

Supplementary Report

The Chair of the Housing and Property Scrutiny Committee was given notification on 18 March 2019, that this decision will be considered by the Leadership Team on 27 March 2019 and has agreed that it should be treated as urgent and tabled at the meeting, in order for the Committee to refer any comments to the Leadership Team.

Decision maker Date of Leadership Team meeting	Leadership Team 27 March 2019 Forward Plan reference: 05433/19/K/A Portfolio: Cllr Kim Taylor-Smith (Deputy Leader and Lead Member for Grenfell Recovery and Housing)	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Report title	PROCUREMENT STRATEGY FOR DELIVERING THE HOUSING REVENUE ACCOUNT CAPITAL WORKS PROGRAMME 2019 - 2020	
Reporting officer	Robyn Fairman , Executive Director for Grenfell	
Key decision	Yes	
Access to information classification	Public	

1. EXECUTIVE SUMMARY

1.1. Housing Management Services has a capital delivery programme through to 2025 and beyond. This paper addresses the procurement strategies to be adopted to provide investment within the Council's housing stock and specifically:

- provides details of the forward procurement plan and strategy of Housing Management Services to deliver the future capital programme
- is attempting to avoid the need for separate submissions and key decisions for procurement through to March 2020
- seeks approval to go to competition for those contracts identified to avoid individual submissions in future

- provides an update on the frameworks approved at Leadership Team in November 2018

2. RECOMMENDATIONS

2.1. It is recommended that the Leadership Team:

- (i) notes the forward procurement plan and delivery strategies within this paper
- (ii) agrees that any decisions related to:
 - going to competition
 - contract award

in connection with the contracts at Appendix A are delegated to the Lead Member for Grenfell Recovery and Housing.

3. REASONS FOR DECISION

- 3.1. The Council's Contracts Regulations require approval of a Director who has consulted with the Lead member/Leadership Team for authority to go to competition where procurements exceed the value of £181k.
- 3.2. The Council's Contracts Regulations require Lead Member or Leadership Team approval for contract awards that exceed the value of £181k or where there is a significant public interest.

4. BACKGROUND

- 4.1. The previous frameworks inherited from the TMO were considered a potential risk to delivering the outcomes needed for our purposes and have not been used beyond the middle of 2018. Since that time a number of procurements have been undertaken, some of which have been instigated by urgent need.
- 4.2. Housing Management Services wishes to present to residents a deliverable work programme for the foreseeable future.
- 4.3. Housing Management Services has a programme of work generated by information from its' asset database and ratified by stock condition surveys. Other work may be required subject to further stock condition surveys or emergency works. There needs to put in place contracts for the work required for the balance of the current and next financial years through to the end of March 2020 and subsequently framework agreements for work over the following five years. It is believed that placing work under our own framework arrangements represents a robust and efficient way of delivering the extensive work programmes that need to be delivered over the next several years.

5 DELIVERY PLAN

- 5.1 The delivery plan through to 2025 is supported by a Procurement Plan to allow work on the ground to be delivered. There are a mix of consultancy and construction contracts that need to be put in place and obviously a logical order for the placement of these.
- 5.2 Appendix A provides details of the capital contracts that it is intended to let or tender and let over the next few months to deliver the majority of the capital programme for financial year 2019/20. These contracts will be let competitively either through EU compliant third party frameworks or through OJEU and the Councils eportal. These will appear on the Forward Plan for key decisions.
- 5.3 While the contracts to be placed at Appendix A reflect the majority of the capital schemes, there is other work underway or to be ordered under existing contracts. These include six lifts, an initial contract for fire door sets and removal of cladding at Adair and Hazlewood.
- 5.4 In addition the major works moving forward will be through the development of the framework agreements that we intend to let for work for financial years 2020/2025 and these are in preparation and we anticipate awarding contracts by the end of the calendar year.

6 CONSULTATION AND COMMUNITY ENGAGEMENT

- 6.1 A Procurement Panel comprising residents representing both leaseholders and tenants has met monthly over the past six months and the strategies have been discussed at length. This has also been fed back to the Tenants Consultative committee.

7. HUMAN RESOURCES AND EQUALITIES IMPLICATIONS

- 7.1. There are no human resources or equalities implications.

