



London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 13 January 2020

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
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Part A – Items considered in public

1	APOLOGIES FOR ABSENCE	An apology for absence was received on behalf of Councillor Selman. 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 interest. 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. NOTED
5	DEPUTATIONS/PETITIONS/QUESTIONS	There were no deputations, petitions or questions. NOTED
6	UNRESTRICTED MINUTES OF THE	RESOLVED

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	PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 2 DECEMBER 2019	That the unrestricted minutes of the Cabinet Procurement Committee held on 2 December 2019 be confirmed as an accurate record of the proceedings.
7	PUBLIC SPACE SURVEILLANCE AND OPTICAL FIBRE INSTALLATION AND MAINTENANCE CONTRACT - - KEY DECISION NO. NH Q37	<p>RESOLVED</p> <ul style="list-style-type: none"> i. That approval be given to the awarding of the Public Space Surveillance and optical fibre installation and maintenance contract to Supplier A as detailed in the exempt appendix to the report; and ii. that approval be given to a 3 year contract with the option to extend for a further 4 years in 2 yearly increments, with a maximum potential spend /contract value of £14.63m. <p>RELATED DECISIONS</p> <p>The Business case was approved at the CPC meeting on 12th November 2018 authorising the commencement of the procurement process for the provision of Public Space Surveillance and Optical fibre installation and maintenance.</p> <p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p> <p>The report was seeking approval to award to the Public Space Surveillance and optical fibre installation and maintenance contract to Supplier A.</p>

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		<p>The current contract for the Council’s Public Space Surveillance (PSS) & Optical Fibre Network installation and maintenance began on 1st April 2014 and ran for a 3 year period, with the option to extend for two further twelve month periods, which expired 31st March 2019. The contract was extended for a further one year to allow for the tender process, which would expire on 31st March 2020. This contract was also used by Property Services.</p> <p>The Civil Protection Service was now responsible for managing the Public Space Surveillance systems on Housing Estates. The current contract for Housing Estates began in October 2015 and operated for a 5 year period. There was a clause within the contract which enabled the client to end the contract <i>without prejudice</i> after 3 years. Thus, the Housing Estate contract ended in October 2018, the two services were carried out by the existing town centre public space surveillance contractor until the new contract commences. This enabled the existing two separate contracts to be combined into one contract to cover Housing and Town Centre PSS, enabling the council to benefit from economies of scale.</p> <p>The Council continued to ensure a network of cameras are there to aid Police and other agencies emergency response, deter criminals and aid conviction as well as offering reassurance to members of the public.</p> <p>The supplier selected from this tender process would be required to maintain and install the PSS and optical fibre network.</p> <p>A number of options were considered:</p>

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		<p>1. One contract package for all service areas;</p> <p>Comprehensive ‘insurance style’ contract where an annual fee is paid for a guaranteed level of service;</p> <p>Two separate contract packages for the two areas;</p> <p>Insourcing, and</p> <p>Existing framework contract.</p> <p>Option 1 above was the preferred option, giving maximum value for money to the Service areas, and maximising efficiency in managing the contract.</p> <p>Section 20 (s20) is a clause in the Landlord and Tenant Act 1985 (and as supplemented by the Common hold and Leasehold Reform Act 2002) intended to protect leaseholders from paying unnecessarily large sums for work carried out to their building. s20 is a notice to inform leaseholders that the Council intends to carry out work and will apply to all leaseholders who will be affected by the works and services of this contract.</p>

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		<p>Leaseholders were consulted in writing prior to the publishing the OJEU notice. Once the conditional contract award had been proposed, leaseholders would be consulted again, by issue of a 'Notice of Proposal'. If no representations were received the Council would then proceed to award the contract. After award, a s20 'Award of Contract Notice' would be issued informing leaseholders of the outcome of the procurement process.</p> <p>5.1.5. The contract will be a schedule of rates contract and works will be carried out within existing budgets.</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>The following options were considered:</p> <p>One contract package for all service areas. Comprehensive 'insurance style' contract where an annual fee is paid for a guaranteed level of service. Two separate contract packages for the two areas. Insourcing Existing framework contract.</p> <p>Option 1 - Is the preferred option, giving maximum value for money to the Service</p>

