



C A B I N E T P R O C U R E M E N T A N D I N S O U R C I N G C O M M I T T E E

**Monday 17 January 2022
at 7.00 pm Council Chamber, Hackney
Town Hall, Mare Street, London E8 1EA**

The live stream can be viewed here:

https://youtu.be/Z1U_3MS7UQQ

Members of the Committee :

Cllr Robert Chapman - Chair, Cabinet Member for Finance; Cllr Anntoinette Bramble Deputy Mayor (Statutory) and Cabinet Member for Education, Young People and Children's Social Care; Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care and Leisure; Cllr Caroline Woodley, Cabinet Member for Families, Early Years and Play

Substitute Member: Mayor Phillip Glanville

Mark Carroll - Chief Executive

7 January 2022

Clifford Hart, Senior Governance Services Officer

Email: Clifford.hart@hackney.gov.uk

Hackney Council website: www.hackney.gov.uk

Cabinet Procurement and Insourcing Committee

Monday 17 January 2022

Agenda

1 APOLOGIES FOR ABSENCE

2 Urgent Business

The Chair will consider the admission of any late items of Urgent Business. Late items of Urgent Business will be considered under the agenda item where they appear. New items of unrestricted urgent business will be dealt with under Item XX below. New items of exempt urgent business will be dealt with at Item XX below.

3 DECLARATIONS OF INTEREST - Members to declare as appropriate

A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 8.1-15.2 of Section Two of Part 5 of the Constitution and Appendix A of the Members' Code of Conduct.

A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 8.1-15.2 of Section Two of Part 5 of the Constitution and Appendix A of the Members' Code of Conduct.

4 NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

On occasions part of the Cabinet Procurement Committee meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at Item , and :

No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet Procurement Committee meeting will be partly held in private for the reasons set out in this Agenda. Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at Item 12, and 13:

No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet Procurement Committee meeting will be partly held in private for the reasons set out in this Agenda.

5 DEPUTUATIONS/PETITIONS/QUESTIONS

- 6 CACH Q95 Mental Health Accommodation - Contract Award Report (Pages 13 - 32)**
- 7 FCR S046 Public Space Surveillance (PSS) Monitoring contract**
- 8 FCR S047 SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF PRIMARY CARE SURGERIES AT: LAND TO REAR OF 2-28 BELFAST ROAD, N16 THE PORTICO, 34 LINSKOTT ROAD, E5 CONTRACT APPROVAL (Pages 33 - 90)**
- 9 FCR S050 Variable Data Print reprourement**
- 10 NH S054 Procurement for General Building dedicated for ASMs; and Contract variation request on the existing contract sum for P201 General Building Works Contract 2**
- 11 FCR S053 Contract award report for appointing a new main contractor for the provision of statutory testing, inspection, repair & maintenance services (Corporate)**

12 ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

13 UNRESTRICTED MINUTES OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE HELD ON XXXX

14 DATE OF FUTURE MEETINGS

Meetings will be held at 5.00pm on:

14 FEBRUARY 2022

7 MARCH 2022

11 APRIL 2022

15 EXCLUSION OF THE PUBLIC AND PRESS

Note from the Governance Services Manager

Item(s) X & X allows for the consideration of exempt information in relation to items respectively.

Proposed resolution:

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items x-x 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.

16 EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON

To confirm the exempt minutes of the meeting of Cabinet Procurement Committee held on

17 FCR S047 SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF PRIMARY CARE SURGERIES AT: LAND TO REAR OF 2-28 BELFAST ROAD, N16 THE PORTICO, 34 LINSOTT ROAD, E5 CONTRACT APPROVAL - EXEMPT APPENDICES 1-2

18 FCR S046 Public Space Surveillance (PSS) Monitoring contract - EXEMPT APPENDICES A-E

19 FCR S050 Variable Data Print reprourement - EXEMPT APPENDIX A

20 FCR S053 Contract award report for appointing a new main contractor for the provision of statutory testing, inspection, repair & maintenance services (Corporate)

- | | | | |
|----|---|----------|---|
| 21 | NH S054 Procurement for General Building dedicated for ASMs; and Contract variation request on the existing contract sum for P2014 General Building Works | Contract | 2 |
| 22 | ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT | | |

Public Attendance

The Town Hall is not presently open to the general public, and there is limited capacity within the meeting rooms. However, the High Court has ruled that where meetings are required to be 'open to the public' or 'held in public' then members of the public are entitled to have access by way of physical attendance at the meeting. The Council will need to ensure that access by the public is in line with any Covid-19 restrictions that may be in force from time to time and also in line with public health advice.

Those members of the public who wish to observe a meeting are still encouraged to make use of the live-stream facility in the first instance. You can find the link on the agenda front sheet.

Members of the public who would ordinarily attend a meeting to ask a question, make a deputation or present a petition will be able to attend if they wish. They may also let the relevant committee support officer know that they would like the Chair of the meeting to ask the question, make the deputation or present the petition on their behalf (in line with current Constitutional arrangements).

In the case of the Planning Sub-Committee, those wishing to make representations at the meeting should attend in person where possible.

Regardless of why a member of the public wishes to attend a meeting, they will need to advise the relevant committee support officer of their intention in advance of the meeting date. You can find contact details for the committee support officer on the agenda front page. This is to support track and trace. The committee support officer will be able to confirm whether the proposed attendance can be accommodated with the room capacities that exist to ensure that the meeting is covid-secure.

As there will be a maximum capacity in each meeting room, priority will be given to those who are attending to participate in a meeting rather than observe.

Members of the public who are attending a meeting for a specific purpose, rather than general observation, are encouraged to leave the meeting at the end of the item for which they are present. This is particularly important in the case of the Planning Sub-Committee, as it may have a number of items on the agenda involving public representation.

Before attending the meeting

The public, staff and councillors are asked to review the information below as this is important in minimising the risk for everyone.

If you are experiencing covid symptoms, you should follow government guidance. Under no circumstances should you attend a meeting if you are experiencing covid symptoms.

Anyone experiencing symptoms of Coronavirus is eligible to book a swab test to find out if they have the virus. You can register for a test after checking your symptoms through the NHS website. If you do not have access to the internet, or have difficulty with the digital portals, you are able to call the 119 service to book a test.

If you're an essential worker and you are experiencing Coronavirus symptoms, you can apply for priority testing through GOV.UK by following the guidance for essential workers. You can also get tested through this route if you have symptoms of coronavirus and live with an essential worker.

Availability of home testing in the case of people with symptoms is limited, so please use testing centres where you can.

Even if you are not experiencing covid symptoms, you are requested to take an asymptomatic test (lateral flow test) in the 24 hours before attending the meeting.

You can do so by visiting any lateral flow test centre; details of the rapid testing sites in Hackney can be found [here](#). Alternatively, you can obtain home testing kits from pharmacies or order them [here](#).

You must not attend a lateral flow test site if you have Coronavirus symptoms; rather you must book a test appointment at your nearest walk-through or drive-through centre.

Lateral flow tests take around 30 minutes to deliver a result, so please factor the time it will take to administer the test and then wait for the result when deciding when to take the test.

If your lateral flow test returns a positive result then you must follow Government guidance; self-isolate and make arrangements for a PCR test. Under no circumstances should you attend the meeting.

Attending the Town Hall for meetings

To make our buildings Covid-safe, it is very important that you observe the rules and guidance on social distancing, one-way systems, hand washing, and the wearing of masks (unless you are exempt from doing so). You must follow all the signage and measures that have been put in place. They are there to keep you and others safe.

To minimise risk, we ask that Councillors arrive fifteen minutes before the meeting starts and leave the meeting room immediately after the meeting has concluded. The public will be invited into the room five minutes before the meeting starts.

Members of the public will be permitted to enter the building via the front entrance of the Town Hall no earlier than ten minutes before the meeting is scheduled to start. They will be required to sign in and have their temperature checked as they enter the building. Security will direct them to the Chamber or Committee Room as appropriate.

Seats will be allocated, and people must remain in the seat that has been allocated to them.

Refreshments will not be provided, so it is recommended that you bring a bottle of water with you.

RIGHTS OF PRESS AND PUBLIC TO REPORT ON MEETINGS

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the person reporting or providing the commentary is present at the meeting.

Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting.

Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting. The press and public are not permitted to use any means which might enable them to see or hear the

proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to all Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- Director of Legal and Governance Services
- the Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

You will have a disclosable pecuniary interest in a matter if it:

- i. relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- ii. relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- iii. affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

If you have a disclosable pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- ii. You must leave the meeting when the item in which you have an interest is being discussed. You cannot stay in the meeting whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- iii. If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the meeting and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the meeting, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the meeting unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the meeting whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the meeting. Once you have finished making your representation, you must leave the meeting whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Dawn Carter-McDonald, Director for Legal & Governance Services via email dawn.carter-mcdonald@hackney.gov.uk



AGENDA ITEM 6

DRAFT UNRESTRICTED MINUTES OF CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY 6 DECEMBER 2021

Chair	Cllr Anntoinette Bramble, Deputy Mayor (Statutory) and Cabinet Member for Education, Young People and Children's Social Care
Councillors Present:	Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care and Leisure Cllr Caroline Woodley, Cabinet Member for Families, Early Years and Play
Apologies	Cllr Robert Chapman, Cabinet Member for Finance
Officers in Attendance	Rotimi Ajilore, Head of Procurement Jessica Feeney, Governance Services Officer

Remote attendees

Candace Bloomfield, Directorate Procurement
Manager
Andrew Cunningham, Head of Streetscene
Merle Ferguson, Procurement Strategy and
Systems Lead
Ron Greenwood, Project Manager Estate
Regeneration
Marta Kolinska, Procurement Category Manager
Cate McLaurin, Head of Delivery
Jade Mercieca, Strategic Procurement Manager
(Interim)
Michael Pegram, Head of Insurance
Patrick Rodger, Senior Lawyer
Georgia Tuitt-Avison, Placements Assistant
Maria Zazovckaya, Resource Manager

The meeting was live-streamed here:

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Chapman, in his absence members elected Councillor Bramble as chair of the meeting.

2. DECLARATIONS OF INTEREST - Members to declare as appropriate

There were no declarations of Interest.

3. URGENT BUSINESS

There were no items of urgent business.

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. TO CONSIDER ANY DEPUTATIONS, QUESTIONS OR PETITIONS REFERRED TO THE CABINET BY THE COUNCIL'S MONITORING OFFICER

There were none received.

6. Unrestricted Minutes of the previous meeting of Cabinet Procurement & Insourcing Committee held on 8 November 2021.

RESOLVED:

That the unrestricted minutes of the Cabinet Procurement & Insourcing Committee held on 8 November 2021 were approved.

7. CE S042 Contract Award: Young People's Supported Accommodation Pathway

7.1 Maria Zazovckaya, Resource Manager introduced the report to the committee highlighting the following points:

- The report proposed the procurement of several contracts to form a brand new pathway of supported accommodation for Hackney Looked After Children, Care Leavers and Homeless Young People.
- Members were informed that in-sourcing this service was not deemed viable during the options appraisal process.
- The estimated annual contract value was £1.18million, and £8.28 million over the life of contract for 88 places for young people. The start date for the contract would be 1 April 2022.

7.2 Councillor Kennedy questioned why the age range had been amended from age 25 to age 21. Maria advised that the services were being commissioned by the Children's and Family Service, the age range was amended to be inline with the statutory offer for care leavers. Members were informed that post 2021 there

would be no statutory duty to provide care leavers between the ages 21 and 25 with supported accommodation. However those between ages 21 and 25 would still be supported through personal advisors in the leaving care services or through various supported accommodation pathways via the green house.

- 7.3 Councillor Kennedy highlighted a discrepancy within the report regarding the number of places available for young parents. Maria Zazovskaya, Resource Manager explained that there were currently two young parent services detailed within the report, the 8 places available at the moment referred to the Lot that was not procured, which the service was committed to finding a solution for and required for the future. The other 7 places referred to a young parents service that was currently not working for young parents, after the contract award expires the service will be having further conversations with the provider to discuss the use of the building. Those young people who would have used this service will be supported by Housing and Social Care Services.
- 7.4 In response to Councillor Bramble's comments, Maria Zazovskaya advised that she would like to assure everyone that the team were committed to delivering a significantly better service. The service has given clear instructions to bring all accommodations to the same standards, comments have been taken on board regarding the room furnishing and ideal services available including key workers.

RESOLVED:

That the Cabinet Procurement and Insourcing Committee:

- I. **Agreed to award to Provider F for Lot 2 , Provider G for Lot 3 and Lot 5, and Provider B for Lot 5. The term of contract will be 5 years with an option to extend for a further 2 years (5 +1 +1 years). The estimated annual contract value is £1.18million, and £8.28 million over the life of the contract for 88 places for young people. The start date for the contract will be 1 April 2022.**
- II. **Agreed to extend the existing service contracts for a further period of 2 months to 31/03/2022 to allow for a smooth transition to the new contractual arrangements**

REASONS FOR DECISION

This report provides the Cabinet Procurement and Insourcing Committee (CPIC) with the outcome of the procurement of a new supported accommodation pathway for Looked after Children, Care Leavers, Vulnerable Young Parents and Single Homeless Young People in Hackney.

Following the approval of the contract award, officers will proceed with the Implementation of the new contract to commence operation by 1 April 2022.

The two current contracts for the provision of Children and Young People's Accommodation Based Services are coming to an end in January 2022. This gave us an opportunity to redesign the current accommodation pathway and undertake a competitive procurement process. The redesign has allowed us to align our spot purchase arrangements which currently fall outside of these two contracts. This is also an opportunity to increase the size of the contract to support the Council in meeting its sufficiency strategy and in managing the

overspend in this area.

The new contract will have 3 providers, delivering 3 Lots and providing 88 spaces for young people. This includes 36 new places of affordable accommodation for young people who are working located in Hackney and neighbouring boroughs.

The provider will work with the Hackney Children's Services management team to ensure that the quality of the service being delivered remains high and that all young people are supported to develop independent living skills and realise their ambitions, whether that be through education, employment or training.

There are no TUPE concerns with this contract award as the incumbent providers have been awarded the contract.

8. NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework

- 8.1 Andrew Cunningham, Head of Streetscene introduced the report explaining that the Council had a duty to maintain its Arboricultural resource within Hackney for which it is responsible, mainly in parks, on the public highways and on housing land. This report sought approval to support the contractual engagement of Bidder 1,2,3 and 4 (named in Appendix 1) for the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract. The contract would run for a period of four years 2022-2026. The Committee was asked to note that some areas of responsibilities and elements of arboricultural operations were likely to be insourced within 18 - 24 months and will only proceed if it is considered viable.
- 8.2 In response to Councillor Bramble's questions Andrew Cunningham shared that in terms of sustainability there were a number of commitments such as the equipment used being electrical rather than petrol and diesel, also materials for jobs being recyclable and any branches taken of trees being wood chipped and used in other areas of the borough. Andrew Cunningham advised that there were key performance indicators (KPI's) included within the reports at section 16.2.
- 8.3 Andrew Cunningham addressed Councillor Woodley's question by explaining that there was further information within the exempt appendix on how the insourcing would be undertaken, this included looking at the lower level work that would not require individuals going up to trees, meaning the work could be carried out by those who were not highly specialised.
- 8.4 It was requested by Councillor Kennedy that the wording was tidied up in the recommendation.

