



London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days after unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer.

Agenda Item No	Topic	Decision
----------------	-------	----------

Part A – Items considered in public

1	APOLOGIES FOR ABSENCE	An apology for absence was received on behalf of Deputy Mayor Bramble. NOTED
2	Urgent Business	There were no items of urgent business. NOTED
3	DECLARATIONS OF INTEREST - Members to declare as appropriate	There were no declarations of interests. NOTED
4	NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS	There were no representations received.
5	DEPUTATIONS/PETITIONS/QUES TIONS	There were none. NOTED
6	UNRESTRICTED MINUTES OF THE	RESOLVED

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
	PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 7 OCTOBER 2019	That the unrestricted minutes of the Cabinet Procurement Committee held on 7 October 2019 be signed as an accurate record of the proceedings.
7	CHRISTOPHER ADDISON HOUSE - CORPORATE ESTATE RATIONALISATION (CER) – REFURBISHMENT WORKS - KEY DECISION NO. FCR Q23	<p>RESOLVED</p> <ul style="list-style-type: none"> i. That approval be given to the awarding of Contract to Tenderer D for the Development (refurbishment, improvements and adaptations) of the Ground, First, Second & Third floors at Christopher Addison House – 72 Wilton Way, Hackney E8 1BJ at a cost of £3,624,963.02; ii. that approval be given to enter into a JCT standard building contract without quantities (SB XQ) 2016 edition including Hackney Council amendments and any other ancillary legal documentation relating thereto with Tenderer D for the development of Christopher Addison House – 72 Wilton Way of on such terms as shall be agreed by the Director of Legal and Governance; and iii. that the Director of Legal and Governance be authorised to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in the report and to enter into any other ancillary legal documentation as required. <p>RELATED DECISIONS</p> <p>Hackney Procurement Board (HPB) approved the business case to commence the procurement process for the Christopher Addison House development on the 12th February 2019 <i>eDOCS Ref 20997942</i></p> <p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>Key Decision – This key decision is an Executive decision which while resulting in the Council incurring expenditure, is the making of carefully and strategically planned savings and efficiencies which are significant, having regard to the Council’s budget for the services and functions to which the decisions relates.</p> <p>The report is presented as concise summary of how this project, and associated award of contract recommendation, is fundamentally deep-seated within the Accommodation Programme/Strategy and presents a case for a successful outcome which will derive and underpin a key performance target of the Strategic Financial Plan and Corporate Strategy.</p> <p>Outlined within the report are process that have been completed for procuring a principal contractor for the adaptation & improvement development at Christopher Addison House – 72 Wilton Way, Hackney E8 1BJ in the Hackney Central ward.</p> <p>As part of the CER strategic programme an initial Options Appraisal & Feasibility Study was undertaken which included capturing the current and future occupant’s teams & operational service requirements as well as condition/validation surveys of building fabric & environmental services. There also followed an extensive exercise of consultation and presentation to all key stakeholders to develop proposals for the site outlined below.</p> <p>In essence, decant “The Annexe” to enable it to be re-let and maintain an existing Council asset namely CAH, into a modern equipped facility and key located space for staff with optimum space utilisation. The project eliminates the need to remain in a building (The Annexe) which could otherwise be earning revenue/rent in support of the wider savings the Council is seeking to achieve.</p> <p>The Project Works & Objectives Consists of:-</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p><u>CAH Refurbishment Works</u></p> <ul style="list-style-type: none"> ○ Refurbishment, improvements and adaptations of the Ground, First, Second & Third floors at Christopher Addison House, Hackney. ○ Achieving increase occupancy capacity and space utilisation of CAH ○ Maintaining and enhancing a Core Campus LBH Property Assets <p><u>Relocation of services from the Annexe</u></p> <ul style="list-style-type: none"> ○ Facilitating the relocation of Corporate Business Support (CBS) and Post Franking Facility from the Annexe ground floor into CAH ○ Facilitating the relocation of Self Service (Payment) Centre (SSC) from the Annexe ground floor into CAH ○ Unlocking decant of the Annexe and maximising revenue generating opportunities, culminating in letting The Annexe. <p>CAH was built between 1993-94 with very little investment on maintenance and infrastructure being afforded to date. Many of the original mechanical and electrical services, as well as fabric, have out-seen their useful working life and are in a state of disrepair.