

Royal Borough of Kensington and Chelsea

EXECUTIVE DECISION

CONTRACT AWARD

Report Title: Contract Award Report for Council Housing at 14 Colville Square – Fire Safety Works (Ref 521)

Date: 31 January 2025

Decision Maker: Dan Hawthorn, Executive Director of Housing and Social Investment

Reporting Officer: Doug Goldring, Director of Housing Management

Reference numbers: ED5000473

Access to information: Public Part A with Exempt Part B

The confidential appendix is exempt from publication by virtue of the Local Government Act 1972 Schedule 12A, Part 1, (as amended) paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any person (including the authority holding that information).

Wards: Colville Ward

1. EXECUTIVE SUMMARY

- 1.1 The report seeks the approval of a direct award call off via the Project Union Framework to Seville Developments Ltd. (company number 05543266); for the delivery of urgent fire safety works at 14 Colville Square, London, W11 2BQ.
- 1.2 The works are urgent fire safety works resulting from a Fire Risk Assessment of the External Walls (FRAEW), hence the need to use the Framework direct award option in this instance.
- 1.3 The route to market is fully compliant via a direct award to the first ranked contractor under the Construction Works Lot 1 of the Project Union Framework.
- 1.4 In accordance with The Constitution, Part 8, Section 5 – Approval of Procurement and Commissioning Decisions Regulations, clause 7.03, there is no requirement to seek endorsement at CAP (Commercial Assurance Panel) or an equivalent internal governance board at both procurement strategy and contract award stages for call-off contracts below £500,000.00 that are procured under the Project Union Framework Agreements.

1.5 In accordance with the Project Union Framework Buyers Guide, section 4.3 Direct Ordering without Further Competition, the criteria for using the Direct Ordering without Further Competition procedure include:

- Emergency works to make safe and secure
- Urgent Fire Safety works

1.6 This report therefore seeks approval to use the direct award procedure and to award the contract to Seville Developments Ltd. (company number 05543266); in the sum of £447,796.04 [Four-Hundred and Forty-Seven Thousand, Seven-Hundred and Ninety-Six Pounds and Four Pence (excluding VAT)]. The duration of works is anticipated to be 16 weeks from commencement.

1.7 There are two leaseholder occupants of 14 Colville Square (Flats 8 and 11). Due to the route to market being via the Project Union Framework, there are no requirements for Notice of Intention and Notice of Proposal notifications, however there will be a requirement for a consultation to be undertaken in compliance with section 20 of the Landlord and Tenant Act 1985 and Schedule 3 of the Service Charges (Consultation Requirements) (England) Regulations 2003. This will include a detailed scope of works, cost information and project programme and start on site date.

2. RECOMMENDATIONS

The Executive Director for Housing and Social Investment is recommended to:

2.1 Approve the award of the contract for delivery of urgent fire safety works at 14 Colville Square to Seville Developments Ltd. (company number 05543266); against a contract period of 16 weeks, for a contract value of £447,796.04 (excluding VAT), in line with the Project Union Framework Construction Works Lot 1 capped rates.

2.2 Approve a client held contingency as set out in the Part B exempt appendix.

3. REASONS FOR DECISION

3.1 This Executive Decision report will enable the progression of the contract award for the urgent remediation works at 14 Colville Square via a Direct Award call off through the Project Union Framework.

3.2 The contract value is within the tendered framework rates for Construction Works Lot 1 of £447,796.04 (excluding VAT) and has been reviewed and approved by the cost consultants and validated by the RBKC Commercial Team.

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 property at 14 Colville Square is four stories in height and measures approximately nine meters. The building was constructed in circa 1955 and has twelve single floor apartments; comprising of ten tenants and two leaseholders. There is a single means of escape and open walkways to the apartment front entrance doors. The bin chutes are located on the externally of the building line.
- 4.3 In compliance with RBKC’s Charter for Public Participation, resident engagement has commenced and will continue over the upcoming months as the design is firmed up to ensure residents are fully consulted and engaged throughout all stages of the project.
- 4.4 Following on from the findings of the Fire Risk Appraisal of External Walls report (FRAEW), the London Fire Brigade Borough Commander is aware of the existing flammable material on the external fabric of 14 Colville Square and there is an urgency to have the scheme to site by no later than 31 March 2025, to ensure the prompt remediation of the risk posed by the external wall insulation. The estimated timeline for the construction works period will be 16 weeks to complete.