RESOLVED:

- I. **That Cabinet Procurement and Insourcing Committee approved the award of the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to 4 bidders (listed in Appendix 1), for a period of 4 years from 1st February 2022 to 31 January 2026.**

- II. The Cabinet Procurement Committee noted that whilst the report sought approval to contract out the arboricultural services that, as part of a phased insourcing programme, some areas of responsibilities and elements of arboricultural operations are likely to be insourced within 18 - 24 months and will only proceed if it is considered viable. Further information is contained Exempt Appendix 1 Insourcing Feasibility Study for Arboricultural Services 2021**

REASONS FOR DECISION:

The Council has a statutory obligation under the Highways Act 1980 (s41) to maintain the public highway and that includes all arboricultural assets. Further as the owner and manager of trees on all Council land, the London Borough of Hackney has a legal duty of care under Occupiers Liability Act 1985 to protect people and property from foreseeable hazards caused by the tree's failure. This would not be possible without the support and assistance of specialist tree contractors or in-house service providers.

In 2015, the Council awarded the contract for the Arboricultural Maintenance Framework to 3 providers. The contract was extended for a three year period by a single tender action process to the end of February 2022 to facilitate the completion of this procurement process and to ensure business continuity.

The previous procurement model of delivering the Arboricultural Maintenance boroughwide was achieved through a framework contract in 2015 resulting in three different contractors being appointed at that time. This was an opportunity to engage small and medium sized contractors in the procurement process and encourage greater competitiveness in each area of work. This framework contract of several contract providers has worked extremely well and had the end result of greater flexibility, better value for money, improved quality standards and services delivery. Notwithstanding the benefits of this greater flexibility, the benefits of giving small, medium enterprises (SME's) the ability to tender for the works is seen as being equally important and for this reason the proposal to group all the works into one large contract or single provider has been resisted.

Early consultations with service providers, and discussions with other local authorities, the Head of Service (Streetscene) and Group Engineer (Highways) and Procurement agreed that the current method with 4 providers of a framework contract is a viable solution to deliver arboricultural services. Consideration is also being given to insourcing the responsive service although this is likely to be in 18 - 24 months from the commencement of the new contract if it is considered to be a suitable method to deliver part of the arboricultural services.

Hackney Council annually delivers a vast range of arboricultural services to its local community of people who live, work and spend their leisure time in the borough. Trees are an integral part of the urban environment. They improve local areas ecologically, sustain communities, socially, economically and physically most importantly they benefit human health. Trees absorb and filter pollution to improve air quality, improve urban biodiversity, create shade on hot days, act as mitigation measures for interception in flash flooding and attenuation of the rainfall. It is important, however, to choose the right species

of tree; in the right places which will provide the best eco-services and ensure that we are providing diversity to ensure we have the resilience for pests and diseases and continued changing climate.

Hackney Council aspires to increase its tree canopy coverage of the Council owned public realm in the borough (public highways, parks, other green spaces and housing estates) from its current level of 23% (GLA figures the London Urban Plan). This will bring Hackney in line with the Mayor of London's commitment on trees in London by 2050. The planting of 5,000 new street trees by 2022 increasing the street canopy from 20% to 30% will be the single largest investment in trees in the history of the borough. We expect this to be funded from a variety of sources internally and governmental grants but also looking at innovative ways of funding particularly crowdsourcing, developer contributions, sponsorship, and pursuing avenues of green carbon credits.

The arboricultural resource on public highways in parks is maintained at public expense and is an important part of the integrated transport network that supports the local economy and sustainable growth. It is a high priority of the Council to maintain and improve the arboricultural resource in order to enable safe and expeditious movement of its users throughout the Borough. This would not be possible without the support and assistance of specialist arboricultural related works contractors.

Many local authorities have a range of contracts from a single supplier in use or a framework with multiple suppliers. Frameworks with different methods of call off for works which are fixed priced Schedule of Rates to packages of works which are individually bid on a mini tender basis.

The contract will utilise the existing capital and revenue budgets during the life of the contract. The recommended framework contract with multiple suppliers will operate on a 'call off' basis with a fixed schedule of rates for operations with no guarantee of work volumes. This gives flexibility to ensure that programmes can be met from within existing and future budget allocations. The Specification and Schedule of Rates has been prepared in accordance with industry standards of works and operations. The contract schedule of rates that are priced by the contractor are used in delivering all tree related operations on the public highway, parks and open spaces and housing site as well as other service areas for the borough which this framework can be utilised for. The type of tree operation will determine which items are used from the schedule of rates. The contract rates can also be used by other departments within the Council for their infrastructure related projects.

The total value of the framework contract will ultimately be determined by the available capital and revenue budgets during the life of the contract. The estimated value of the framework contract is approximately £3.5m over the full term. The annual spend in recent years has been:

- 2015/16 - £625,000
- 2016/17 - £657,000
- 2017/18 - £677,000
- 2018/19 - £695,000
- 2019/20 - £698,500

There is the option for other service areas within the Council to use the Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework where there is an urgent requirement for works to be undertaken or to benchmark prices that they have received for similar projects.

This procurement has been carried out in accordance with the process approved by the Hackney Procurement Board (HPB) in the Streetscene Arboricultural Framework Contract detailed Business case (approved 14th July 2020).

The Business Case approved the procurement strategy for the re-tender of an arboricultural framework contract with 4 service providers for a period of 4 years (2022-2026) to be advertised via Find a Tender, in compliance with UK legislation.

The decision to undertake a Restricted (two-stage) tender was selected as the preferred procurement route as it provided the pre-qualification of bidders so reducing the number of bidders invited to tender to those suitably qualified and to make the tender more attractive.

In line with the Public Contract Regulations (PCR) 2015 and Council's Contract Standing Orders (CSOs), the contract was advertised on Contracts Finder, London Tenders Portal, Hackney Council's webpage, and in Find a Tender to ensure that we achieved the procurement principles of transparency, fairness and competition by offering the opportunity to the largest number of bidders as possible. The tender submissions have each been evaluated based on 30% quality and 70% price.

9. FCR S033 Provision of Insurance Services for Leasehold Right to Buy Property (exclude provision of insurance broker service)

- 9.1 Michael Pegram, Head of Insurance introduced the report explaining that the report outlined the results of the re-tendering of the Council's Leasehold Buildings Insurance contract following a procurement exercise undertaken during September & October 2021. The existing insurance contract is due to expire on 31 March 2022 following the incumbent suppliers sudden withdrawal from the UK market.
- 9.2 In response to Councillor Bramble's question in relation to the social value benefit of the provision, Michael Pegram explained that the service had found it challenging to be able to engage with the insurers. However work had been carried out with the three providers, and the Councils contracted Broker named Marsh to continue the dialogue, the intention was to work with the awarded supplier through the immobilisation period and to continue to support the placements such as Hackney 100 and work experience.
- 9.3 Councillor Kennedy asked if the Leaseholders were able to have sight of the redacted form of the tenders. Michael Pegram explained that they would not have seen the tender responses themselves as they included sensitive information.

RESOLVED:

Cabinet Procurement and Insourcing Committee is recommended to:

- I. Noted the procurement process used for the procurement of leasehold buildings insurance.**
- II. Agreed the award of the leasehold buildings insurance contract to Insurer A for a period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.**

REASONS FOR DECISION:

The Council has a legal requirement to procure and maintain a contract of insurance for both its own and leaseholders' interest in leasehold property acquired under the Right To Buy or similar legislation.

As part of our standard terms of lease the lessor (the Council) has a duty to arrange building insurance for the block, including the demised premises.

The current insurance contract was last tendered in 2020 and the appointed Insurer agreed to a 5 year (including a two year optional extension) contract, renewable annually. However, in August 2021 the Council was informed that the contracted insurer was withdrawing from the UK market and that terms would not be offered after 31 March 2022.

Having sufficient insurance cover is a risk management control for the Council without which it would have to meet the cost of any claims and would effectively be in breach of its lease obligations as a landlord.

The full premium is recharged to leaseholders via the existing service charge process managed by Hackney Housing. Purchasing the insurance via a market exercise ensures that the Council can demonstrate that it is seeking to procure the policy on the best available terms.

Terms have been sought on cover no less comprehensive than those currently in place. Where it was felt appropriate, based on the claims experience and observations from stakeholders, improvements to the cover provided were requested.

10. NH R53 Selection Of A Build Contractor For The Construction Of Mixed Tenure Housing At Kings Crescent Phases 3&4

- 10.1 Ron Greenwood, Project Manager Estate Regeneration introduced the report to the committee.
- 10.2 The Committee was informed that the Estate Regeneration Programme was based on the delivery of mixed tenure developments. Based on current market conditions the Programme was forecasted to be self-funding, but each individual scheme was subject to robust financial viability testing. This report sought authority to enter into contract with a preferred contractor to undertake the main works for Kings Crescent Phases 3&4, which would complete the estate regeneration by the provision of 28 homes for social rent,

75 homes for shared ownership and 116 homes for private sale, along with a community facility, commercial and workspace unit, the external refurbishment of 174 existing homes, and associated public realm and landscaping works.

- 10.3 In line with the provisions of the Contract Standing Orders, the award of contract was presented to the Cabinet Procurement and Insourcing Committee (CPIC) for consideration and approval. The recommendation was made on the basis of both cost and quality.
- 10.4 Councillor Bramble welcomed the report and thanked Ron Greenwood and his colleagues for their work on this report. It was questioned how the development would comply with the energy strategy and be Net Zero by 2040 and how this would be delivered. Ron Greenwood explained that the service was complying with the planning policy consented by the Council and GLA which included carbon off-set payments and this was being sought as the requirement to achieve the energy and sustainability strategy.
- 10.5 Councillor Woodley asked for assurances regarding the timetable for next summer within 9.1.5. Ron Greenwood advised that the service was making every effort to adhere to the programme.

RESOLVED:

Cabinet Procurement and Insourcing Committee :

- I. **Awarded the main works contract to Bidder A as the preferred contractor for Kings Crescent Phases 3&4, for the value as set out in Exempt Appendix 1, subject to the completion of the Section 20 leaseholder consultation process.**
- II. **Subject to the completion of the process in paragraph 3.1, agreed to enter into a JCT Design and Build contract 2016 and other ancillary legal documentation relating thereto for the main works at Kings Crescent Phases 3&4 under terms as shall be agreed by the Director of Legal and Governance Services, and authorise the Director of Legal and Governance Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report.**

REASONS FOR DECISION:

This report outlines the process for procuring a main contractor using a Competitive Procedure with Negotiation procurement route, and entering into a single stage design and build contract for Kings Crescent Phases 3&4. The Council wishes to continue the phased development of Kings Crescent as an exemplary housing, community and commercial scheme and to procure a main contractor to deliver the project. The contractor will be appointed to take the project forward from RIBA stage 3+.

The parcel of land to be developed at the Kings Crescent site has been cleared since the last demolition in 2013. The development of the site

represents an opportunity to complete the regeneration of Kings Crescent which, apart from the introduction of new-build mixed tenure homes, also provides for refurbishment of existing blocks, improved amenity space, public realm improvements, replacement community space, new commercial space and new office/workspace.

Kings Crescent Phases 3&4 comprises the following:

- 116 outright sale homes
- 75 shared ownership homes
- 28 social rent homes
- Refurbishment works to existing blocks (174 homes)
- A new community facility
- 480m² of retail commercial space
- 500m² of office/workspace
- Associated public realm and landscape works including improved facilities for play and recreation.

In addition to the works described in 5.1.3 the Council has incorporated a general repairs, maintenance and component renewal to the package of works in line with the provisions of the Housing Asset Management Strategy. This includes external works, works to communal areas and works to specialist mechanical and electrical services as identified by condition surveys, to be undertaken prior to works commencing. The budget for this work, allowed for in the Housing Asset Management Strategy, will be apportioned to this Regeneration scheme. This ensures a joined-up approach to capital investment, reduces overall disruption to residents and should offer better value for money compared to undertaking works separately.

Bidders were required to offer a single contract price for building out the whole of the scheme. A period of negotiation, based upon prescribed criteria defined by Hackney Council, has been built into the procurement process. The form of contract to be used will be a JCT Design and Build Contract with Hackney Council amendments.

A construction cost plan was prepared for the Council by its Quantity Surveyor, setting out the estimated costs of construction. Please refer to Exempt Appendix 1.

The estimated costs were based on RIBA Stage 3 (planning application stage) proposals. A pre-tender stage estimate was based on developed designs (Stage 3+) and issued in September 2019. The tendered construction costs are set out in the Tender Report: Exempt Appendix 1.

The cost of the scheme will be funded from sales receipts of the outright sale properties, the first tranche equity sales of the shared ownership properties, and GLA funding, as well as the future rental income from the social rented and shared ownership properties. In line with the Programme's portfolio approach, the projected scheme surplus will be used to cross-subsidise the Programme.

It is recommended that the Council will act as developer for the outright sale and shared ownership homes, marketing and disposing of them in line with the Council's approved Sales and Marketing Framework.

With 116 outright sale properties currently valued at £68m, this exposes the scheme, Programme and the HRA to an increased financial risk. In addition, the 75 shared ownership homes are currently valued at £43m, with forecast first tranche equity sales of £11m. To spread this sales risk it is intended to phase the release of the outright sale units.

A market review and marketing strategy will be produced for each sales phase, with authority to proceed to market properties delegated to the Group Director of the Chief Executive's Directorate and Group Director of Finance and Corporate Resources.

At current market values only a proportion of the outright sale homes would be eligible for buyers under the Government's Help to Buy Shared Equity scheme. This scheme has been significantly beneficial to sales progress with recent schemes and therefore is a consideration. Furthermore, it is not known at present whether the Government will continue funding Help to Buy after 2023.

Should sales not achieve the forecast values, or in the case of reservations being slower than expected, alternative strategies (as set out in the Risk Section below and which are not included in the current Sales and Marketing Framework) will need to be considered to maintain the viability of the scheme, Programme and HRA, some of which may require Cabinet approval.

9. Any Other Unrestricted Business the Chair Considers To Be Urgent

There was no other urgent business to consider.

10.Dates Of Future Meetings

CPIC noted the dates of future meetings.

2022

17 January
14 February
7 March
11 April

11.Exclusion Of The Public & Press

The Committee agreed that no further consideration was required in respect to the exempt appendices.

End of Meeting

Duration of the meeting: 5pm - 5.55pm

Contact:

Jessica Feeney - Governance Services Officer
jessica.feeney@hackney.gov.uk

AGENDA ITEM 7

Title of report: Mental Health Accommodation Based Support service CONTRACT APPROVAL Key Decision No. CACH Q95	
CABINET PROCUREMENT & INSOURCING COMMITTEE MEETING DATE (2021/22) 17 January 2022	CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.
WARD(S) AFFECTED All	
CABINET MEMBER Cllr Christopher Kennedy - Health, Adult Social Care and Leisure	
KEY DECISION Yes REASON Affects two or more wards Spending/or saving	
GROUP DIRECTOR Helen Woodland, Group Director Adults, Health & Integration	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 As agreed by the Committee in September 2018, the procurement of an Orthodox Jewish Mental Health supported living service would be awarded through a direct negotiation process. The service will support adults from Hackney's Orthodox Jewish community who have a serious mental illness and may include other complex needs such as offending behaviour, substance misuse or personality disorders. The aim of the service is to achieve recovery, social inclusion and live independently. The services are provided by Agudas Israel Housing Association (AIHA).
- 1.2 Direct negotiations have been ongoing since the contract ended in December 2019. Finding a satisfactory solution for all stakeholders proved to be a challenge. This was in part due to the previous arrangement whereby The London Borough of Hackney was paying for some non Hackney residents. More recently the commissioner began meeting with the new Chief Executive of AIHA and her team. An agreement has now been reached which we set out below. We believe this new agreement is sustainable and fair for all parties and secures the provision for local residents.
- 1.3 The options contained in this report are designed to deliver person-centred and recovery focused support. Arranged over two sites located in Hackney, up to six men will receive medium level support, whilst high level support will be delivered to up to nine women.
- 1.4 Provision of these services should delay or prevent people escalating to require higher level care and support or hospitalisation. This enables the Local Authority to discharge its duty under the Care Act 2014 to provide preventative services and increase the wellbeing of residents.
- 1.5 This will also deliver on the Mayoral commitment to promoting independence in adult social care and delivering high quality services to those who need support.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. This report seeks approval to award contracts for a Supported Living service in the London Borough of Hackney.
- 2.2. The service delivers accommodation based support to people with mental health needs specifically from the Jewish community. The direct negotiation process has ensured that the service will increase the quality of life and help people re-engage in their local communities.
- 2.3. The contract is due to commence February 2022 and will be delivered for two years.