</p> <p>If these works are not awarded then CAH will inevitably decline into an advanced state of disrepair and may reach a stage where it cannot efficiently meet statutory health and safety and Council operational requirements for public service.</p> <p>The refurbishment proposals for restacking CAH include investment in re-organising the office layout, furniture and an adaptation of existing mechanical and electrical infrastructure to allow</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>us to optimise space utilisation. Following the proposed refurbishment works, it is anticipated that the building will be able to accommodate circa 420 Council staff with new ways of working, a potential increase of circa 140. The refurbishment works will refresh the office environment and thereby boost staff morale and bring the building in line with the condition of other key campus buildings.</p> <p>To facilitate this increase in occupancy, the award of contract works in alignment with ICT to establish & implement the Councils recently improved ICT solutions support services to work more flexibly and achieve better utilisation of the building. An example of this is the new proposed Google Suite productivity tools that will provide a range of opportunities to work more flexibly when mobile, at home and in the office that has also been factored into the construction designs.</p> <p>The scope, design & specification of works have been formulated on the basis of known site conditions, measured surveys and contemporary works proposals within current market and construction/materials technologies. Officers have also taken into account recent L.B. Hackney projects of similar elements of works for evaluation within the CER programme such as the 136-142 Lwr Clapton Rd – Parking Services project.</p> <p>The Council will meet the full development costs of the scheme from the Capital Programme Review Panel process and act as Project Management for the Professional Services Team, Construction and Operational Logistics of decant/relocations within the Estates & Accommodation Team.</p> <p>The Council Legal Service – Senior Lawyer will assemble the contract which will be a Joint Contracts Tribunal JCT standard building contract without quantities (SB XQ) 2016 edition including Hackney Council amendments.</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>There is an opportunity to undertake essential renovation works to CAH utilising cost/programme benefits and efficiencies within the CER strategy, incorporating operationally disruptive & costly staff decant alongside the associated synergies of decanting/letting the Annexe. The strategy & planning within the CER Programme underpinning this decision also supports the Best Value duty to promote efficiencies within the Council, which standalone maintenance or upgrade works to CAH would not provide.</p> <p>The entire scheme and fundamental award of contract follows the underlying directives supporting Best Value, as an authority LB Hackney are continually moving to secure improvement in the way in which its functions are exercised. Accordingly the newly refurbished CAH building and letting of the Annexe will have regard to a combination of economy, efficiency and effectiveness.</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>Options providing a comparison, alongside the proposed adaptation, refurbishment and maintenance work required within the site of CAH 72 Wilton Way that did not involve major new build infrastructure and development are simply not available for consideration.</p> <p>The opportunity to develop a new build site, would be beyond the scope of the objectives and the viable budget allocation considered reasonable, within the Corporate Property long term Strategic Financial Plan or that of the CER directives.</p> <p>Letting CAH and retaining the Annexe was given due feasibility & viability analyses as well as deliberation by the Commercial Estates Team and found to be less lucrative in terms of income and market interest.</p> <p>The outline strategy for letting CAH would conversely also have incorporated the restacking</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>and increase in occupancy of The Annexe building which did not provide adequate floor space for the occupancy numbers and workstations required.