3. Ward Councillors – Cllr Claire Simmons, Cllr Marwan Elnaghi and Cllr Mona Ahmed were all informed by letter on 31 July 2023 advising them of the proposed surveys and repair works to be carried out.

7. LEGAL IMPLICATIONS

- 7.1 This contract falls within the definition of a public works contract under the Public Contracts Regulations 2015 ('PCR'). The total contract value is estimated to be £279,486 including VAT. As this value falls below the threshold for public works contracts, the PCR will have limited applicability to the procurement of this contract.
- 7.2 Nonetheless, the Council must still comply with the Contract Regulations set out in its own Constitution. The Contract Regulations require that works contracts with a value between £250,000 and £500,000 must undergo a competitive process, including via a framework. The procurement strategy set out in this report complies with this requirement.
- 7.3 In terms of governance requirements, the Contract Regulations stipulate that contracts of this value must be endorsed by the Commercial Assurance Panel ('CAP'), or an equivalent internal governance board, and approved by the relevant Executive Director. This report therefore seeks endorsement of the procurement strategy by the Housing Management Procurement Board, as an equivalent board to CAP.
- 7.4 The mini competition documents should include the proposed contract, which is the JCT Intermediate Building Contract with Contractor's Design 2016, with RBKC's schedule of amendments. Legal advice and assistance should be sought in drafting the contract.

Legal Implications provided by Abi Carey, Solicitor, on 18 April 2024

8. FINANCIAL IMPLICATIONS

- 8.1 This report is seeking approval for the procurement of a construction contractor to carry out the external cyclical repairs and decoration required for Hesketh Place (Lot 20).
- 8.2 The estimated works contract value is £279,486.00 inclusive of VAT for an anticipated period of 20 weeks. Financial Management have been consulted and comment that there is funding available within the Housing Revenue Account (HRA) main capital programme approved in February 2024 for this scheme.

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9. HUMAN RESOURCES IMPLICATIONS

9.1 None.

10. EQUALITIES IMPLICATIONS

10.1 A Capital Works Overarching Impact Assessment was prepared by the Service Improvement Officer and approved and authorised by the Housing Management Leadership for use with most projects, with project specific characteristics reported for individual projects.

10.2 The main findings specific to external repair and redecoration works are centred around **Age** and **Disability**

Age - The proposed works will be undertaken for Council-owned residential properties which are home to people of all ages. RBKC has an obligation to ensure that people who inhabit its properties are safe and that the premises are free from any health and safety issues. Impact will be positive.

One common impact of all works will be noise. Works will be limited to 9am – 5pm, to avoid antisocial hours and will be weekdays only, unless weekend appointments are requested by certain residents.

Disability - One common impact of all works will be noise. Works will be limited to 9am – 5pm, to avoid antisocial hours and will be weekdays only, unless weekend appointments are requested by certain residents.

Access in and out of individual homes and buildings would be the main concern for all residents. The Capital Delivery Team will ensure that walkways, main routes, and doorways are left clear and hazard free, to ensure safe access for residents. During works, certain car park areas may be required for 'site set up' and storing equipment. Where there are disabled bays Capital Delivery Team will aim to keep them available or discuss the requirements of residents/carers, to ensure there is still a feasible option.

11. OTHER CONSIDERATIONS

11.1. Environmental

The planned maintenance to building fabric and are intended to improve the thermal performance of the fabric resulting in the with reduction in heat demand to the properties in alignment with the Council's sustainability agenda and carbon reduction objectives for all its properties. This is a retrofit project, and all bidders must be PAS35 accredited as outlined in the project specification documents. The project must meet the minimum threshold standards to be eligible for SHDF (Social Housing Development Funding)

11.2. Health and Safety

During work the methods of access, such as mast climbers and/or fixed scaffold will be determined and delivered in line with the relevant H&S regulations and CDM 2015 regulations as assessed and advised by the Principal Designer. The appointed Principal Designer will be involved in pre-

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construction H&S assessment to ensure works are planned in a safe and compliant way.

11.3. **Social Value approach and expectations**

Consultants and Contractors are expected to make Social Value contributions in line with the Social Value obligatory requirements set out in the Social Value matrix provided by the Social Value Lead and agreed with the project delivery team. These obligatory commitments will be monitored throughout the project lifecycle for performance and compliance.

11.4. **DPIA – Data Protection Impact Assessment**

The Contract Schedule of Amendments clearly set out contractual *data* protection provisions and obligations for all contractors where personal information is accessed and utilised during and after the project delivery.

11.5. **Contract Management**

The main works will be managed by the Contract Administrator and Cost Consultant appointed from the Council's Multi-disciplinary Framework Services Agreement. A Principal Designer and Clerk of Works have also been appointed to assist with Health and Safety and quality of work respectively. Overall project delivery will be overseen by the Council's Capital Delivery team. The JCT Intermediate Building Contract with Contractor's Design 2016, including RBKC standard amendments will be used to administer the works during the 20-week duration of the project.

11.6 **Key Performance Indicators**

The Project Union "Request for Further Competition Form" includes a broad range of Key Performance Indicators including remedies and sanctions for poor performance that will be monitored throughout the project lifecycle.

11.7 **Key Risks and mitigations**

As this is a Hostel, there is a likelihood that some tenants may need to be dealt with due care and attention being mindful some have mental health challenges and vulnerabilities. There is a Hostels Manager and a Caretaker who are on site full time to assist with any arising issues as all tenants are known to these key members of staff.

12. **APPENDICES**

None

13. **SUPPORTING AND BACKGROUND DOCUMENTS**

13.1. None

Reporting Officer's Details

Rob Kaseke – Procurement Manager - Housing Management.

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Mandatory clearance process

Cleared by Corporate Finance (AC)

Cleared by Legal Services (AC)

Cleared by Communications (NT)