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		<p>areas, and maximising efficiency in managing the contract.</p> <p>Option 2 - Is considered too expensive and inflexible by the PSS Team. Due to the nature of the work we do we need to have the flexibility to order equipment and works that fits the operational requirement and probe the market for new technology that offers us the best value for money.</p> <p>Option 3 – The PSS Team have considered splitting the contract into two separate contracts, one for installation and one for maintenance. However, this option was rejected. The contracts were previously held by two separate contractors, in 2004. This presented engineering and technical challenges, which meant the council incurred an increase in costs and complexity. There will also be an increase in officer time involved in order to tender and manage the two separate contracts.</p> <p>Option 4 - Was considered not practical at this time by the Civil Protection Service. Full details of the review are available in the Business Case.</p> <p>Option 5 – There are no framework contracts available to be used.</p>
8	Extra Care Housing - Limetree Court and St. Peter's - KEY DECISION NO. CACH Q26	<p>RESOLVED</p> <p>That approval be given to the awarding of the contract for care services to Bidder B as detailed in the exempt appendix to the report, with financial provision to cost a total amount of</p>

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		<p>£2,128,501 for a period of three years.</p> <p>RELATED DECISIONS</p> <p>Due to the assessed risk of this contract the business case approval was sought from the Group Director and was not presented to Cabinet Procurement Committee.</p> <p>https://docs.google.com/document/d/1XWsf7SRYcT-sE6prfD2dL78zqska2RoK94WcY9QsM0o/edit?usp=sharing</p> <p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p> <p>In 2012/13, at the request of the London Borough of Hackney, Family Mosaic (now known as Peabody) were asked to apply for a capital grant of £4m from the (then) Homes and Communities Agency to redevelop two of their sites to create extra care services. The London Borough of Hackney then agreed to fund a further £300k capital directly to ensure the new service was designed specifically for residents with dementia and mental health issues. The capital funding was agreed by the London Borough of Hackney on the understanding that these services would assist in delaying or preventing the need for residential care and avoiding costs to health and social care services. This became the St Peter’s site. Separately, Hanover (now known as Anchor Hanover) had also developed Limetree Court as a purpose built scheme that presented an opportunity for extra-care provision in both buildings to be delivered by one care and support provider.</p> <p>A homecare agency from the Council’s framework contract has been delivering care and support at both schemes to date, on a short-term basis. In the medium-long term, staff from the in-house Housing with Care service will take on the provision, however this is not possible at present due to changes in the service resulting from the recent CQC Inspection. In the interim, an open tender was required in order for a homecare agency to provide care and</p>

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		<p>support across both settings on an ongoing basis.</p> <p>Extra Care Housing is housing designed with the needs of frailer, older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self contained homes, their own front doors and a legal right to occupy the property. This type of provision means that people can retain their independence longer, delaying and often completely avoiding the need for residential care. This model promotes the council's vision to promote independence and ensuring people are valued members of their community. This model also avoids higher cost placements in residential care.</p> <p>A detailed options appraisal for the procurement approach was set out in the Business Case for this service, which was approved by the group director and is reiterated in Section 8 of the report.</p> <p align="center">ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>The following options have been considered and rejected.</p> <table border="1"> <thead> <tr> <th align="center">Option</th> <th align="center">Advantages</th> <th align="center">Disadvantages</th> <th align="center">Rec</th> </tr> </thead> <tbody> <tr> <td align="center">i. Do nothing</td> <td>The contract had come to an end and a decision on future delivery needed to be made. Doing nothing was not a viable option.</td> <td></td> <td></td> </tr> <tr> <td align="center">ii. Open procure ment for</td> <td>Open procurement would allow the local authority to test the market, ensure a competitive</td> <td>Market forces can reduce prices in a way that does not always balanced adequately</td> <td align="center"><input type="checkbox"/></td> </tr> </tbody> </table>	Option	Advantages	Disadvantages	Rec	i. Do nothing	The contract had come to an end and a decision on future delivery needed to be made. Doing nothing was not a viable option.			ii. Open procure ment for	Open procurement would allow the local authority to test the market, ensure a competitive	Market forces can reduce prices in a way that does not always balanced adequately	<input type="checkbox"/>
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		<p>a single provider</p>	<p>hourly rate and also allow residents to take part in choosing who provides their care.</p> <p>Helps to shape and develop the market in line with the Council’s duty under the Care Act 2014, Section 5. This section of the Act sets out duties on local authorities to facilitate a diverse, sustainable high quality market for their whole local population.</p> <p>Allows for new and innovative organisations to access the local market for homecare provision.</p>	<p>by changes in quality.</p> <p>This option does not support the Mayor’s manifesto commitment “to review all outsourced services, including in adult social care, with a view to bringing them in-house as well as looking at new forms of employee ownership and co-ops where this is not possible.”</p>		
		<p>iii. Bringing service in-house</p>	<p>At the time the business case was being developed CQC evaluated the t Provider Services as inadequate and in order to fully commit to service improvement it was agreed that no further services would be</p>			