3. RECOMMENDATION

Cabinet Procurement and Insourcing Committee (CPIC) is recommended to award Agudas Israel Housing Association (AIHA) a contract to deliver the Orthodox Jewish mental health accommodation based support service for a term of two years. This follows a direct negotiation as approved by the CPC in September 2018.

4. RELATED DECISIONS

- 4.1. CACH P9 Re-tendering of Housing Related Support Contract.

5. REASONS FOR DECISION/OPTIONS APPRAISAL

- 5.1 The report seeks to gain approval for the award of a contract following a direct negotiation process which was approved by the Cabinet Procurement Committee in September 2018.

- 5.2 This award is in relation to Key Decision CACH P9, Recommendation 2:

‘Agree to the competitive procurement, with multiple lots, for a mental health accommodation based housing related support pathway. The term of contract will be 5 years with an option to extend for a further 2 years (5 +1 +1 years). The annual contract value is £1.2m; equivalent to a total contract value of £8.4m with some additional East London Foundation Trust (ELFT) funding, the value of which is to be confirmed. This will include direct negotiation of a contract for mental health accommodation based housing related support specifically for the Orthodox Jewish community. On completion of the negotiation, a Single Tender Action will be submitted to the Cabinet Procurement Committee for approval’.

- 5.3 The service will provide culturally specific housing related support to people from the Orthodox Jewish community and who have been referred by the mental health housing panel.

- 5.4 The service will be flexible and responsive to the multiple needs of service users with diagnosed mental health problem and some of who may also:
- have very chaotic lifestyles, including those displaying anti-social behaviour
 - people at risk of offending
 - people with substance misuse issues who may or may not be engaging with substance misuse services
 - people with such needs may occasionally engage in illegal activity and the service is expected to work with the police and probation to explore enforcement options where appropriate

5.5 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

The procurement options considered and rejected at Business Case stage were:

- 5.5.1 Do nothing. Contracts ended 31 December 2019 and CPC stated that no further contract extensions would be agreed. Therefore this was not an option. During direct negotiations the provider continued to be paid on the previously agreed terms.
- 5.5.2 Outsourcing via Open procurement: This was the recommended option for mainstream Mental Health accommodation based support. However, it was not recommended for the Orthodox Jewish element of the provision due to the specific cultural needs of the target community and the limited alternative providers.
- 5.5.3 Insourcing. The Council does not have the property available so would need to seek relationships with landlords in order to meet the outcomes needed for this work. During market testing landlords fed back their unwillingness to lease property directly to the Council as most also provide support services so it would not be financially viable or in their interests for them to support this.
- 5.5.4 Outsourcing via direct negotiation was the chosen option. For the Orthodox Jewish communities, where support needs to be specific and tailored, mainstream organisations are less skilled in delivering this type of service.
- 5.5.5 Direct negotiation with the current provider was therefore recommended. The recommendations in this report should be considered in the context of the following:
 - Hackney has a significant Orthodox Jewish population in the North East of the borough, in 4 of the wards in particular: Springfield, New River, Lordship and Cazenove. The census from 2011 indicates a Jewish population of approximately 7%. This population has specific cultural and religious needs that can only be met by AIHA and a very small number of other providers.
 - AIHA, the provider is well established within the local community as an accommodation based support provider from the Orthodox Jewish community.
 - The provider has experience in supporting people with mental ill health. However it does not tend to move people on to independent living through the wider pathway. This gap means that residents sometimes remain in the service for very long periods of up to 20 years.
 - AIHA has developed its own unique model of provision which is a mix of care and support and is different from that which Hackney wishes to commission.

- The provider has historically taken residents from outside of the borough which Hackney has been paying the fees for within the commissioned contract. We wish to end this practice.

6. PROJECT PROGRESS

6.1. Sector developments since the Business Case approval.

- 6.1.1 A new integrated floating support contract has been awarded for five years with an option to extend for a further two years -granted in March 2019. The service launched on 31st October 2019.
- 6.1.2 A new mental health accommodation based support service has been awarded for five years with an option to extend for a further two years - granted in October 2019. The service launched in January 2020.
- 6.1.3 Direct negotiation of a contract for a Single Homeless and Rough Sleepers Pathway Services for five years with the option to extend for a further two years -report approved by CPC in September 2020.
- 6.1.4 **Whole Life Costing/Budgets:** Funding is available for this project within the existing London Borough of Hackney Adult Commissioning Housing Related Support budget. We will be undertaking a wider review of Housing Related Support in 2022 and these services will be included.
- 6.2. During our negotiations we have identified the following key needs and objectives that should form part of our new arrangement with AIHA:
- London Borough of Hackney commissions and pays for all 15 places but does not use all of these, some are used for free by other commissioning authorities. We are proposing that London Borough of Hackney and AIHA should gradually move from a commissioned service to a payment by activity arrangement phased in over two years.
 - Residents should have more person centred and outcome focused support, enabling them to move toward more independent living after 3 years, where this is realistically achievable. Where this is not possible, the longer term care and support needs of individuals will be jointly reviewed to identify the most suitable long term care option. This provision should not be used to provide long term care and support.
 - All existing residents should have their needs reviewed within two years using the Care Cubed tool or similarly evidenced based costing tool. An individual placement price should then be agreed.

- All new referrals must come through the Mental Health panel for assessment and approval and a placement price agreed using the Care Cubed costing tool.
- Hackney should continue to pay for existing placements at the current pro-rata rate (see below 8.3) until the needs of residents have been reviewed using Care Cubed. An appropriate placement price should then be agreed and an individual placement contract signed which has defined outcomes.
- Where each existing placement is reviewed and a new price agreed, this will then result in a pro-rata reduction in the commissioned contract price.
- The arrangement whereby Hackney has to pay for non-Hackney residents will come to an immediate end. AIHA will be enabled to sell a limited number of bed spaces to other funding authorities or for privately funded placements.

6.3. The benefits of this new model will mean more appropriate support for the individual residents with the prospect of achieving greater independence. Both the provider and the London Borough of Hackney will move toward a sustainable market rate for each placement. It will end the arrangement of London Borough of Hackney having to pay for non-residents. At the same time it should support AIHA to deliver the project in a sustainable way. The provider will also be supported to access mentoring from larger supported living providers and develop stronger links with the community mental health and social work teams.

6.4. **SAVINGS**

There may be efficiencies of up to £18,696 achieved with the proposed changes to this contract. While London Borough of Hackney may eventually pay more for some placements the changes to other arrangements should realise an overall cost reduction, however this is only an estimate and cannot be guaranteed.

7. **SUSTAINABILITY ISSUES**

7.1. **Procuring Green**

The PRIMAS indicated 2 areas of environmental impact:

(a) Travel

Our own assessments showed that the biggest impact for this service would be the transport needs of staff and service users when attending external appointments. Providers were asked to have in place an environmental impact reduction policy which includes supporting staff to choose more environmentally friendly methods of travel. The provider promotes access to a Bike to Work scheme to all employees.

(b) Property

The properties associated with this service will be installed with energy efficient appliances rates A+++.

The relevant KPIs relating to this theme are listed in Appendix 3. We will monitor performance by analysing and collecting KPI data against agreed targets.

7.2. Procuring for a Better Society

The PRIMAS highlighted the positive impact this contract will have on the local economy. It provides safe and appropriate housing for Hackney residents. The provider will seek to generate meaningful employment for people using their services, specifically training to empower and engage clients in work-related activities.

The relevant KPIs relating to this theme are listed in Appendix 4. We will monitor performance by analysing and collecting KPI data against agreed targets.

7.3. Procuring Fair Delivery / Equality Impact Assessment and Equality Issues

A full Equalities Impact Assessment (EIA) was completed for this project and presented as part of the Business Case for procurement. The relevant KPIs relating to this theme are listed in Appendix 4. We will monitor performance by analysing and collecting KPI data against agreed targets.

8. TENDER EVALUATION

8.1. Evaluation:

The process followed for this procurement was a Negotiated Procedure without Prior Publication, with a single provider identified at Business Case stage. This section therefore describes the negotiation process undertaken with this provider, rather than the evaluation of competitive bids.

A brief outline of the detailed negotiation process is as follows:

- a. Preparation - data analysis comprising data analysis and preparation of the Specification
- b. Discussion - Agreement of the negotiation process with the provider and confirmation of the scope and budget
- c. Proposal - Submission of a proposal and draft specification to the provider, including pricing schedule and service methodology
- d. Bargain and close - including agreement of the outcomes by the Head of Adults Commissioning and Group Accountant.

8.2 Options and costs

- 8.2.1 Agudas Israel Housing Association (AIHA) has two Mental Health schemes in Hackney. These have distinctive characteristics as described above. In addition, an informal agreement with commissioners and partners has existed for some time which permitted AIHA to accept a limited number of unfunded referrals from outside the borough, without any reduction in the contract price for London Borough of Hackney. This in effect has meant an additional cost to the Council for the schemes commissioned.
- 8.2.2 AIHA have staffing levels far higher than other Mental Health services in the rest of Pathway, e.g c1.5 workers to 1 service user compared to 1 worker to 4 service users in other schemes. There is a significant variation in the level of need across the client group within the same schemes. This has resulted in a higher cost for the provider and difficulties in commissioning against a consistent specification. The provider has indicated that a substantial increase in the contract value to over £319,000 was needed, an increase of over 40%.
- 8.2.3 We have undertaken extensive discussions with Agudas Israel (AIHA) to try and find an acceptable price and model that can be met within current budgets for the whole service, which is sustainable for the provider and where support is tailored to individual needs. AIHA is undoubtedly a valuable resource for the Hackney Orthodox Jewish community. Feedback from current service users is positive. Therefore we have explored a range of options including flexible contract arrangements outlined below.
- 8.2.4 AIHA wishes to achieve full cost recovery within two years without disruption to the care of the current resident group. Due to the unique nature of the services they also receive enquiries and referrals from outside of the area including neighbouring boroughs. AIHA would like to consider taking a small number of these outside referrals on a spot purchasing basis with full support costs being met by the responsible local authority.
- 8.2.5 Taking all of the above into consideration we have proposed changing our current arrangement with AIHA as a wholly commissioned service to a payment by activity arrangement. This model will establish a clearer set of outcomes for clients and improve sustainability of the service. It will allow for the provider to gradually offer a limited number of places to other commissioning authorities.

We are therefore proposing that Hackney moves to a 'payment by activity' arrangement with a transitional phase of two years-see Option C below.

The service is delivered across the following properties with weekly unit costs indicated:

8.3 Table 1

Support Level	Capacity	Service	Current unit cost per week
High	9	Women's service: Rookwood Place	£314.31
Medium	6	Men's service: Lordship Park	£157.50

There were three options that were considered:

8.4 Option A

Agree with the original request by the provider AIHA to increase funding for the two Mental Health Supported Housing schemes. If we agreed to this request it would mean increasing the current annual cost of £196,775 to a new price of £319,113. We have rejected this option as it would incur an immediate additional cost for London Borough of Hackney of £244,676 over two years at a time when budgets are constrained. This would take the new cost of the AIHA Supported Housing schemes to £509.18 Per week (High Needs) and £255.15 per week (Medium Needs) which is 60% above the current rate for similar commissioned services, see Table 2 below.

8.5 Benchmarking Data: HRS Services for single adults with mental health needs - October 2020: Table 2

LB Hackney				
Service Type	Client Group	Capacity	Annual contract value	Current weekly unit cost New weekly unit cost for AIHA if Option A agreed
Other MH supported accommodation set out over three sites	Single adults with high level mental health and complex needs	41	£684,332	£320.98
MH supported accommodation set out over four sites	Single adults with medium level mental health and complex needs	33	£284,295	£165.67
MH supported accommodation	Single women with high level	9	£147,500	£314.31

for the Orthodox Jewish community	mental health			
	Single men with medium level mental health	6	£49,275	£157.50

8.6 Option B

We have considered the option to terminate the existing arrangement and move immediately to a full payment by activity contract with a negotiated price for each current resident. In this arrangement the London Borough of Hackney would be required to review all current residents' needs and agree on a price set by AIHA in a short time frame for each placement or remove current residents from the schemes. Some of the current residents within AIHA have lived there for up to 10-20 years. There is little doubt that such a change would risk significant distress for the individuals and concerns from families and clinicians.

Although the additional costs of each existing placement would come from outside the Housing Related Support budget the overall costs to Hackney Adult Social Care would increase significantly.

8.7 Recommendation Option C

Agree to a phased change which maintains the placement for all current residents at the existing price (in Table 1 above), while transitioning to a payment by activity arrangement for all residents. Over the course of two years each case would be reviewed and a price agreed using Care Cubed. In addition, new referrals would be assessed using the Care Cubed pricing tool.

ELFT/Hackney clinicians and practitioners will still have the option to refer new cases into the service on a payment by activity basis as needed. Where a vacancy then arises and ELFT/Hackney makes a new referral, a price will be negotiated for that individual based on need using the Care Cubed or other costing tool. The payment by activity price for Hackney would be partially offset against a pro rata reduction at the current 'nominal' unit cost (see table above) for each vacant place that is filled. If no such referral is forthcoming from Hackney within two weeks, Agudas Israel would then be free to offer this place to an external local authority and to charge the appropriate local authority on a payment by activity basis. The existing Mental Health placement panel would agree a price based on market rate and referrals will be required to follow the correct pathway process i.e. not to take referrals directly from families etc as has been the case but rather for these to come through the joint ELFT NHS/ Hackney Rehab Team.

The agreement anticipates Hackney using less beds across the schemes over 2 years. It is envisaged that the provider will reduce the commissioned capacity for Hackney over two years by 4 spaces and the contract price will

reduce by the same proportion. This modelling is based on historic demand levels. Any demand for beds over and above that level will be funded on a payment by activity basis. In addition the provider will be required to establish the borough of origin for all residents by 1st April 2023. AIHA will seek and secure funding from the originating borough by 1st April 2023, commissioners will offer support and advice in achieving this outcome. In the event that the originating borough does not fund the placement AIHA will explore move on options.

Where a bed is filled by a non Hackney resident a pro rata reduction in the overall cost to Hackney would be realised. This will bring an end to unfunded placements from outside of the area which Hackney has been paying for and allow AIHA to deliver a service to meet the needs of the community, in Hackney and beyond. Without the restrictions of a capped budget, the provider will be better placed to charge fees that reflect their unique model of care.