</p> <p>In terms of the Procurement strategy, the use of Framework Agreements are considered to make procuring construction works simpler, faster and more robust while minimising the cost of local procurement in terms of resources and retaining the element of competition. Procuring a principal contractor using this procurement route was given considerable consideration and deliberation by the Project Management & Consultant Teams which ultimately proved to be not ideal as per the evaluations outlined in the following paragraphs:-</p> <p>A range of frameworks were considered to review the alternative framework agreement available to the London Borough of Hackney (LBH) with these key objectives:-</p> <p><u>Key Objectives</u></p> <ul style="list-style-type: none"> • <i>Selection of a contractor suitably experienced and competent in delivering a project of this nature.</i> • <i>Ensure the contractor is compliant with LBH internal governance and procurement guidelines.</i> • <i>Ensure that the contract is conversant with projects using Building Information Modelling (BIM) protocols.</i> <p>Whilst the value of the project falls below the OJEU threshold, LBH evaluated potentials within recognised framework contractors to take advantage of the pre-qualification and health checks against standard procurement standards.</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>The frameworks we have considered were:</p> <ol style="list-style-type: none"> 1. London Construction Programme (LCP) 2. PAGABO Major Works Framework 3. Southern Contractors Framework (SCF) Lot 3 4. Orbis Construction Framework Lot 1 5. South East Consortium (SEC) Frameworks 6. LPP - National Framework for Medium Value Construction Work <p>As previously specified the BIM component is a critical consideration for potential Contractors capabilities working with designs from project Architect & Engineers etc. within the 3D Model & BIM. It is necessary to have the skills, knowledge & experience be able to extract measurements and quantities from the BIM in order to tender for this project using accurate data. Once the project has been won it is equally important to be able to output the relevant information in a format that can then be used on site.</p> <p>Following investigation and evaluation in relation to the key criteria outlined in paragraph 5.2.8 and experience of working on BIM projects a significant number of the contractors on all the frameworks do not specifically state or demonstrate their ability to work in this specialist environment.</p> <p>As a general overview LCP appeared to consist of local general contractors operating in the London marketplace, however the list excludes a number of contractors that the Project Team, who hold extensive experience and knowledge of Contractors in this field are familiar with and are well versed in the refurbishment of office buildings and have undertaken a number of innovative projects in the private sector. Many of the final Tenderers were ultimately very experienced in the field of work and to use just LCP would have restricted our ability to appoint</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>the most suitable contractor for the project.</p> <p>The SCF is based entirely on a two-stage open book early contractor engagement tender process, which would not be the preferred procurement model for this project. We would recommend using a single stage tender process because the design team are taking the project right through to the end of RIBA Stage 3/4. This will result in a well-defined design and specification to allow us to seek competitive tenders for the project. A two-stage tendering process would be unnecessary, and introduce additional costs for the Pre-Construction Services Agreement (PCSA) that we would have to be entered into with the contractor. We would also not achieve cost certainty until the last package was let. We also have a satisfactory programme period of 8 to 10 weeks for the tender period which will allow us to tender the project in this way.</p> <p>An alternative procurement route, as the PM Teams evaluations have demonstrated in the preferred recommendations, proved to be outside of the frameworks as OJEU compliance is not essential. The tender list as outlined was eventually compiled through further research into BIM capabilities and selection of contractors that are known to be experienced and on Constructionline list to ensure compliance with all the requisite quality and skills.</p> <p>A fully detailed options appraisal for the chosen procurement approach was presented to and approved at Hackney Procurement Board in September 2018.</p>
8	Mental Health - Accommodation Based Housing Related Support - KEY DECISION NO. CACH Q29	<p>RESOLVED</p> <p>That approval be given to the awarding of the contracts for High (Lot 1) and Medium (Lot 2) Level Support for Mental Health Accommodation Based Housing Related Support Services to Bidder A (lots 1 & 2) with Lot 1 costing a total £3,474,582 and Lot 2 costing a total £1,473,582 over five years, and that the provision for lots 1 & 2 to cost a total amount of £4,948,164 for a period of five (5) years with an option to extend for a further</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
----------------	-------	----------