5. OPTIONS, ANALYSIS AND PROPOSALS

5.1 Option 1: Do Nothing

This is not an option as there is an urgent requirement to appoint a competent contractor to complete the FRAEW remediation works as failure to remove the flammable material on the building could result in a significant health and safety risk to the building’s occupants.

5.2 Option 2: Use In-house resource

Due to the complexity of this project and the nature of the works involved, the Council’s In-house resource does not have the necessary capability and expertise to carry out these works.

5.3 Option 3: Mini Competition via the Council’s Project Union Construction Works Framework

This option was initially considered as a viable route to market, however due to the urgent requirement to have the FRAEW remedial works started by March 2025, the delivery team requested the route to market via a direct award to the first ranked contractor under the Project Union Framework, Lot 1 for Construction Works.

5.4 Option 4: Direct Award via the Council’s Project Union Construction Works Framework

The recommended route to market is via a direct award to the first ranked contractor under the Project Union Framework, Lot 1 for Construction Works.

The Project Union Framework has been set up in order to provide the Council with a range of suitable contractors and compliant route to market options for projects by providing enhanced efficiency in order to support safety, value for money, quality and on time delivery of the capital investment programme. The Call-Off Procedure for Direct Ordering without Further Competition is only to be used in an emergency or urgent circumstances as outlined in section 1.4 of this report, which include Emergency works to make safe and secure and Urgent Fire Safety works.

5.5 Projects that are accepted to proceed via the Direct Ordering without a Further Competition process will be offered to the contractors based on their ranking as detailed in Annex 7 of the Project Union Framework Buyers Guide.

5.6 Contractors Ranking for Lot 1 of the Construction Works Framework:

Ranking	Supplier
1	Seville Developments Limited
2	AXIS Europe
3	Saltash Enterprises Limited
4	M&J Group (Construction & Roofing) Limited
5	Cuttle Construction Limited

5.7 **Route to Market:**

Option 4 is preferred and recommended, as it offers the required compliant route to market in order to carry out the urgent FRAEW remediation works.

6. PROCUREMENT

6.1 An assurance stage of the direct award process has been carried out to ensure the contractor can price for the works within the capped framework rates in line with the Project Union Framework Agreement for Construction Works Lot 1, which Seville Developments Ltd entered into with The Council in January 2024. The Contractor's pricing submission has been checked and reviewed by the Cost Consultants and RBKC commercial team and no mathematical errors have been found.

6.2 The direct award process includes a Statement of Requirements which the contractor is required to respond to outlining how they meet the project requirements. Additional documents will include Specifications, Drawings, Employers Requirements, Materials and Workmanship, Planning Documents, a CDM competency questionnaire and Pricing Document.

6.3 Capital PCC have been appointed as the multidisciplinary consultant under RIBA stages 2-6 which will include the following scope of services:

- Project Management
- Architect
- Structural Engineer
- Fire Safety Engineer

- Contract Administrator
- Cost Consultant

6.4 Derisk UK, have been appointed as the CDM Principal Designer under the below scope of work:

- Plan, manage, monitor and coordinate health and safety in the pre-construction phase, to ensure that relevant information that might affect design work carried out both before and after the construction phase has started.
- Help and advise the client in bringing together pre-construction information and provide the information designers and contractors need to carry out their duties.
- Work with any other designers on the project to eliminate foreseeable health and safety risks to anyone affected by the work and, where that is not possible, take steps to reduce or control those risks
- Ensure that everyone involved in the pre-construction phase communicates and cooperates, coordinating their work wherever required.
- Liaise with the principal contractor, keeping them informed of any risks that need to be controlled during the construction phase.