8.8 Illustration of costs under new proposed arrangement Table 3

Current Cost £194k	Year 1 Estimated cost based on 1 less bed for each of the male and female schemes and 1 new Hackney payment by activity for each	Year 2 Estimated cost based on 2 less beds for each of the male and female schemes and 2 new Hackney payment by activity cases for each
	£187,428 (Projected underspend £9,348)	£178,079 (Projected underspend £18,696)

We have reviewed recent demand and turnover of residents with the provider and these have informed the estimates above in table 3. In the event that Hackney places a new referral as a payment by activity then the individual cost per case will increase. However we believe that by gradually ending the funding of non Hackney residents the overall cost to Hackney will remain consistent or be reduced (see above Table 3) while allowing a more sustainable funding model for the provider.

This option would therefore gradually close the funding gap identified by AIHA, balancing the needs of the provider to make their schemes sustainable, while also offering a managed budget and value for money to London Borough of Hackney. It would provide a stable arrangement for London Borough of Hackney and our current residents within the AIHA schemes. At the end of the two year transition we would then move to a full 'payment by activity' arrangement unless a decision is taken to extend the contract. This latter consideration will be included in the upcoming Housing Related Support Review due by April 2022.

8.9 Recommendation:

The recommendation is to proceed with Option C and award a two year contract to Agudas Israel following a successful negotiation process.

- The cost of the service is within budget. The review of placement costings using Care Cubed will ensure costs are within an agreed benchmark for these types of services
- The service proposal meets the Needs and Objectives as identified in section 6.2.
- The service represents a culturally specific offer for meeting the needs of Hackney's Orthodox Jewish community; by offering specialist support that is sensitive to their religious and cultural needs.
- The service will have an increased focus on supporting people to live more independently and prevent them from returning to hospital or becoming homeless
- Through a phased process each placement will have more clearly defined support costs identified using the Care Cubed system and these will be in line with benchmarked market rates for this type of support
- Where possible residents will be consider for a move to independent living after 3 years of residence, including if needed with additional support delivered in the community
- Existing resources are available to manage the contract, no overall additional costs should be incurred.
- This service will continue to be delivered by the current provider, therefore TUPE does not apply
- London Living Wage will be paid as a minimum to the providers staff working on the contract in line with Council policy.

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1. Resources and Project Management (Roles and Responsibilities):

- 9.1.1 Contract management will be led by a designated Quality Assurance & Compliance Officer responsible for the Mental Health and Prevention portfolio. There are regularly scheduled contract monitoring meetings, site visits, spot checks and annual service review. The provider also submits a

quarterly contract monitoring report and notifies the officer responsible of any incidents /accidents.

9.1.2 The following measures will be put in place to ensure we can demonstrate value for money on an ongoing basis:

- Quarterly contract monitoring including service reviews, visits and spot checks.
- Targets for each quarter to review residents needs using Care Cubed in order to complete the process within a maximum of two years
- Mentoring support for AIHA staff and management provided by a locally commissioned supported living provider
- Monthly liaison meetings with ELFT Rehab team to improve care coordination
- Monitoring of steps taken to identify move-on options where care plans indicate this is achievable
- Benchmarking of support costs for each individuals placement
- Commissioners will ensure that service users play an active role in service improvement, through contract monitoring meetings and quality audits.
- The new service specification requires the provider to develop a psychologically informed environment and trauma informed approach, in line with the wider MH Accommodation Pathway. Commissioners have emphasised a focus on person-centred outcomes, ensuring support is tailored to individual needs.
- AIHA is represented on the Mental Health accommodation panel and referrals to the service are made through the panel.

9.2. **Key Performance Indicators:**

9.2.1 The service model has been configured to develop a psychologically informed environment using a trauma-informed approach to support provision. Individual goals will be agreed for each placement between ELFT and AIHA. The service provider is primarily tasked to support people achieve person-centred outcomes as set out below:

Person Centered Outcomes and KPIs

Service Outcomes	Indicator
Economic Well-Being <ul style="list-style-type: none"> • maximise income, including receipt of the correct benefits reduce overall debt • obtain paid work • participate in paid work 	100% of customers eligibility for benefits assessed 100% of customers in receipt of full benefits entitlement. Supported housing exemption for UC attained. 100% customer budgeting plans % obtaining paid work % maintaining employment
Enjoy & Achieve <ul style="list-style-type: none"> • participate in chosen training and / or education • achieving desired qualifications 	% with active plan for participating in activities % of staff who have undertaken a training course in a psychological informed approach to providing mental health support

<ul style="list-style-type: none"> • participate in chosen leisure / cultural / faith / informal learning activities • participate in chosen work like / voluntary / unpaid work activities • establish contact with external services • establish contact with family / friends 	75 % engaged in voluntary work or attending external activities % attending CPA meetings % with established contact with family and friends
Be Healthy <ul style="list-style-type: none"> • better manage physical health • better manage mental health • better manage substance misuse • better manage independent living as a result of assistive technology / aids and adaptations 	100% registered with doctor/optician/dentist % better managing mental health % who have had no hospital readmissions % who move on into independent living % successfully maintain their accommodation
Stay Safe <ul style="list-style-type: none"> • maintain accommodation and avoid eviction • comply with statutory orders and processes • better manage self harm, avoid causing harm to others, minimise harm / risk of harm from others 	100% avoided eviction % better managing self harm
Make a Positive Contribution <ul style="list-style-type: none"> • greater choice and / or involvement and / or control at service level and within the wider community 	% involved in co-production % with greater choice and involvement - internal and external

10. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 10.1. The recommendation of this report is to award AIHA a contract to deliver the Orthodox Jewish Mental Health Supported Living service for a term of two years commencing on 01 April 2022. By awarding this contract it would ensure continuity of service by providing culturally specific Supported Living for residents from the Orthodox Jewish community, helping to delay or prevent people escalating to require higher level care and support.
- 10.2. The maximum contract value is £393,550 and is based on an annual contract value of £196,775 being held at the same value across the two year life of the contract. This contract will continue to be funded from the existing Housing Related Support budget within Adult Services and will not result in a budget pressure for the Council.
- 10.3. The contract holds the cost of the service for the existing service users at the same unit cost or weekly rate until the placement price has been assessed using Care Cubed or another agreed tool. The contract then allows for all new Hackney referrals to be assessed by Care Cubed and a price agreed. In the event that Hackney does not wish to use a vacancy after a set period of time (two weeks), the provider may offer this place to a service user from a different local authority. By allowing the provider to offer new places to other

authorities, the risk of void or empty accommodation costs is transferred to the provider since payment will be based on occupancy levels.

- 10.4. The financial risks within the contract are that new service users will be taken on at a higher weekly rate than existing service users and that the care cubed assessment for existing users is higher than their current costs, and if this risk was to materialise, any additional cost pressures would then need to be contained within the overall budget available. This risk is mitigated if, over time, the provider has let some of the accommodation to service users from other local authorities since the same annual budget would then be available to support a reduced number of Hackney service users.

11. VAT IMPLICATIONS ON LAND & PROPERTY TRANSACTIONS

Not applicable

12. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 12.1 Cabinet Procurement Committee agreed in September 2018 to award the contract for Orthodox Jewish Mental Health Accommodation Based Support service by a direct negotiation process. Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 states that the negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts where the works, supplies or services can be supplied only by a particular economic operator where competition is absent for technical reasons. The nature of the specialist service to be provided in this Report is such that this provision would apply and the contract is proposed to be awarded following a negotiation with the provider in paragraph 3.

13. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 13.1. The contract is valued up to £393,550 which is below the relevant UK public procurement threshold (Social and Other Specific Services “light touch” regime). Award is subject to the procedures set out in Hackney’s Contract Standing Orders, with details to be published on Contracts Finder in accordance with the Public Contracts Regulation 2015 (as amended).
- 13.2. In October 2018 CPC approved the route of Negotiated Procedure without Prior Publication on the grounds that “competition is absent for technical reasons...but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement”. This is in accordance with PCR 2015 Regulation 32(2)(ii). It was agreed at this stage that the award of the resulting contract should be approved by the Cabinet Procurement Committee (now CPIC).
- 13.3. The commissioning team have carried out a structured negotiation, utilising the process to confirm the required deliverables, performance measures and cost with the provider. The transition to a payment by activity model over the

course of the contract has been agreed to deliver cost efficiency going forwards, in a manner which is sustainable for the provider in the short term.

- 13.4. The commissioning team has aligned the sustainability impacts identified at the Business Case stage with the Council's current Sustainable Procurement Strategy. Relevant environmental, economic and social performance measures have been incorporated into the contract to deliver and report against corporate targets. London Living Wage will be paid to the contractor's staff, this must be re-confirmed on an annual basis.
- 13.5. Appropriate contract management resources and processes are understood to be in place to facilitate effective delivery of services and outcomes by the provider.

APPENDICES

Appendix 1: Sustainability Outcomes - KPIs

EXEMPT

Nil Items.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None

Report Author	Eamann Devlin Commissioner, Mental Health & Prevention eamann.devlin@hackney.gov.uk
Comments for and on behalf of the Group Director of Finance and Corporate Resources	Reza Paruk, 0208 356 4223 Head of Finance (Adults, Health & Integration) reza.paruk@hackney.gov.uk
Comments for and on behalf of the Director, Legal & Governance Services	Patrick Rodger, 020 8356 6187 Senior Lawyer patrick.rodger@hackney.gov.uk
Comments of Procurement Category Lead	Dawn Cafferty - Tel : 0208 356 8697 Procurement Category Lead - Social Care dawn.cafferty@hackney.gov.uk

Open Appendix 1: Sustainability Outcomes - KPIs

Service Outcomes	Indicator
<ul style="list-style-type: none"> Green 	
To ensure clear environmental benefits when delivering the service	<ul style="list-style-type: none"> % reduction in water usage % reduction in waste disposal % of material recycled % of reduction in carbon emissions
<ul style="list-style-type: none"> Better Society (Everyone) 	
To deliver maximum value through the service that will benefit the local area, economy, health and wellbeing of residents in the wider community	<ul style="list-style-type: none"> No. and % of local people employed on a contract No. and % of local people offered training and apprenticeships Amount and % of spending with local contractors Amount and % of direct spend with local suppliers Amount and % of direct spend with SMEs
<ul style="list-style-type: none"> Fair Delivery 	
To ensure the service values diversity and is accessible.	<ul style="list-style-type: none"> No. and % of the Council's identified equality groups using the service No. and % of the Council's equality groups employed by the service No. and % of the Council's equality groups offered training and apprenticeships Amount and % of corporate spend with BME subcontractors Amount and % of spend with BME suppliers No. of complaints from contracted staff % of staff complaints and issues that are addressed satisfactorily

This page is intentionally left blank

AGENDA ITEM 8

TITLE OF REPORT : Public Space Surveillance (PSS) Monitoring Contract BUSINESS CASE - MEDIUM RISK Key Decision No. FCR S046	
CABINET PROCUREMENT & INSOURCING COMMITTEE MEETING DATE 2021/22 17 January 2022	CLASSIFICATION: Open with exempt appendices A-E By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972, appendices A - E are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
WARD(S) AFFECTED All	
CABINET MEMBER Councillor Susan Fajana-Thomas - Cabinet Member, Community Safety	
KEY DECISION Yes REASON Affects two or more wards Spending	
GROUP DIRECTOR Ajman Ali, Group Director Neighbourhoods and Housing	

1.	CABINET MEMBER'S INTRODUCTION
1.1	This report seeks approval for the tender of a 7 year contract by a competitive tendering exercise undertaken by the Civil Protection Service with support from the Procurement Service.
1.2	The value of this contract is up to approx £4.27m, which is over the £2m threshold stipulated in the Council's Contract Standing Orders (CSO), and it therefore has to come to Cabinet Procurement and Insourcing Committee (CPIC) for review and approval.
1.3	The staff employed under the Public Space Surveillance (PSS) monitoring contract actively increase the safety of the public, Council staff and Police officers throughout Hackney and are a vital part of the Council's work to reduce crime and increase safety.
1.4	It is not feasible to insource this contract immediately, for legal reasons, however we are working to explore in more detail on how to achieve a more insourced service. This development study will continue with the necessary break points built into the proposed contract to allow the feasibility of this option to be further investigated.
2	GROUP DIRECTOR'S INTRODUCTION
2.1	This report seeks a decision to grant an extension of the current Public Space Surveillance (PSS) monitoring contract from 31 March 2022 to 30 November 2022. In addition a further decision is sought to tender for a new seven year contract from 1 December 2022 to 30 November 2029, with 'no penalty break clauses' at years 3 and 5, i.e. on 30 November 2025 and 30 November 2027.
2.2	The existing contract was awarded in 2012 and ran for a five year period, it was extended for 3 years in 2017, and for a further 2 years in 2020. The existing contract is due to expire on 31 March 2022. To enable time for the procurement process, following a study into insourcing, an extension on the current contract is being sought until 30 November 2022.
2.3	The PSS Service has carried out an appraisal to assess the viability of insourcing the service. This paper will provide a summary of the options involved and will make a further recommendation outlining the preferred option.

2.4	The Chair of Hackney Procurement Board has confirmed that he is exercising such discretion in respect of this report and therefore it is being presented to CPIC for approval.
3	RECOMMENDATION(S)
3.1	To approve an extension of the current contract to 30 November 2022.
3.2	To approve the procurement strategy set out in this report for the procurement of a new Public Space Surveillance Monitoring contract commencing 1 December 2022.
4.	RELATED DECISIONS
4.1	There are no related decisions.
5.	OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)
5.1	To approve the procurement strategy set out in this report for the procurement of a PSS monitoring contract.
5.2	The existing contract was awarded on 1 April 2012 and ran for a 5 year period. It was extended for 3 years in 2017, and for a further 2 years in 2020, both extensions were provided for within the original contract. The current contract is due to expire on 31 March 2022. This report seeks permission to extend the existing contract for 8 months until 31st November 2022 and to tender a seven year contract for the PSS Monitoring service with the option to exercise 'no penalty break clauses at years 3 and 5'. The estimated cost of extending the current contract by nine months is £360,600. The PSS Team has carried out a study into insourcing to consider this as an option for the service.
5.3	The current service provider is NSL Ltd (NSL - a company within the Marstons Holdings Ltd group). NSL deliver this contract currently by employing one Operations Manager, four PSS Team Leaders and eight PSS Operators. Of the current staff, their average time in post is 4.7 years - the longest serving has been for 12 years; between them they have 61 years' experience of monitoring PSS in Hackney. This is a very significant factor in the excellent reputation that Hackney PSS has with

	other London councils, nationally with UK councils, with Police forces, the Home Office and the Surveillance Camera Commissioner's Office.
5.4	<p>The following options were considered:</p> <ol style="list-style-type: none"> 1. Insource and cease licensable activity, to remove the need for licensing. 2. Insource and obtain 'non front line' Security Industry Authority (SIA) licences for all suitable staff and Councillors. This would be required to comply with information management law. 3. Let a new 'out-sourced' contract using similar terms and conditions for staff to the existing contract. 4. Let a new 'out-sourced' contract using enhanced terms and conditions for staff, bringing their terms and conditions in line as much as possible with Council staff. 5. To set up an independent trading company to undertake the PSS monitoring service. <p>*Information regarding SIA 'non-frontline' licensing to be found in Appendices C,D & E.</p>
5.5	Option [1] - Insource and cease all licensable activity
5.5.1	The cessation of the licensable activity removes the need for all staff involved in the management structure, including Councillors, to obtain a license.
5.5.2	However, to cease licencing would prevent us carrying out PSS monitoring on some of the most challenging estates in Hackney, which are managed by Registered Social Landlords (RSLs) - the law says you need a licence to monitor cameras owned by someone else under a contract - to cease Public Space Surveillance Monitoring on these estates is untenable from a community safety point of view.
5.5.3	As this situation impedes our pledge to move to insourcing in the borough, legal advice was sought and counsel confirmed that licensing is a legal necessity. The barrister's findings can be found in Appendix A .
5.5.4	If this option is selected, the financial cost would be circa £716k per annum.
5.5.5	However, the RSLs contribute towards the Council's budgets for PSS, to pay for staff and infrastructure. The external income to the Council to assist with these costs is circa £160k per annum. If the Council is unable to offer this service to RSLs, because it would be unlawful, they

	will cease to pay us for the service - therefore the combined cost to the Council is £876k per annum.
5.6	Option [2]- Insource and 'non front-line' licence all staff concerned including Councillors
5.6.1	The cost of this is approximately a minimum of £75k every three years (assuming Councillors / staff do not change). The risk is that if an elected member cannot pass the rigorous conditions imposed by the SIA then surveillance has to cease.
5.6.2	If this option is selected, the cost would be circa £742k per annum, the increase of £202k over option 3 (out-sourced) is due to the difference in licensing, increases in pay and conditions.
5.7	Option [3] Retain the current 'out-sourced' arrangements through the negotiation of a new contract using similar terms and conditions for staff to the existing contract
5.7.1	This is the status quo and has worked well since 2005. If existing staff terms and conditions are retained the cost will be circa £540k per annum, increasing annually in line with either Council pay or the London Living Wage (LLW) if Council pay stagnates.
5.8	Option [4]- Let a new 'out-sourced' contract using enhanced terms and conditions for staff, bringing their terms and conditions in line as much as possible with Council staff
5.8.1	This is the status quo and has worked well since 2005, but can be improved to bring PSS Operators to parity with Council staff terms and conditions in almost every respect.
5.8.2	If this option is selected, and the enhanced pay rates are implemented, the estimated cost would be £690k per annum. The cost increase is due to the extra pay and holiday in the contract to bring monitoring staff to parity with likely Council staff gradings and leave allowances. This will result in an increase of budget of £150k per annum based on current costs, increasing in line with pay awards.