		<p>two (2) years (5 + 1 + 1 years), subject to ASC budget.</p> <p>RELATED DECISIONS</p> <p>Re-tendering Of Housing Related Support (To Include Floating And Accommodation Support) Contracts Key Decision No. Cach P9 http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105</p> <p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p> <p>The purpose of the service described in this report is to deliver an accommodation-based housing-related support scheme for people with high and medium level needs in relation to mental health and complex needs. This service will support and prepare people to address those issues that prevent them from experiencing social inclusion.</p> <p>Comprising two levels of support need, medium and high, the key deliverables can be summarised as:</p> <ul style="list-style-type: none"> • Increased independence • Learning independent living skills • Establishing social networks • Gaining training and employment • Improved health (Mental and Physical) • Prevention of homelessness <p>The service is for men and women who have a diagnosed mental illness, aged 18 years and over and are in housing need. The majority of service users will be on the mental health Care Programme Approach (CPA). Some may have a forensic (criminal) history and/or a dual</p>
--	--	--

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		<p>diagnosis of mental illness and substance misuse. Service users may be subject to Ministry of Justice requirements and/or Community Treatment Orders. The majority of service users accessing the high level service will typically come from inpatient services; the medium level support provision represents a 'step down' for people moving on from high level support or for people identified as requiring that level of support.</p> <p>Bidder A, have partnered with Provider D, who will deliver a proportion of the high support provision through a subcontracting relationship. Provider D will staff and manage their accommodation based service with Bidder A acting as the lead provider. This integrated contracting approach will improve the customer experience and their ability to navigate through the pathway. The high support service will comprise of three sites owned by Bidder A (23 units) alongside one site owned by Provider D (18 units), providing a total of 41 units of high support accommodation located across Hackney.</p> <p>A Heads of Terms for the subcontracting relationship has been agreed, more formal agreement covering referral and allocation arrangements, safeguarding, risk management, financial arrangements, performance monitoring, dispute resolution and a joint approach to contractual changes will be agreed between tender and implementation.</p> <p>The medium support service will be delivered by Bidder A through five sites delivering 33 units. This mix of accommodation types allows for the development of a clear pathway model with the ability to place individuals in the service most suited to their needs including wheelchair accessible and women only accommodation.</p> <p>Both the lead and the subcontracted provider, demonstrated how their organisational ethos' aligned and how they would build on existing relationships with Hackney services to deliver improved outcomes and wellbeing for service users. By implementing a service model that utilises a psychologically and trauma informed approach, the successful Providers will support</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
		service users to build on their strengths, achieve recovery and independence.
9	ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT	There were no items of unrestricted urgent business. NOTED
10	DATE OF FUTURE MEETINGS	Noted meetings of the Cabinet Procurement Committee for the remainder of the 2019/20 Municipal Year commencing at 6.00pm on: 13 January 2020 10 February 2020 11 March 2020 6 April 2020 11 May 2020 – new meeting
11	EXCLUSION OF THE PUBLIC AND PRESS - PART B ITEMS CONSIDERED IN PRIVATE	RESOLVED THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 12-15 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.
12	EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 7 OCTOBER 2019	RESOLVED That the exempt minutes of the Cabinet Procurement Committee held on 7 October 2019 be signed as an accurate record of the proceedings.
13	CHRISTOPHER ADDISON HOUSE -	RESOLVED

London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 2 December 2019

Agenda Item No	Topic	Decision
	CORPORATE ESTATE RATIONALISATION (CER) – REFURBISHMENT WORKS - KEY DECISION NO. FCR Q23	That exempt Appendices A-D in relation to agenda item 7 in the unrestricted part of the agenda be agreed and noted.
14	Mental Health - Accommodation Based Housing Related Support - KEY DECISION NO. CACH Q29	RESOLVED That exempt Appendix A in relation to agenda item 8 in the unrestricted part of the agenda be agreed and noted.
15	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT	There were no items of exempt urgent business. NOTED