8. LEGAL IMPLICATIONS

- 8.1. Public works contracts and service contracts with an estimated value over the thresholds set by the Public Contracts Regulations 2015 must be procured in accordance with those regulations. The council may run its own competitive tendering process in accordance with the regulations or use existing Third Party frameworks set up by other contracting authorities or thirdly it may create its own framework.
- 8.2. Where contracts are procured other than from a framework it is intended to use the appropriate JCT 2016 form with suitable amendments. Third Party frameworks will have been set up on the basis of particular contract forms

and it not open to the council to substantially deviate from the tendered contract used by the framework. If the council sets up its own framework it will be able to determine the contract terms and conditions for the call-off contracts made under the framework.

9. FINANCIAL, PROPERTY AND ANY OTHER RESOURCES IMPLICATIONS

9.1. At its meeting in February 2019, the Leadership Team approved the updated HRA Business Plan which set out the planned level of spending over the next seven years. The proposals in this report set out the procurement arrangements for various schemes which will need to be funded from within this overall provision.

10. COMMUNICATION TEAM

10.1. The Communications Team has no comments

Robyn Fairman, Executive Director for Grenfell
Local Government Act 1972 (as amended) – Background papers used in the preparation of this report
None.

Contact officer(s): Doug Goldring, Director of Housing Management

Formal clearance requirements for all key decision reports

Cleared by Finance (officer's initials)	SM
Cleared by Director of Legal Services (officer's initials)	AJ
Cleared by Communications & Community Engagement (officer's initials)	NT

Appendix A
Y1 Capital Investment Programme

	Property	Activity	Outcome		
1	Silchester Estate	Technical expert engaged to define where concrete repairs need to be undertaken	A specification produced that can be passed to a constructor to undertake work		
2	155 Notting Hill - Structural Repairs	Building Envelope	Structurally sound property		
3	Trellick	Technical expert to be engaged to produce a solution to the currently unsupported cyclone system heating upgrade required	Design and install a solution to the heating issue and prepare a specification to enable a tender for a replacement heating system to be installed		
4	Adair and Hazlewood	Install new cladding	A specification will be prepared that will define the replacement cladding. The installation of the replacement cladding will be tendered.		
5	Borough Wide	Wet Risers	Provision of wet risers as opposed to dry risers in certain blocks and in addition where we have a wet riser will result in increased water pressure.		
6	Borough Wide	Sprinklers	In consultation with residents we are preparing to install sprinklers in blocks over 10 stories		
7	Borough Wide	FRA Actions and Alarms	Installation of additional heat and smoke detectors in communal areas and homes		
8	Tor Court, St Marks, Gove, Moravian Place, 62 Elm Park Gardens	Boundary wall and structural repairs	To resolve structural issues		
9	Borough Wide	Fire Remediation Works	Currently out to tender to appoint contractors to action work arising from fire risk assessments		
10	Borough Wide	Supply and Install Fire Door Sets	A contract has been awarded to supply and install around 125 door sets. The Council is currently out to tender to seek a contractor to supply and install around a further 4500		
11	Borough Wide	Communal Lighting, Vertical Mains	A technical expert is to be appointed to look at requirements and specify which estates need work		
12	Walnut Tree Car Park	Investigations into resolving a leaking car park roof	A contract may be awarded to resolve ongoing problems with a roof		
13	Silchester Estate	Carry out concrete repairs	When the extent of the work has been specified a contractor will be engaged following a tender to undertake the work linked to 1		
14	Cremorne	Problems with communal heating and water/windows and roof	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems. A further technical expert(s) will be appointed to look at other aspects. This is complex to resolve as heating is integral to roof		
15	Tavistock Sheltered	Problems with communal heating system	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems.		
16	Treverton and Raymede	Problems with communal heating system	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems.		
17	Blechynden and Whitchurch	Problems with communal heating system	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems.		
18	Knights House	Problems with communal heating system	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems.		
19	Mulberry Close	Problems with communal heating and water and roof	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems. A further technical expert(s) will be appointed to look at other aspects.		
20	Worlds End	Problems with communal heating and water	A technical expert with expertise in district heating systems to be appointed to produce a specification. Works contract will follow that will repair or replace to provide working systems. A further technical expert(s) will be appointed to look at other aspects.		
21	Worlds End	CCTV and door entry system	Surveys being undertaken to produce a specification that can be tendered to installers of new systems		