5.9	Option [5] - To set up a Trading Company to undertake the PSS monitoring service.																	
5.9.1	<p>Timescales prohibit this option. The service has liaised with John Wheatley - Director of Sustainability and Environment and examined the resources needed, the timescales involved and then assessed the recruitment, training and licensing implications and it is not possible to achieve in the time available. This could, however, be a long term strategy and therefore break points are built into the proposed contract to allow this option to be further investigated and pursued.</p> <table><tr><td>Year</td><td>Route A: Lobbying</td><td>Route B: Setting up a Trading Company</td></tr><tr><td>1</td><td rowspan="3">↓ ↓</td><td></td></tr><tr><td>2</td><td></td></tr><tr><td>3</td><td rowspan="3">↓ ↓</td></tr><tr><td>4</td><td>If unsuccessful, fall back to Route B.</td></tr><tr><td>5</td><td></td></tr><tr><td>6</td><td></td><td>Commencement of Trading company.</td></tr></table>	Year	Route A: Lobbying	Route B: Setting up a Trading Company	1	↓ ↓		2		3	↓ ↓	4	If unsuccessful, fall back to Route B.	5		6		Commencement of Trading company.
Year	Route A: Lobbying	Route B: Setting up a Trading Company																
1	↓ ↓																	
2																		
3		↓ ↓																
4	If unsuccessful, fall back to Route B.																	
5																		
6		Commencement of Trading company.																
5.9.2	<p>This is a 5 year plan, to allow for initial options of lobbying to change the supposition that elected councillors would need to be Directors, if that fails or seems unlikely to succeed then route B could be explored with a trading company set up to take over at the no penalty break clause point.</p>																	
6	BENEFITS REALISATION / LESSONS LEARNED																	
6.1	<p>The existing contract has met its initial objectives. The contract is managed by the PSS Manager and the PSS Team and is measured by carrying out monthly Service Level Agreement (SLA) meetings with the contractor. An example of the current SLA documentation can be found at Appendix A.</p>																	
6.2	<p>The CP Service is satisfied with the service provided under this contract. The contractor has performed well, scores from their monthly SLA meeting can be found at Appendix B.</p>																	

6.3	There were no variations to the existing contract.
7	Strategic Context:
7.1	The Mayoral priority for “prioritising quality of life and the environment; making our streets safer for cyclists and pedestrians, tackling air pollution, protecting our parks and green spaces” is addressed by this project as PSS aims to reduce crime and the fear of crime, contributing to improving the environment and making public spaces safer.
7.2	The PSS Team also monitors cameras for several RSLs, Homerton Hospital, LBH Property Services (for their on street cameras) as well as LBH Housing Service, who all contribute funding to the CP Service for this provision.
7.3	Partner agencies such as Homerton Hospital are recharged for the service we provide and they will not form part of the evaluation panel.
7.4	The contract will be a schedule of rates contract. Hackney’s PSS system has been proven to be highly effective in identifying incidents, alerting the appropriate authorities and then being used as evidence in the successful conviction of criminals. In 2020 12,437 incidents were logged by PSSOs, and 540 arrests. The Services’ statistics can be found on our webpage www.hackney.gov.uk/cctv
8	Preferred Option: Option [3] - Let a new ‘out-sourced’ contract using similar terms and conditions for staff to the existing contract.
9	ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)
9.1	<ol style="list-style-type: none"> 1. In-Source and cease licensable activity, to remove the need for licensing. 2. In-Source and obtain 'non front line' Security Industry Authority (SIA) licences for all suitable staff and Councillors. This would be required to comply with information management law. 3. Let a new ‘out-sourced’ contract using similar terms and conditions for staff to the existing contract. (this is the preferred option). 4. Let a new ‘out-sourced’ contract using enhanced terms and conditions for staff, bringing their terms and conditions in line as much as possible with Council staff.

	5. To set up an independent Trading Company to undertake the PSS monitoring service.
9.2	Insourcing: A study into insourcing has been carried out, please see Appendix C .
9.3	Success Criteria/Key Drivers/Indicators: All Key Performance Indicators (KPI's) from the current contract will continue to apply and will be reviewed to make sure that these are up to date and take into account service changes. The current KPIs are shown in Appendix A .
9.4	<p>Whole Life Costing/Budgets: Funding for extending the current contract will be met from existing budgets and will be available for the duration of the contract extension (8 months, at a cost of £348k). The existing annual cost is £520,900 (FY20/21, pre-2022 pay award) which increases in cost annually due to pay awards.</p> <p>If Option 3 is accepted, and existing staff pay and conditions are retained, the estimated cost of a new contract based will be £4.27m (£540k per annum plus LLW pay rise increments at an estimated 4%) based on a 7 year contract (3+2+2 years). The cost increase per annum is caused by the annual increase in staff pay to reflect changes in Local Government pay or the London Living Wage (LLW).</p> <p>Therefore the whole life cost from April 2022 to November 2029 is £4.27m.</p>
9.5	Policy Context: PSS contributes towards the priority to 'make the borough safer, and help people to feel safe in Hackney, which is part of the Sustainable Community Strategy.
9.6	<p>Consultation/Stakeholders: This contract will cover the requirements of the PSS Service, as well as other Council departments. Consultation will commence at the appropriate time with Housing and Facilities Management, and will be carried out via email, phone and meetings. The requirements of other departments will be consulted in the specification, tender documents and they will also be invited to be part of the evaluation panel.</p> <p>The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to all permanent posts within NSL.</p>
9.7	Risk Assessment/Management: The risk rating from the Risk Assessment Tool was assessed as Medium risk.

Risk	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Contractors not willing to tender	L	H	M	This contract was tendered previously; during the last tender process there was a sufficient number of tenders submitted.
Prices tendered being substantially higher than the current contract.	L	H	M	Current prices will be benchmarked against tendered prices.
Requirements of the council and other stakeholders may vary	L	L	L	Robust contract management with the successful supplier and key stakeholders will ensure that changing demand will be accounted for within budget constraints.

10	Insurance:
10.1	<p>Advice has been sought from Insurance Services. They have suggested:</p> <ul style="list-style-type: none"> • Professional Indemnity Insurance - £2 million for any claim or series of claims arising from one event. • Public liability (including data protection and third party cyber risks) - £5 million for any one occurrence or series of occurrences arising out of one event. • Employers' Liability - as required by law.
11	Market Testing (Lessons Learnt/Benchmarking):
11.1	There are a large number of service providers in the market. This contract was last tendered in 2012, a sufficient number of suppliers' submitted tender documents. The market still has a large number of service providers.
12	London Benchmarking Exercise

12.1	As part of this process we have looked at how other London Boroughs have sourced and their costs and experiences, calculations have been made to ensure the same aspects of monitoring are being compared. All London borough PSS Managers were approached and these are the responses received:
12.2	<p><u>London Borough of Brent (In-House)</u></p> <p>Monitoring arrangement - 7 staff employed , 4 x 8 hour shifts over 24hrs = 32</p> <p>The Annual Cost of Monitoring is approx. £467K</p> <p>Comments:</p> <p>“Better for performance, conditions for staff, council access for welfare etc. Proper procedures within Council conditions, this is generally better. We went from Security Officers of all sorts of abilities to something we can control, help ,encourage and train.” Alvin Wakeman - PSS Manager, Brent</p> <p>The staff monitor approximately 200 cameras including redeployable cameras.</p>
12.3	<p><u>London Borough of Anonymous (Contract)</u></p> <p>Monitoring arrangement is 3 staff 24 hrs/365 days (504 hrs per week) 1 Supervisor, 2 Controllers (excludes in-house PSS Manager) Annual Cost of Monitoring approx £430k</p> <p>Comments:</p> <p>“Easy to deal with staff not performing.</p> <p>Fixed costs per year with no extras.</p> <p>Staff do not go sick as their sick pay is statutory and not like council full pay</p> <p>We have zero turnover of staff in the Control Room. The last person who left was five years ago and the average service time is over ten years . Some have been with us for 20 years. This is really good as the experience pays dividends with knowledge and expertise.</p> <p>We did look at in-house many years ago and when we costed all the weekend, nights and other out of hours allowances the cost would be significant, despite the staff saying they were happy to stay on the same rate 24/7, the unions would not accept this.</p>

	<p>We currently run a four shift system on 12 hour shifts, the staff love this shift pattern as it gives them every other weekend off and they get more rest time between shifts.</p> <p>It averages out to a 42 hour week giving them a bit more money at the end of the month. If you went inhouse this would reduce to 35 hours and move to five shifts.”</p>
12.4	<p><u>London Borough of Ealing (In-House)</u></p> <p>4 operators per day on 4 different shifts, broken down into 6 operators and 2 senior operators. 40 hours a day monitoring. All staff are required to do overtime to cover sickness and holidays to ensure service continuity.</p> <p>Line Management by Senior Op staff who are then line-managed by Safer Communities Manager so there is an unknown cost there.</p> <p>£406,000 is the annual cost of monitoring</p> <p>Comment was made about the costs and the changes necessary in HR procedures - Jason Hawes - PSS Manager.</p>
12.5	<p><u>London Borough of Islington (In-House)</u></p> <p>8 Operators (scale 5) 2 of which are supervisors (scale 6) - 12 hour shifts, 35 hours a week with an overtime top up to allow for the additional hours worked.</p> <p>Contracted overtime.</p> <p>35 day holiday plus 8 bank holidays.</p> <p>Double pay on bank holidays, absence cover, pensions and overtime adds to cost.</p> <p>“Islington is a 35 hour week so my staff are all on contracted overtime as they do a 12 hour shift, 4 days on 4 days off. They get 35 days annual leave plus 8 bank holidays which we cover with the same staff. On costs such as pensions I believe it is 20 percent. Overtime is at 1.5 times their hourly rate, and double pay for Sundays and Bank Holidays. I have 8 staff members in total. Operation manager is paid at PO4, plus a 10 percent shift allowance. Additional costs around infrastructure management and maintenance have been removed for the comparison.</p> <p>Total approximate costs £435k total monitoring time is 336hrs per week, 180 cameras, 1250 housing cameras (housing are not monitored)”</p>

12.6 Comparison

Currently the Council pay NSL to provide their own corporate training around mandatory issues of DPA and H&S etc. These courses are currently provided corporately within LBH and would not be an increase in cost to the Council, but would mean that all associated costs in this regard are only passed on to staff rather than profits for a private company.

For the following service provision:

- 2 PSS Team Leaders: 12 hr shift, 2 x shifts a day Mon –Sun including breaks
- 2 PSS Operators: 0700-1900 Mon-Sun including breaks
- 2 PSS Operators: 1900-0700 Mon-Sun including breaks
- 1 number Control Room Operations Manager: average 8 hrs per day excluding breaks 5 days per week, variable times/days to suit management needs

As part of the current contract 13 people are actively employed by NSL to support the service, 1 x Ops manager and 12 x PSSOs/TL, however the hours of monitoring are consistent and the cost set.

In order to provide the closest comparison to other boroughs which have provided feedback, we have broken down into the following table:

Benchmark table - comparison of annual costs per hour monitored.

Borough	Cameras monitored	Hours of staff (operations) weekly	Cost per Hour
Islington	180 (housing not monitored)	336	£24.90
Ealing	670 (includes Housing)	280	£27.88
Brent	200	259	£34.70
Anonymous	385	504	£16.40
Hackney	2,800	540	£19.20

12.7 Hackney Contract Costs

Our cost over the course of the last 7 years of the contract has changed as below. With the increase in pay rates to staff increasing in line with the LLW or LGA increase (whichever is higher). This shows how the Hackney contract will be higher when compared to other contracted services shown in “anonymous” where the borough did not wish to be named. However, when compared to the in-sourced borough of which 3 examples, the cost to run the service is an average of 60% higher than the Hackney rate.

Rank	Apr-15	Apr-16	Apr-17	Apr-18	Apr-19	Apr-20	Apr-21
	6.910%	1.095%	3.723%	4.615%	3.430%	1.896%	2.750%
PSS Op untrained.	£8.96	£9.06	£9.40	£9.83	£10.17	£10.36	£10.65
PSS Op trained.	£9.15	£9.40	£9.75	£10.20	£10.55	£10.75	£11.05
PSS Op trained with 12m experience.	£9.30	£9.55	£9.91	£10.37	£10.72	£10.92	£11.23
PSS Op trained with 24m experience.	£9.45	£9.71	£10.07	£10.53	£10.90	£11.10	£11.41
PSS Team Leader	£9.73	£10.00	£10.37	£10.85	£11.22	£11.43	£11.75
PSS Team Leader trained.	£10.02	£10.30	£10.68	£11.17	£11.56	£11.77	£12.10
PSS Team Leader trained with 12m experience.	£10.21	£10.50	£10.89	£11.39	£11.78	£12.00	£12.33
PSS Team Leader trained with 24m experience.	£10.37	£10.65	£11.05	£11.56	£11.95	£12.18	£12.52
Total Annual Cost	£440k	£445k	£462k	£484k	£501K	£506k	£520k

12.8	Savings:
12.8.1	No cashable savings can be made. Out-sourced staff will be treated ethically and with similar terms and pay as they currently have.
13	SUSTAINABILITY ISSUES
13.1	Procuring Green: The successful monitoring contract will ensure environmental factors are considered.
13.2	Procuring for a Better Society
13.2.1	The pay for staff involved in delivering this contract will be a minimum of the London Living Wage (LLW) and annual pay increases linked to local authority increases will be implemented.
13.2.2	For the first time in 2005, with a past contract, the Council established the contractual condition that PSS Operators would have a set wage which would increase by a percentage amount equivalent to the previous year's local authority pay rise, with set percentage pay bands between ranks.
13.2.3	There was a safety net that if local authority pay stalled (as it did during the 'austerity' years) then PSSOs would always get a pay rise to keep the starting pay no lower than the London Living Wage (LLW), to honour the LLW commitment made by the Mayor.
13.2.4	This procurement will include social value questions to ensure the successful contractor maximises social, economic and environmental benefits to London Borough of Hackney's residents and businesses. This will include but not limited to providing apprenticeship training and job opportunities for local people and supporting local charities, volunteering and work experience opportunities. Tenderers would be required to set out how their business contributes towards these objectives and further these throughout the life of the contract.