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9	Daubeney Road Mixed Tenure Housing – Main Contractor Award - KEY DECISION NO. NH Q34	<p>RESOLVED</p> <ul style="list-style-type: none"> i. That approval be given to the appointment of Bidder B as the preferred contractor for the construction of mixed tenure housing at Daubeney Road for the value set out in Exempt Appendix 3 of the report, plus a 5% client held contingency to be held by the Council for scheme variations during the construction period for the value set out in Exempt Appendix 3; ii. That authority be delegated to the Group Director, Neighbourhoods and Housing, to approve the appointment of a reserve bidder, Bidder E, should it not be possible to enter into a contract with the preferred Bidder, Bidder B. iii. That that approval be given to the entering into a JCT Intermediate Building Contract 2016, and any other ancillary legal documentation relating thereto, with Bidder B (or Bidder E subject to ii. above) for the construction of mixed tenure housing at Daubeney Road, on such terms as shall be agreed by the Director of Legal and Governance; and iv. 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. 				

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		<p>RELATED DECISIONS</p> <p>At its meeting of 29th February 2016 the Council’s Cabinet agreed the Housing Supply Programme.</p> <p>At its meeting on 18th July 2016 the Council’s Cabinet approved the Sales and Marketing Strategy, authorising the Director of Regeneration to implement the Sales and Marketing Framework in relation to shared ownership and outright sale disposals generated via both the Housing Supply (HSP) and Estate Regeneration (ERP) Programmes. Cabinet also authorised the Director of Strategic Property and the Director of Regeneration to dispose of leasehold and freehold interests in the shared ownership and outright sale homes developed or to be developed as part of those Programmes.</p> <p>At its meeting of 23rd May 2017, the Council’s Housing Development Board agreed to the addition of the Daubeney Road site to the HSP.</p> <p>Hackney Procurement Board (HPB) approved the business case for the Daubeney Road development on 12th June 2018.</p> <p>The Council’s Planning Sub-Committee resolved to grant planning approval for the Daubeney Road development on 4th July 2018, subject to the completion of a Unilateral Undertaking, which had since been authorised.</p> <p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p>

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		<p>This report outlines the process that has been followed in selecting a preferred bidder for the development of the Daubeney Road garages site, including demolition of the existing structures on site and associated enabling works.</p> <p>The Daubeney Road site forms part of the HSP. It is located in Lower Clapton and forms part of the Clapton Park Estate in the Kings Park ward.</p> <p>The development originally consisted of six social rent and five shared ownership homes. However, in order to ensure the project remains viable in relation to the tendered build costs, it was intended to adjust the tenure mix. The introduction of four outright sale homes would lead to a slight improvement in the viability of the project, from the budget position and the time of tendering, and this improvement would offset a construction price increase on another site within the same ward.</p> <p>The proposed new tenure mix is:</p> <ul style="list-style-type: none"> ● seven homes for social rent ● four homes for outright sale. <p>The above tenure change was due to be considered by Planning Sub-Committee on 8th January 2020, and the outcome was confirmed as agreed.</p> <p>In addition to 11 new homes the development would also provide:</p> <ul style="list-style-type: none"> ● a new pedestrian only through route connecting Daubeney Road and Redwald Road ● landscaping and public realm improvements.