6.5 The price submission has been assessed against the 'Framework Capped Rates' to ensure the submission is compliant with the agreed pricing structure in line with the NHF Schedule of Rates, wherever possible.

6.6 The insurance requirements for this contract, which have been confirmed by the RBKC Insurance Team are as follows:

6.7 professional indemnity insurance - £5m

6.8 product liability insurance - £5m

6.9 public liability insurance- £10m

6.10 employer's liability insurance - £5m

7. CONTRACT MANAGEMENT

7.1 The contract will be managed via framework consultants (Contract Administration / Multi-disciplinary services/Principal Designer/Clerk of Works services) and overseen by the Housing Management Property Services Team including a dedicated Quantity Surveyor, Project Manager, Resident Liaison Manager and Resident Liaison Officer.

7.2 The terms and conditions of the project will be based against the JCT Standard Building Contract with Approximate Quantities, 2016 Edition, including RBKC Schedule of Amendments.

7.3 **Key Performance Indicators**

7.4 The Key Performance Indicators that will be included in the contract will be the standard Project Union Framework KPIs which would include the following measures:

- Residents Satisfaction
- Practical Completion, Handover and Post-Construction Documentation
- Accuracy of Cashflow and Payment Terms
- Programme and Project Delivery
- Quality Assurance
- Social Value and Sustainability Impact

8. **CONSULTATION AND ENGAGEMENT**

8.1 Resident engagement is already ongoing and will continue through all stages of the project and on-site delivery.

8.2 Engagement sessions have been held to explain to residents the background to the works and the proposed planning for the replacement of the external wall insulation that has been recommended by the Fire Risk Assessment for External Walls (FRAEW).

8.3 Leaseholder recharging is in scope for these works and therefore the Section 20 Consultation Process via a Schedule 3 notice issued to leaseholders.

9. **LEGAL IMPLICATIONS**

9.1 The recommendation in this report is seeking approval of the procurement strategy and contract award to appoint contractor, Seville Development Ltd (the Contractor) to undertake emergency remediation works at 14 Colville Square, London, W11.

9.2 The contract has been procured via the Council's Project Union Construction Framework (Lot 1) (the Framework). The Framework commenced on 15 January 2024 and permits a call-off contract to be procured in respect of projects for works to be carried out with an estimated value of up to £500,000.00.

9.3 The Council's Framework has been procured in compliance with regulation 33 of the Public Contracts Regulations 2015 (PCR) and permits a direct award to be made for emergency matters. The call-off process in accordance with the terms of the Framework must be complied with as required by regulations 33(4), (6) and (8) of the PCR. Annex 5 of the Framework sets out and permits a direct award to the first ranking contractor within Lot 1 within the first 'Contract Year' of the contractors' appointed onto the Framework. The Contractor is ranked number 1 on Lot 1 of the Framework until January 2025. For all subsequent years, the rankings of

appointed contractors shall be determined pursuant to Annex 6 (Performance Indicators) of the Framework.

- 9.4 Approval of the contract award is required by the relevant Executive Director with the recommendation being placed on the Council's Forward Plan for the award decision to be taken.
- 9.5 Legal Services should be consulted for support to prepare the engrossed contract for execution.

Comments provided by Sharon Cudjoe on 03.01.2025

10. FINANCIAL IMPLICATIONS

- 10.1 There is an urgent need to undertake these works estimated at £447,796.00 Therefore, the direct award to the number one contractor on the Project Union framework is supported in this instance.
- 10.2 There is adequate provision in the capital programme for these works.