13.3	Procuring Fair Delivery: PSS has an impact on the local community by contributing towards a reduction in crime and the fear of crime.
13.4	Equality Impact Assessment and Equality Issues: The Equality Impact Assessment has indicated that the tendering of this contract from an external supplier does not have any greater or lesser impact on account of sexual orientation, age, disability, ethnicity, gender, religion or belief. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to all permanent posts.
14	PROPOSED PROCUREMENT ARRANGEMENTS
14.1	Procurement Route and EU Implications: A 'Find a Tender' notice will be published and will follow the Procurement Regulations during this process to ensure that this is transparent and fair to all bidders. This will be a restricted procedure process.
14.2	Resources, Project Management and Key Milestones:

Key Milestones	
CPIC meeting	17th January 2022
Stage 1 - Publish Find A Tender	18th January 2022
Closing date for Tender Submissions	18th February 2022
SQ evaluation	21st February - 4th March 2022
Stage 2 - Invitation to Tender	31st March 2022
Closing date for Tender Submission	29th April 2022
Tender Evaluation	3rd -18th May 2022
CPIC Meeting	September 2022
Alcatel Period	September 2022
Mobilisation period	November 2022
Start on site / Contract start	December 2022

- 14.3 Contract Documents:** A comprehensive service specification has been drafted and a final version will be available to potential bidders alongside other tender documents such as the Selection Questionnaire and pricing schedule. The SQ and ITT documentation will be produced by LB Hackney's procurement team. Bidders will complete a selection questionnaire that will assess their financial standing, professional capability and will narrow the numbers permitted to submit their bids. The tender documents will be evaluated based on price 60% and quality

40 %. It is anticipated that following the completion of a successful tender process a contract will be awarded to a single organisation.

- 14.4 Sub-division of contracts into Lots:** This is not a large contract so will not need to be divided into smaller Lots.
- 14.5 Contract Management:** The contract will be managed by the PSS Manager and PSS Team. No additional resources will be required. Success will be measured at monthly meetings with the contractor.
- 14.6 Key Performance Indicators:** There will be key performance indicators that will be monitored and will be related to timescale, budget and quality. This is the same as the existing KPI's; an example of the current SLA sheets can be seen at Appendix A.

15 COMMENTS OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

- 15.1** The service has budget provision for this service and therefore supports the extension and re-tendering of the contract under current contractual terms.

16 VAT Implications on Land & Property Transactions

Not applicable.

17 COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 17.1** Paragraph 2.7.7 of Contract Standing Orders (CSO's) states that all procurements with a risk assessment of "Medium Risk" will be overseen by the Hackney Procurement Board at the Business Case stage. However, CSO 2.7.11 gives discretion to the Chair of Hackney Procurement Board to refer any Business Case to CPIC for a decision. The Chair of Hackney Procurement Board has confirmed that he is exercising such discretion in respect of this Report and therefore it is being presented to CPIC for approval.
- 17.2** The PSS Monitoring Contract ("the Contract") has a value in excess of the threshold at which the Public Contract Regulations 2015 ("the Regulations") apply for the procurement of services, currently £189,330, and, as such, must be procured in accordance with the Regulations. This includes publishing a contract notice on 'Find a Tender' and complying with the timescales as set out within the Regulations. As

detailed in the Report, it is intended that the Contract shall be procured in accordance with the Restricted procedure in line with Regulation 28 of the Regulations. Officers should also ensure full compliance with the requirements of the CSO's including seeking approval to award the contract from the CPIC.

- 17.3 In respect of the recommendation for a nine month extension of the current contract, Regulation 72 (e) of the Regulations permits for modifications to be made to a contract where this is deemed not to be 'substantial'. As the value of the extension falls below the relevant threshold for services, is less than 10% of the value of the original contract and does not alter the overall nature of the contract, the extension will be permitted under the Regulations. It should be noted however, that the Regulations consider the cumulative value of the modifications made pursuant to Regulation 72 (e) and as such a full 10% freedom to vary will not be permitted each time a further modification to the contract is proposed.

18 COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 18.1 The proposed contract is valued up to £5,000,000 which is above the relevant UK public procurement threshold (Services) and must be awarded in accordance with the relevant procedures set out in the Public Contracts Regulations 2015. The Council's Contract Standing Order 2.5.2 requires that the Business Case for a Medium risk procurement of this value be approved by the Hackney Procurement Board. Given the significance of this contract, the Head of Procurement is exercising discretion to escalate the report for approval by the Cabinet Procurement and Insourcing Committee.
- 18.2 Procurement of the contract via a Restricted competitive tender process is supported as an appropriate and compliant route as set out in the report and in accordance with market conditions.
- 18.3 The Insourcing option has been thoroughly explored by the service and the reasons that this is not the preferred approach are detailed in the report and appendices.
- 18.4 In support of the Council's Sustainable Procurement Strategy, the new procurement will focus on workforce matters, ensuring that pay and conditions are in line with those of the Council's own workforce where possible.
- 18.5 Extension of the existing service contract is supported to facilitate the tender process. The total value of this contract is above the relevant UK

public procurement threshold (Services), and not provided for within the original agreement. This is therefore presented for approval by Cabinet Procurement and Insourcing Committee in accordance with Contract Standing Order 4.8.

- 18.6 The timeline for the procurement process is reasonable to ensure commencement of the new contract in December 2022, and will be fully supported by the central Procurement team.

APPENDICES

EXEMPT

Exempt Appendix A - Contract monitoring

Exempt Appendix B - SLA scorings

Exempt Appendix C - Insourcing study

Exempt Appendix D - Counsel's Opinion on PSIA 2001 and LAs (separate document)

Exempt Appendix E - LGA Further opinion. (separate document)

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972, appendices A - E are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None

Report Author	Gemma Wetton Tel : 0208 356 2492 Job Title: PSS Technical Supervisor email address gemma.wetton@hackney.gov.uk
----------------------	---

Comments for and on behalf of the Group Director Finance and Corporate Resources	Simon Theobald Tel : 0208 356 4304 Job Title: Head of Finance email address: simon.theobald@hackney.gov.uk
Comments for and on behalf of Director, Legal and Governance	Homera Parekh Tel : 0208 356 5094 Job Title: Lawyer (Procurement and Contracts) email address: homera.parekh@hackney.gov.uk
Comments of the Procurement Category Lead	Dawn Cafferty Tel : 0208 356 8697 Job Title: Procurement Category Lead email address: dawn.cafferty@hackney.gov.uk

This page is intentionally left blank



TITLE OF REPORT: SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF PRIMARY CARE SURGERIES AT:

**LAND TO REAR OF 2-28 BELFAST ROAD, N16
THE PORTICO, 34 LINSOTT ROAD, E5**

CONTRACT APPROVAL - RECOMMENDATION

Key Decision No. FCR S047

**CPIC MEETING DATE
(2021/22)**

17/01/2022

CLASSIFICATION:

Open with exempt appendices 1 & 2

By Virtue of Paragraph (s) 3, 4,5 and 6, Part 1 of Schedule 12A of the Local Government Act 1972, Appendices 1 and 2 are exempt because they contain in para 3 - information relating to the financial or business affairs of any particular person (including the authority holding the information),and it is considered that the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

Cazenove, Stamford Hill West, Lea Bridge and Homerton

CABINET MEMBER

Mayor Philip Glanville
Cllr Chris Kennedy - Cabinet Member for Health, Adult Social Care and Leisure

KEY DECISION

Yes

REASON

Affects two or more wards
Spending (Investment)

GROUP DIRECTOR

IAN WILLIAMS - Group Director of Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 We are proud that the Council and the City and Hackney Clinical Commissioning Group (CCG) are working together to provide improved healthcare across the Borough and the Council has put forward two sites where new and permanent Primary Care facilities can be constructed to modern space and design standards. One is at the rear of 2-28 Belfast Road, Stoke Newington N16 6UH and the other is The Portico, 34 Linscott Road E5 0RD and the two proposed new surgeries are for the Springhill and Lower Clapton Practices respectively. Both of these practices are currently operating from old premises that are not fit for purpose and are undersized to deliver the improved healthcare desperately needed in the Borough in larger and modern facilities. By working in this innovative way we are using our land, borrowing capacity and experience to unlock real improvements in Primary Care in the heart of our communities as well as making better use of currently underutilised buildings and land.
- 1.2 The second stage of the Primary Care Capital Projects is all but completed and by the time this report is considered by Cabinet Procurement Insourcing Committee the construction Tenders will have been returned.
- 1.3 Stage 3 is the construction stage of the project which is currently programmed to commence in March 2022 subject to the viability of each development being established.
- 1.4 This Contract Award report establishes the recommended approach to the award of a contract on each Primary Care Surgery. With its emphasis on flexibility in a very challenging market and the likely requirement to negotiate the terms of the tender returns. The approach to smaller regional contractors with applicable experience and local knowledge, is a sustainable approach

that we fully endorse and recommend to CPIC. However, we also want to ensure that there is a clear overarching governance which is why we are also recommending that after the award of contract a report comes back to CPIC

2. GROUP DIRECTOR'S INTRODUCTION

3. RECOMMENDATION(S)

Cabinet Procurement and Insourcing Committee is asked to:

- 3.1 Agree to delegate the approval of the Contract Award for the construction of a primary care surgery at land to rear of 2-28 Belfast Road, N16 and The Portico, 34 Linscott Road, E5 to the Group Director of Finance and Corporate Resources in consultation with the Director of Strategic Property Services and authorise the Director of Legal & Governance to agree and enter into all necessary legal documentation in connection with such contract award.**
- 3.2 To require the Director of Strategic Property Services to submit to the Cabinet Procurement and Insourcing Committee an updated Contract Award Report to the next available committee meeting after approval of the Contract Award by the Group Director of Finance and Corporate Resources.**

4. RELATED DECISIONS

- 4.1 City & Hackney CCG & Hackney Council – Capital Projects – Appointment of Professional Team & Procurement of Project Manager – Made by The Director of Strategic Property Services, dated 20th October 2019.
- 4.2 City & Hackney CCG & Hackney Council – Capital Projects – Appointment of Professional Team & Procurement of Cost Consultancy Services – Made by The Director of Strategic Property Services, dated 11th February 2020.
- 4.3 City & Hackney CCG & Hackney Council – Capital Projects – Appointment of Professional Team & Procurement of Design Team – Made by The Director of Strategic Property Services, dated 27th February 2020.
- 4.4 Cabinet Approval 30/11/2020 - Primary Care Capital Projects - Cabinet Project Report Key Decision No - FCR 16 [Cabinet Report](#)

- 4.5 Cabinet Procurement Committee - Selection of a contractor for the Construction of Primary Care Surgeries at 1. Land to rear of 2-28 Belfast Road, London N16, and 2. The Portico, 34 Linscott Road, London E5. - Business case approval 07/12/2020- Key Decision No FCR R.22 [CPC Business Case - Final Docs](#)

5. REASONS FOR DECISION/OPTIONS APPRAISAL

- 5.1 This report outlines the progress made by the team in procuring a principal contractor to construct two new primary care surgeries on each site (please see section 4.5 for more details) including reporting on the Standard Selection Questionnaire (SQ) outcomes. It also sets out the reasons behind our recommendation that the committee delegates to The Group Director Finance and Resources in consultation with the Mayor and Director of Strategic Property the construction contract award. With a requirement that the Director of Strategic Property will provide an updated Award Report to the next available Cabinet Procurement and Insourcing Committee meeting.
- 5.2 The business case for the two primary care capital projects, construction phase was considered and approved at Cabinet Procurement Committee in December 2020. In the Primary Care Capital Projects; Project Board highlight reports the team have consistently flagged a risk around the 2 - 2.5 month reporting period of taking the contract award going back to CPIC (formally CPC) post tender assessment. This is seen as a risk to the project programme already significantly impacted by planning delays and cost as the Council's professional team and the recommended contractor are unable to progress the projects whilst the CPIC Contract Award report is prepared and then goes through governance before review by the committee.
- 5.3 Furthermore, in the current construction market, we are seeing almost unprecedented cost inflation and uncertainty with contractors being in a position to 'pick and choose' projects. The bidders have been requested to hold their prices for 12 weeks in the tender however as we are expecting a negotiation period the tender prices will not hold before the CPIC contract award can be approved. As a consequence of the delay in the current construction cost environment our expectation is that the price tendered may increase. Bidders to ensure that pricing is competitive are understandably unprepared to take on any price risk until they have a contract award. We therefore consider that the CPIC award approval timescales as a further risk to the projects costs and securing the preferred tenderer.
- 5.4 Our chosen procurement method gives the team the option to negotiate with the tenderers. This was seen as a sensible approach in the current market mainly with a view to negotiate on costs if the returns were problematically above the cost assessments by the project's Quantity Surveyors. However as identified the negotiation stage would further delay a CPIC Contract

Award approval which in turn potentially could be further delayed by election protocol extending the project's timescales and cost risk even further.

- 5.5 The Council in accordance with the Cabinet decision has entered into the agreement for leases with the two surgeries. The negotiated longstop dates on delivery of the surgeries will not be affected by the programme delays identified. However there is a risk of reputational damage to the Council if the surgeries are not delivered in 2023 as expected by the doctors and their patients. The timescales of the CPIC process itself will push the programme into 2024 but combined with a negotiation stage will push the programme even further out.
- 5.6 The projects have been tendered following the completion of RIBA stage 4. The Quantity Surveyors construction cost plans have been updated and are attached in Appendix 1. They show a substantial increase in the estimated cost of both projects.
- 5.7 Both schemes are required to be self-financing over an indicative 30 year term, taking into account estimated build cost, annual rent and assuming that LB Hackney would borrow to finance construction. The eventual financing route will be a Treasury decision taken at the necessary point before proceeding with construction.
- 5.8 In accordance with the Cabinet decision the viability test for the development of the two surgeries has to be met. This is already delegated to the Group Director of Finance and Corporate Resources in consultation with the Director of Strategic Property Services. The finalised tender return is one of the two main inputs into that viability test it therefore will aid the timely assessment of the viability test and progress of the projects if the Contract Award is similarly delegated.
- 5.9 For all the reasons set out above it was therefore considered prudent to provide CPIC with this report, bringing the committee up to date on the procurement of the contractors, but recommending that the final contract award is delegated to the senior officers to help mitigate the identified risks to the projects.

5.10 **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

- 5.11 Framework procurements were considered at the business case stage however these were discounted as they did not offer organisations that had suitably specialist skills and focus for this type of work. It was therefore felt that a contract advertised in Find a Tender was an appropriate route and in compliance with the Public Contract Regulations.