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		<p>Outside of this procurement, but within the scope of the overall development project, the Council would be delivering a permanent community garden on Redwald Road on the Clapton Park Estate, to replace the temporary facility previously located on the development site.</p> <p>Also outside of this procurement, but within the overall project, a contribution of £20,000 would be made towards local greening initiatives (Daubeney Road parklet/Ten Times Greener project).</p> <p>It was proposed that the Council would enter into a JCT Intermediate Building Contract 2016 with the preferred bidder. The contract required the successful bidder to deliver an 11 home development and included the demolition of the existing structures on site and associated enabling works.</p> <p>The Daubeney Road development would contribute to delivering the Council's aspiration to make the best use of its land by building new social rented and affordable homes on a range of unused or under occupied sites across the borough. The outright sale homes delivered on the site would generate cross subsidy to help support the delivery of the social rented housing.</p> <p>The bids for the Daubeney Road development were evaluated against the forecasts contained within the financial model for the scheme and were considered with reference to the viability of the overall programme. The viability forecasts were prepared on the basis of independent cost and value information supplied by the Council's professional advisors, and subject to scrutiny and cross-checking against other comparable schemes within the programme by the Council's Corporate Finance team.</p> <p>The proposed contractor was selected via a restricted tender. This route was the</p>

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		<p>recommended method of procuring the proposed works as it gave a wide range of suitably qualified contractors the opportunity to express an interest in participating in the tender process by completing and submitting a Selection Questionnaire (SQ). Soft market testing demonstrated that this was an attractive procurement route for generating interest among small and medium sized contractors, increasing the probability of those shortlisted being selected as the preferred bidder.</p> <p>A preferred bidder has been selected using the award criteria and scoring methodology detailed in the Invitation to Tender (ITT) document that was issued to shortlisted tenderers.</p> <p>All tenderers submitted contract prices above the anticipated budget. It was intended that the project's viability would be maintained by adjusting the tenure mix to include an element of outright sale housing. (The full tender process was summarised in paragraph 8 within the report.)</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>The option to abandon the procurement process and begin a new process was considered. It was rejected due to the delay this would cause to the construction programme and the probability that continued build cost inflation would further increase the cost of tenders received in any future procurement exercise.</p> <p>Value engineering of the design was considered and rejected, as it was established that there were no further value engineering measures that would significantly reduce costs without compromising the design intent of the project. It was also assessed that any minimal cost savings achieved through value engineering would, in probability, be negated by continuing build cost inflation.</p>

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		<p>Consideration was given to awarding the contract without changing the tenure mix at Daubeney Road. However, this was not supported because delivering the Daubeney Road project without adjusting the tenure mix would reduce the viability of the HSP and therefore compromise the delivery of affordable homes on other schemes within the portfolio.</p>
10	ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT	<p>There were no items of unrestricted urgent business.</p> <p>NOTED</p>
11	DATE OF FUTURE MEETINGS	<p>The Chair advised that meeting scheduled for 6 April 2020 would be cancelled.</p> <p>Noted the following meetings of Cabinet Procurement Committee for the remainder of the Municipal Year 2019/20 commencing at 18.00hrs on:</p> <p>10 February 2020 11 March 2020 11 May 2020</p>
12	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>Part b– Items considered in PRIVATE</p>	<p>RESOLVED</p> <p>THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 13-16 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.</p>

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13	EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 2 DECEMBER 2019 - to follow	RESOLVED That the exempt minutes of the Cabinet Procurement Committee held on 2 December 2019 be confirmed as an accurate record of the proceedings.
14	PUBLIC SPACE SURVEILLANCE AND OPTICAL FIBRE INSTALLATION AND MAINTENANCE CONTRACT - KEY DECISION NO. NH Q37	RESOLVED That exempt Appendices 1&2 in relation to agenda item 7 in the unrestricted part of the agenda be agreed and noted.
15	Extra Care Housing - Limetree Court and St. Peter's - KEY DECISION NO. CACH Q26	RESOLVED That exempt Appendices A & B in relation to agenda item 8 in the unrestricted part of the agenda be agreed and noted.
16	Daubeney Road Mixed Tenure Housing – Main Contractor Award - KEY DECISION NO. NH Q34	RESOLVED That exempt Appendices 1 - 3 in relation to agenda item 9 in the unrestricted part of the agenda be agreed and noted.
17	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT	There were no items of exempt business to consider. NOTED