Comments provided by Neil Isaac on 30.01.2025

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 The recommendations contribute towards delivering the Council's five environmental commitments (reduce carbon emissions, improve air quality, reduce fuel poverty, enhance biodiversity and minimis waste).
- 11.2 The appointed multi-disciplinary consultants have been briefed to ensure that when they undertake their scoping works, they will be looking for opportunities to ensure works contribute to the council's sustainability commitments when they undertake their scoping works.
- 11.3 INTCO is a Styrofoam Recycling Specialist, providing total solution to Expanded Polystyrene (EPS) recycling and polystyrene recycling. INTCO manufactures and sells GREENMAX EPS Compactors/Densifiers and Recycling machines/systems, purchases back compressed EPS scraps, and reuses them to make frame products.
- 11.4 In 2012, INTCO recycled 50,000 tons of waste EPS, which helped save 4,000,000 trees and reduce 100,000 tons of carbon emission. INTCO became one of the biggest waste EPS end-users and recyclers in the world.
- 11.5 This report is seeking to ensure that works can progress with scoping the necessary planned maintenance to building fabric and identify ways that the thermal performance of the fabric can be improved along with reduction in heat demand to the properties. The consultants will consider what opportunities there are and report back as part of their condition and options appraisal outputs. Windows renewal and External Wall Insulation (EWI) is part of the scheme.

- 11.6 Aluminium Window Frames are highly recyclable, making them an environmentally friendly choice for homeowners and businesses looking to reduce their carbon footprint.
- 11.7 Recycling Aluminium saves up to 95% of the energy required to produce it from raw materials, making it a sustainable option for window frames in green living initiatives.
- 11.8 Choosing Aluminium for window frames can contribute to a circular economy by supporting the recycling of materials and reducing the need for new production, ultimately conserving natural resources.

12. HUMAN RESOURCES IMPLICATIONS

- 12.1 None.

13. EQUALITIES IMPACT ASSESSMENT AND IMPLICATIONS

- 13.1 A Capital Works related Equalities and Diversity Impact Assessment Initial Screening Tool has been completed by the Service Improvement Officer and approved and authorised by the Housing Management Leadership for use with capital works and refurbishment projects.
- 13.2 The main findings specific to external repair and redecoration works are centred around Age and Disability.
- 13.3 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.
- 13.4 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.
- 13.5 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, The Capital Delivery Team will aim to keep them available or discuss the requirements of residents/carers, to ensure there is still a feasible option.
- 13.6 Disability – Additional adjustments may be required to cater for sensitivities around noise and access for residents with disabilities. The Resident Liaison Officers will identify vulnerable residents through the resident contact form and communicate with support workers/social services and other required service providers to offer relevant support to the residents that require extra support.

14. OTHER CONSIDERATIONS

- 14.1 Social Value - The contractor is expected to make site specific Social Value contributions and discussions are on-going with the residents of 14 Colville Square, led by RBKC's Social Value Lead.
- 14.2 **Risk Management**
- 14.3 All works shall be managed in line with the RIBA plan of works 2020. There has been early engagement with the multidisciplinary consultant for condition survey and fire engineering.
- 14.4 The properties in scope are due for cyclical repairs and failure to do so could lead to additional costs incurred for repairs and other service areas without these cyclical works being completed. Delays resulting in underspend of capital budget and additional cost for future works because of the delay. Planning rejection could cause a delay also.
- 14.5 The works have been recommended to be carried out in accordance with the Fire Risk Assessment of External Walls (FRAEW) and will be carried out in line with the recommendations of the assessment.
- 14.6 Working at height will take place throughout the lifecycle of this project. Each instance will be done in strict accordance with the relevant H&S regulations and CDM 2015 regulations alike.
- 14.7 During the scoping phase, access may be required to undertake 'at height' surveys to assist in producing measure of quantities for the scope of works. This may be completed with fixed-temporary scaffold, cherry pickers or Drone surveys to provide access and enable the consultants to complete such inspections.
- 14.8 During works, the scope of works will specify the method of access, such as mast climbers and/ or fixed scaffold. This will be determined subject to the scope of works and health and safety requirements

15. SUPPORTING AND BACKGROUND DOCUMENTS

- 15.1 None.

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Mandatory clearance process:

Cleared by the Finance manager (NI)

Cleared by Legal Services (SC)

Cleared by Communications (NT)