- 5.12 The only alternative at this stage of the procurement process is to assess the tenders, review if a negotiation stage is required (estimated to take up to 15 weeks) and then undertake the reporting process to CPIC. In either scenario adding at least 2-2.5 months to the programme and causing considerable uncertainty in setting an agreed tender sum and incurring additional costs with the extended process. Adding additional costs could threaten the Council's ability to deliver these facilities.

6. PROJECT PROGRESS

6.1 Developments since the Business Case approval.

- 6.2 The recommendation to use the Find a Tender procurement route in order to give the widest range of suitable local contractors the opportunity to tender, and also provide a "framework" in which best value can be obtained in terms of both price and quality was varied to a single stage competitive procurement route to achieve the best possible solution from the market. Considering the changes in the construction market and associated construction cost inflation, the ability to negotiate at the Council's option after tender returns are received and go to a final and best offer would place the Council in the best possible position.

- 6.3 The project has been tendered following the completion of RIBA Stage 4 following the stages outlined below:

- First Stage – Selection Questionnaire - Completed
- Second Stage - Invitation to Tender - Tender returns due 03.12.2021
- Third Stage – Negotiation (expected to commence in Jan 2022 - if required)
- Fourth Stage – Invitation to Submit Final Tenders (if required)
 - Fifth Stage - Final Evaluation and Award

- 6.4 The two projects have been tendered together with two separate Lots and two separate contracts; Lot 1 is Belfast Road and Lot 2 is The Portico.

- 6.5 The Agreement for lease with each Doctors Practice has been completed. On Practical Completion of each surgery the lease of 20 years will complete.

- 6.6 At the 3rd of November 2021 Planning Sub-Committee the resolution was to grant planning permission and listed building consent subject to conditions and unilateral undertaking for both projects.

6.7 Whole Life Costing/Budgets:

- 6.8 The completed properties will be let on full repairing and insuring leases (FRI)

to the Doctor's Surgeries. As a consequence there will be no life cycle costs to the Council.

- 6.9 A key guiding principle of these two schemes is that they are each self-financing for London Borough of Hackney over an indicative 30 year term, taking into account estimated build cost, annual rent and assuming that LB Hackney would borrow externally to finance construction. The eventual financing route will be a Treasury decision taken at the necessary point in procurement.

6.10 SAVINGS

- 6.11 There will be no cashable savings generated through the project, though the project team will seek best value for money wherever possible. There will be an income to the council to cover the cost of borrowing and repayment of the loan and we are bringing Council land and buildings back into more productive use.

7. SUSTAINABILITY ISSUES

7.1 Procuring Green

- 7.2 The Primary care facilities when constructed will have a materially lower environmental impact in their operation than the existing being replaced. These environmental impacts will be managed in accordance with BREEAM requirements and these requirements have been addressed in the design, specification and construction tender ITT so that the projects achieve BREEAM Excellent in accordance with the sustainable procurement strategy and S106 SPC.
- 7.3 The construction phase will involve demolition with associated waste produced, vehicle movements during construction, and waste created during construction. In accordance with the Sustainable Procurement Strategy to achieve BREEAM Excellent, an assessment of the available materials on site will be undertaken with consideration to reuse landscape materials such as paving and recovered bricks and other materials and fixtures. The ITT has specified waste generation targets and diversion from landfill for the Principal Contractor and require them to produce their waste management plan as part of their tender submission and their plans to minimise vehicle movements, noise and pollution during construction.

Target:

- Identify materials to be retained Wst 01 for pre-demolition audit
- Achieve minimum of two credits for BREEAM Wst 01 for waste generation & diversion from landfill
- Aspiration to achieve one credit for Fuel usage/travel miles, use of disposable plastics.

7.4 The Procurement Plan for the project in accordance with LP31 requires direct engagement with local suppliers, providing the Economic Development Team with a full procurement plan identifying the services and materials that will be sourced for the lifetime of the projects and the location of the suppliers.

7.5 The projects are specified with air source heat pumps. The roofs have green areas with photovoltaic cells installed. For both projects natural ventilation solutions for cooling have been used where possible although it is an NHS design requirement that the treatment rooms require mechanical ventilation. The employer's requirements set out the use of sustainable products wherever possible.

7.6 In accordance with LP55 the projects Carbon Offset Contribution has been agreed with the planning department:

Land to rear of 2- 28 Belfast Road, N16 - £22,520.00

The Portico, 34 Linscott Road, E5 - £14,498.00

Based on a payment of £95 per tonne over a period of 30 years.

7.7 With respect to Travel and Transport (LP41,42,43 & 44), it will not be possible in keeping with the medical use of the developments to deliver completely car free schemes. 4 car parking spaces, two disabled and two for doctors use only has been agreed with the planning team and will form part of the planning consent conditions. A contribution for Travel Plan monitoring of £5,000 (each scheme) is to be included in the Section 106 agreement.

7.8 Procuring for a Better Society

7.8.1 The projects will impact positively on local recruitment and supply chains. Through tendering to regional providers with policies of working with and offering opportunities to local subcontractors and suppliers in accordance with the Sustainable Procurement Strategy the S106 SPC and BREEAM Excellent.

7.8.2 The Employment and skills plan requirements are set out in the ITP, and an Employment and Skills Template is to be returned at tender and if approved included in the contract. This includes;

- A minimum 25% local labour (Please note the procurement strategy targets local regional contractors).
- One framework apprentice for every £1M of construction contract value or equivalent number if a shared apprenticeship model is offered.
- A support fee of £1,500 is also required per apprentice placement.

7.9 Procuring Fair Delivery

- 7.9.1 No fair delivery (equalities impacts) have been identified in PRIMAS. As the Project is delivering two primary care surgeries, they are recognised as delivering health care social benefits equally.
- 7.9.2 The SQ required bidders as part of the selection process to comply with the Equality Act 2010 and confirm they have no history of breaching any social or labour law obligations.
- 7.9.3 The bidders are required to commit to paying the London Living Wage to their staff.
- 7.9.4 The Council has placed an obligation on each bidder to either confirm they have or will establish a whistleblowing process.
- 7.9.5 The ITT required the bidders to commit to appropriate Covid 19 precautions for their employees in accordance with government guidance at the time.
- 7.9.6 The SQ required bidders to provide evidence of compliance with the Modern Slavery Act 2015 where they have a turnover of at least £36M pa.

7.10 Equality Impact Assessment and Equality Issues:

- 7.10.1 The recommended procurement route was a Competitive with negotiation process compliant with the Regulations and allows for a negotiation phase if required. The process of advertising the project through a Contract Notice in Contracts Finder is in itself the fairest way to attract the interest of all construction firms capable of undertaking the works.
- 7.10.2 The SQ stage established the bidders' track record with regards to Equality and Diversity. Key Performance Indicators were set to ensure that the required outputs are achieved. Disability Discrimination Act 1995 (DDA) compliance is included in the design specification to ensure that the contractor will deliver a DDA compliant scheme.

8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 8.1 Procuring through a Framework was considered. However, this was rejected due to concern about narrowing the market. There are a number of NHS frameworks open to local authority use and the professional team was appointed through the use of the NHS SBS framework. However when it comes to construction the frameworks tend to concentrate on larger contractors with the emphasis on large scale acute care contracts.
- 8.2 An Open Procedure was also rejected as it was considered that the burden placed on tenderers via this route would limit the response.

- 8.3 Insourcing is not an option with respect to this procurement either now or in the future.
- 8.4 A restricted procedure was envisaged however due to the site complexities a competitive with negotiation was selected.

9. TENDER EVALUATION

- 9.1 As advised this report does not provide an evaluation of the final tenders but does update the Committee on the procurement process and reports below on the evaluation and recommendations of the selection questionnaire stage.

9.2 Evaluation:

- 9.3 Please find attached in confidential appendix 1 Selection Questionnaire Report 211124 the selection questionnaire report provided by our project managers . The selection questionnaire stage was evaluated by;

Evaluation Team:

- Strategic Property Services
- Architects
- Project Manager
- Quantity Surveyors

Evaluation Team Advisors:

- Finance Team
- Category Manager

9.4 Recommendation:

- 9.4 The selection questionnaire report provided by our project managers sets out the recommendation to proceed to invite to tender four contractors on both lots.
- 9.5 The four selected contractors for each lot were then invited to tender. One of the contractors has subsequently withdrawn from the tender citing the volume of work they had on meaning they no longer had the resources to take on the two projects. Two bids have now been received for each surgery and they are currently being reviewed.
- 9.6 The tender returns will be evaluated by the same evaluation team as the SQ returns supported by the same evaluation team advisers. The project managers will provide a similar report to that provided on the selection questionnaire stage to support the Group Director of Finance and Corporate

Resources in consultation with the Director of Strategic Property Services in their review of the evaluation team's recommendations.

10. CONTRACT MANAGEMENT ARRANGEMENTS

10.1 Resources and Project Management (Roles and Responsibilities):

10.2 The project will be managed by the Project Manager also acting as The Employers Agent overseen by the Project Leads. The Project Manager will carry out monthly valuations of works completed on site and certify the value of these works. Weekly meetings will take place until the contract is on site. Thereafter monthly site meetings will take place. Decisions and change control will be undertaken at these meetings in line with agreed governance procedures, contract management policies, and the terms and conditions of the JCT Design and Build Contract 2016.

10.3 The Council's Project Board will carry out quarterly review meetings with the Project Leads to ensure the project is progressing in line with expectations. Decisions and change control will be undertaken at these meetings in line with agreed governance procedures and contract management policies. Project success will depend on the contractor finishing on time, to budget, and to the required quality standards.

10.4 Key Performance Indicators:

10.5 The main KPIs are set to monitor:

- Programme
- Budget
- Quality
- Employment and training targets
- Neighbour complaints – the contractor will be required to register the site with the Considerate Contractor's Scheme.

10.6 Both projects are to achieve BREEAM "Excellent" in accordance with planning and the Council's Sustainable Procurement Strategy. In order to meet Mat 03 credit requirements sustainable procurement plans have been prepared to cover:

- Responsibly and ethically sourced timber
- The use of responsibly and ethically sourced materials
- Minimisation waste and promoting recycling
- The use of materials with a low embodied impact
- The use of durable materials
- The use of local materials
- The avoidance of toxic or hazardous materials

- Avoidance of refrigerants with a high global warming potential.

10.7 In addition the practices users' satisfaction with the completed properties will be tested by survey and interviews after a period of occupation by the new surgeries.

Main KPI Targets Set	Monitoring
1. Programme	Project Manager / Project Leads
2. Budget	Project Manager / Project Leads
3. Quality	Project Manager / Project Leads
4. Employment and Training Targets	Project Manager / Project Leads
5. Neighbour Complaints	Project Manager / Project Leads

11. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 11.1 This report recommends the delegation of the contract award to the most highest scoring contractor per lot to construct primary care facilities at two locations in the borough, namely land to the rear of 2- 28 Belfast Road, London N16 6UH (new build), and the Portico Building, 34 Linscott Road, London, E5 0RD - (repair and refurbishment of existing Grade II listed building and new build extension).
- 11.2 Once completed, the lease agreed on each building to each primary care practice on full repairing lease terms for a period of 20 years, will complete.
- 11.3 A key guiding principle of these two schemes is that they are each self-financing for London Borough of Hackney over an indicative 30 year term, taking into account estimated build cost, annual rent and assuming that LB Hackney would borrow to finance construction. The eventual financing route will be a Treasury decision taken at the necessary point before proceeding with construction.
- 11.4 Based on current information both schemes are expected to be viable over this period. Both schemes would be finance leases, with the appropriate accounting entries to reflect this.

12. VAT Implications on Land & Property Transactions

- 12.1 Both sites have been elected for VAT as agreed with Finance.

13. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 13.1 On 7th December 2020 Cabinet Procurement Committee agreed a Business Case in respect of the selection of a contractor for the construction of Primary Care Surgeries at land to rear of 2-28 Belfast Road, London N16, and the Portico, 34 Linscott Road, London E5.
- 13.2 Authority is now sought from Cabinet Procurement and Insourcing Committee to delegate the approval of the Contract Award for the construction of a Primary Care Surgery at land to rear of 2-28 Belfast Road, N16 and The Portico, 34 Linscott Road, E5 to the Group Director of Finance and Corporate Resources in consultation with the Director of Strategic Property Services.
- 13.3 Paragraph 2.2 ii) of the Cabinet Procedure Rules states that “If the Elected Mayor delegates functions to a Committee of the Cabinet, unless they direct otherwise, the Committee may delegate further to an officer.”. Cabinet Procurement and Insourcing Committee, as a committee of the Cabinet, is therefore permitted to delegate to an officer the decision to agree the award of contract and may therefore delegate to the Group Director of Finance and Corporate Resources.
- 13.4 Details of the procurement process undertaken by the Council to date are set out in this Report. It will be necessary to complete further stages of the procurement process before a recommendation to award the contract is made. Subject to the approval of Cabinet Procurement and Insourcing Committee, this will be presented to the Group Director Finance and Corporate Resources for approval in a delegated powers report.

14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 14.1 Shortlisting was completed and the shortlisted bidders were invited to tender and 2 bids were received for each GP surgery (Lot 1 and Lot 2) on 3 December 2021. The evaluation process has been commenced and the first stage evaluation will be completed before 19 December 2021. It is likely that the negotiation phase will be needed due to the complexity of the two sites and the current market conditions. It is likely that this will conclude in February/March 2021 thus making it difficult to meet the timescales for build and subsequent lease.

APPENDICES

Appendix 1 - Construction Cost Plan - Exempt - Category 3

Appendix 2 - Project Managers Report on Selection Questionnaire - Exempt - Category 3

EXEMPT

By Virtue of Paragraph(s) Category 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None

Report Author	David Borrell Tel : 0208 356 1621 Job Title: Senior Surveyor David.Borrell@Hackney.gov.uk.
Comments for and on behalf of the Group Director of Finance and Corporate Resources	James Newman Chief Accountant james.newman@hackney.gov.uk 0208 356 5154
Comments for and on behalf of the Director of Legal & Governance Services	Patrick Rodger: 020 8356 6187 Senior Lawyer, Legal Services patrick.rodger@hackney.gov.uk
Comments of Procurement Category Lead	Candace Bloomfield - Tel : 07845 917764 Procurement Manager3 Candace.Bloomfield@hackney.gov.uk

Selection Questionnaire Report

Relating to Project

Land to Rear of 2-28 Belfast Road, N16 6UH &
Clapton Portico Learning Centre, 34 Linscott
Road, E5 0RD

November 2021
LN28464

Contents

Section	Page
Executive summary	3
Introduction	3
Objectives	4
Pre-Qualification Process	4
Pre-Qualification Results	6
Appendix A – Design Team Comments, SQ Scores and Summary- Belfast Road	
Appendix B – Design Team Comments, SQ Scores and Summary- Clapton Portico	

Executive Summary

The recommendation of this report is that the below contractors should be invited to tender, based on achieving the highest scores in the tender evaluation process:

Belfast Road	Average Weighted Score (%)
Conamar Building Services Ltd	70%
J Coffey Main Contracts	70%
Jerram Falkus Construction Ltd	74%
Neilcott Construction Ltd	64%

Table 1: Belfast Road- Shortlisted tenderers

Clapton Portico	Average Weighted Score (%)
Conamar Building Services Ltd	60%
Hutton Construction Ltd	60%
Jerram Falkus Construction Ltd	63%
Neilcott Construction Ltd	66%

Table 2: Clapton Portico - Shortlisted tenderers

Based on the financial information received to date, the London Borough of Hackney determined Hutton Construction Limited is to be taken forward on the Portico tender only. It is recommended that London Borough of Hackney undertake a detailed financial review of all contractors and satisfy themselves to each Contractor's financial suitability prior to tender.

Introduction

London Borough of Hackney are working together with City and Hackney Clinical Commissioning Group (CCG), to relocate two primary care GP practices. Clapton Portico Learning Centre, 34 Linscott Road, E5 0RD, has been identified as a suitable site to relocate Lower Clapton Group Practice, whilst land to the rear of 2-28 Belfast Road, N16 6UH has been identified as a suitable site for Spring Hill Practice.

The project will be procured on a single stage competitive procurement route to achieve the best possible solution from the market. The project will be tendered following the completion of RIBA Stage 4.

The form of contract will be a JCT Design and Build Contract (2016) with contract amendments. The contract will be awarded following the conclusion of the tender process.

It is intended that the process will be aligned with the stages outlined below:

- First Stage – Selection Questionnaire.
- Second Stage - Initial to Tender
- Third Stage – Negotiation (if required)
- Fourth Stage – Best and Final Offer (if required)

The two projects are to be tendered together with two separate Lots and two separate contracts; Lot 1 is Belfast Road, and Lot 2 is Clapton Portico.

The purpose of the Selection Questionnaire (SQ) was to assess the suitability of a contractor to deliver London Borough of Hackney’s contract requirements. The completed SQs has been used to evaluate each respondent’s technical, economic and financial suitability under the section headings within the SQ. The pre qualification process was undertaken in accordance with provisions of The Public Contracts Regulations 2015.

The responses will be reviewed within this report. The purpose of this selection questionnaire report is to recommend a shortlist of four contractors, who will then participate in a traditional single stage competitive tender process for the project

These will be the respondents that pass the mandatory criteria and score highest against the technical and professional section of the Selection Questionnaire.

Project Objectives

London Borough of Hackney has set the following objectives for two new GP Surgeries:

- The design creates a sense of place, adding to the local identity of the area
- The new building is integrated into the existing community and environment
- The new development improves the functioning and appearance of the surrounding neighbourhood
- The design sensitively responds to the context and character of the area
- A sense of community and of shared identity is encouraged through design
- The design supports a low-carbon community
- Achieves BREEAM Excellent
- Creates a secure, welcoming environment for patients and staff
- Maximises the use of external space for welfare and amenity benefits

It is important that the selected tenderers have the capability to deliver the above objectives.

It is envisaged that construction for the building will commence in early 2022.

Pre-Qualification Process

The Selection Questionnaire (SQ) was prepared with the following sections.

Section 1	Supplier Information
Section 2	Exclusion Grounds
Section 3	Grounds for Discretionary Exclusion
Section 4	Economic and Financial Standing
Section 5	Information on Parent Company
Section 6	Technical and Professional Ability
Section 7	Health and Safety
Section 8	Laws and Legislation
Section 9	Equality Act 2010

Table 3: Selection Questionnaire Sections

The contractors had been advised of the weighted questions within Section 6. All other sections were pass/fail.

The following two tables set out the weighted questions on the two separate selection Questionnaires.

Belfast Road Technical and Professional Ability	Weighted %
Relevant Experience	50%
References	10%
BREEAM	20%
Compact sites	20%
	100%

Table 4: Belfast Road- Section 6 Weightings

Clapton Portico Technical and Professional Ability	Weighted %
Relevant Experience	45%
References	10%
BREEAM	15%
Listed Buildings	30%
	100%

Table 5: Clapton Portico- Section 6 Weightings

Section 6 is then to be marked out of 5, according the London Borough of Hackney scoring guide as follows:

0. Very weak or no answer
1. Poor- well below expectations
2. Satisfactory but slightly below expectations
3. Good- meets expectations
4. Very good- slightly exceeds expectations
5. Exceptional- Well above expectations

The Selection Questionnaire is to be marked by the following project team members:

- London Borough of Hackney
- ADP Architecture
- Rider Levett Bucknall
- Robinson Low Francis

The procurement exercise was carried out by the Council's eTendering portal ProContract. A Pre Information Notice (PIN) was published on 17th March 2021 advising of the upcoming tender.

The Selection Questionnaire was published on 27th May 2021, with an initial return date of Monday 28th June 2021. Additional time was requested and given, which extended the return date to 9th July 2021.

Pre-Qualification Results

Responses to Selection Questionnaire were received electronically through ProContract.

Six responses were received for Lot 1 – Belfast Road, and five responses were received for Lot 2- Clapton Portico.

RLF collated the relevant information and issued to all members of the design team to score.

RLF checked to ensure all parts of the SQ where mandatory answers were required had been completed. All companies completed the necessary parts of the questionnaire and moved on to the next stage of evaluation.

Due to the wording of the standard questions to Section 3, limited financial information was provided at SQ stage, and it is recommended that up to date financial information is obtained at tender to provide further assurance to the suitability of the contractors.

Once all members of the design team had scored the SQ returns, RLF collated the scoring and is summarised in the table below. The full scores from all team members alongside commentary is included within Appendix A and B.

Contractors	Relevant Experience		References		BREEAM		Compact Sites		Total Weighted Score / 100%
	50%		10%		20%		20%		
	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	
Conamar	4	40%	3	6%	3	12%	3	12%	70%
Diamond	1	10%	3	6%	2	8%	2	8%	32%
Hutton	4	40%	3	6%	2	8%	2	8%	62%
J Coffey	4	40%	3	6%	3	12%	3	12%	70%
Jerram Falkus	4	40%	3	6%	3	12%	4	16%	74%
Neilcott	3	30%	3	6%	4	16%	3	12%	64%

Table 6: Belfast Road Technical and Professional Ability

Contractors	Relevant Experience 45%		References 10%		BREEAM 15%		Listed Buildings 30%		Total Weighted Score /100%
	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	/100%
Conamar	3	27%	3	6%	3	9%	3	18%	60%
Diamond	1	9%	3	6%	2	6%	0	0%	21%
Hutton	3	27%	3	6%	3	9%	3	18%	60%
Jerram Falkus	3	27%	3	6%	4	12%	3	18%	63%
Neilcott	3	27%	3	6%	3	9%	4	24%	66%

Table 7: Clapton Portico Technical and Professional Ability

Financial standings

The London Borough of Hackney undertook Dun & Bradstreet checks for the remaining five contractors. Diamond Build PLC were excluded by the quality scoring, and further financial information on Diamond Build PLC was not obtained.

From these checks, four contractors had an overall risk status of 'low-medium', with Hutton Construction Limited achieving a 'moderate' score. The London Borough of Hackney need to be confident with the financial standing of all recommended tenderers and It is important that they undertake a detailed review of the financials for each company prior to the project going out to tender to ensure they are happy.

With consideration to the above, the London Borough of Hackney agreed to put forward Hutton Construction Limited for the Portico tender only.

Recommended Tenderers

The following four contractors are recommended on Belfast and Clapton Portico on the basis that they achieved the highest weighted average scores once all design team scoring had been considered:

Contractor	Average Weighted Score (%)
Conamar Building Services Ltd	70%
J Coffey Main Contracts	70%
Jerram Falkas Construction Ltd	74%
Neilcott Construction Ltd	64%

Table 8: Belfast Road- Marking Summary

Contractor	Average Weighted Score (%)
Conamar Building Services Ltd	60%
Hutton Construction Ltd	60%
Jerram Falkas Construction Ltd	63%
Neilcott Construction Ltd	66%

Table 9: Clapton Portico- Marking Summary

Remaining Tenderers

Diamond Build PLC were deemed unsuitable for the project by the design team, as they were unable to provide relevant examples of delivering projects to the same type, scale and complexity. Their Selection Questionnaire response on Lot 2- Clapton Portico was incomplete.

Appendix A

Design Team Comments, SQ Scores and Summary- Belfast Road

TENDER SCORING - TEMPLATE

NHS SURGERIES - BELFAST ROAD
HACKNEY BOROUGH COUNCIL



Scored by:

RLF

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %

Section 2 Exclusion Grounds (Pass / Fail)20% turnover

2.1(a)	<p>Regulations 57(1) and (2)</p> <p>The detailed grounds for mandatory exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below and listed on the webpage.</p> <ul style="list-style-type: none">o Participation in a criminal organisation.o Corruption.o Fraud.o Terrorist offences or offences linked to terrorist activitieso Money laundering or terrorist financingo Child labour and other forms of trafficking in human beings <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.1(b)	<p>If you have answered yes to question 2.1(a), please provide further details.</p> <p>Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction,</p> <p>Identity of who has been convicted</p> <p>If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents.</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.2	<p>If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion ? (Self Cleaning)</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.3(a)	<p>Regulation 57(3)</p> <p>Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.3(b)	<p>If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines. contributions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
2.4	<p>Please confirm and provide evidence of the following:</p> <p>Contractor to operate an Environmental Management System (EMS) which must</p> <p>Be third party certified, to:</p> <ul style="list-style-type: none">• ISO 14001: 2015, EMAS (EU Eco Management and Audit Scheme)• or equivalent standard <p>Or</p> <p>Is in compliance with BS 8555: 2016 and have:</p> <ul style="list-style-type: none">• Appropriate structure• Reached implementation stage phase four 'implementation and operation of the environmental management system• Completed defined phase audits one to four. <p>Weighting - Pass / Fail</p>		PASS		PASS. ISO expires august, need confirmation that this has been renewed.		iso 14001 pass expires august		Pass		Pass		Pass	

Section 3 Grounds for discretionary exclusion (Pass / Fail)

3.1(a)	<p>Regulation 57 (8)</p> <p>The detailed grounds for discretionary exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation.</p> <p>○ Breach of environmental obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1 (b)	<p>○ Breach of social obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1 (c)	<p>○ Breach of labour law obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(d)	<p>○ Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(e)	<p>○ Guilty of grave professional misconduct?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(f)	<p>○ Entered into agreements with other economic operators aimed at distorting competition?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(g)	<p>○ Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(h)	<p>○ Been involved in the preparation of the procurement procedure?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(i)	<p>○ Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
3.1(j) - (i)	Please answer the following statements ○ The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (ii)	Please answer the following statements ○ The organisation has withheld such information. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (iii)	Please answer the following statements ○ The organisation is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (iv)	Please answer the following statements ○ The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.2	If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning) Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	

Section 3 Selection Questions (Pass / Fail)

4.1	Are you able to provide a copy of your audited accounts for the last two years, if requested? If no, can you provide one of the following: answer with Y/N in the relevant box. Weighting - Pass / Fail		To year ending Feb 2020		For year ending 2019 only. Not the financial year. 18.6 turnover. High staff turnover		Not provided		Not provided		Not provdied		Not provided	
4.1 (a)	A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation. Weighting - Pass / Fail		To year ending Feb 2021		Year ending 2019		Not provided		Not provided		Not provdied		Not provided	
4.1 (b)	A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position. Weighting - Pass / Fail		To year ending Feb 2022		Year ending 2019		Not provided		Not provided		Not provdied		Not provided	
4.1 (c)	Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status). Weighting - Pass / Fail		No information		No infoamtion		Not provided		Not provided		Not provdied		Not provided	
4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out. Weighting - Pass / Fail		N/A		PASS		Not provided		Pass		Pass		Pass	

all

all

all

all

all

all

all

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
7.3	Please submit your RIDDOR accident records for the last five years, including the current year's figures. Weighting - Pass / Fail		do not include sub contracted employees		Provided. 2021. are all employee numbers site based.		Pass though perhaps misleading. No near missed. And unusual		actually provided last 5 years information		Pass		Pass	
7.4	Please submit brief details of any prohibition notices, improvement notices and prosecutions served. Responses should cover the last five years including any notices currently under assessment and must include details of remedial action taken. Weighting - Pass / Fail		Pass		pass		Pass		Pass		Pass		Pass	
7.5	Please identify the competent person who is responsible for Health and Safety Issues within your organisation, including all relevant qualifications. Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Provided		Pass	

Section 8 Laws and Legislation (Pass or Fail)

8.1	Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")? Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	
8.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015? Weighting - Pass / Fail		PaSS- though they havent provided a yes or no.		PASS		PASS		Pass		Pass		Pass	
8.3	The Council is a London Living Wage accredited organisation please confirm that you will pay the London living wage if awarded this contract Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	

Section 9 Equality Act 2010 (Pass or Fail)

9.1	Please confirm that your organisation complies with the Equality Act 2010 and confirm your organisation has no history of breaching any social or labour law obligations If no, please provide an explanation Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	
-----	---	--	------	--	------	--	------	--	------	--	------	--	------	--

	Total			70		32		62		70		74		64
--	-------	--	--	----	--	----	--	----	--	----	--	----	--	----

Appendix B

Design Team Comments, SQ Scores and Summary- Clapton Portico

Scored by: RLF

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %

Section 2 Exclusion Grounds (Pass / Fail)

2.1(a)	<p>Regulations 57(1) and (2) The detailed grounds for mandatory exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions. Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below and listed on the webpage.</p> <ul style="list-style-type: none">o Participation in a criminal organisation.o Corruption.o Fraud.o Terrorist offences or offences linked to terrorist activitieso Money laundering or terrorist financingo Child labour and other forms of trafficking in human beings <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.1(b)	<p>If you have answered yes to question 2.1(a), please provide further details. Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction, Identity of who has been convicted If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents.</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.2	<p>If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion ? (Self Cleaning)</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.3(a)	<p>Regulation 57(3) Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
2.3(b)	<p>If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines. contributions?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.4	<p>Please confirm and provide evidence of the following:</p> <p>Contractor to operate an Environmental Management System (EMS) which must</p> <p>Be third party certified, to:</p> <ul style="list-style-type: none">• ISO 14001: 2015, EMAS (EU Eco Management and Audit Scheme)• or equivalent standard <p>Or</p> <p>Is in compliance with BS 8555: 2016 and have:</p> <ul style="list-style-type: none">• Appropriate structure• Reached implementation stage phase four 'implementation and operation of the environmental management system• Completed defined phase audits one to four. <p>Weighting - Pass / Fail</p>		Pass		PASS. ISO expires august, need confirmation that this has been renewed.		iso 14001 pass expires august		Pass		Pass	

Section 3 Grounds for discretionary exclusion (Pass / Fail)

3.1(a)	<p>Regulation 57 (8)</p> <p>The detailed grounds for discretionary exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation.</p> <p>○ Breach of environmental obligations?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1 (b)	<p>○ Breach of social obligations?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1 (c)	<p>○ Breach of labour law obligations?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1(d)	<p>○ Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1(e)	<p>○ Guilty of grave professional misconduct?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
3.1(f)	<div>◦ Entered into agreements with other economic operators aimed at distorting competition?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(g)	<div>◦ Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(h)	<div>◦ Been involved in the preparation of the procurement procedure?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(i)	<div>◦ Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (i)	<div>Please answer the following statements</div> <div>◦ The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (ii)	<div>Please answer the following statements</div> <div>◦ The organisation has withheld such information.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (iii)	<div>Please answer the following statements</div> <div>◦ The organisation is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (iv)	<div>Please answer the following statements</div> <div>◦ The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.2	<div>If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	

Section 3 Selection Questions (Pass / Fail)

4.1	<div>Are you able to provide a copy of your audited accounts for the last two years, if requested? If no, can you provide one of the following: answer with Y/N in the relevant box.</div> <div>Weighting - Pass / Fail</div>		To year ending Feb 2020		For year ending 2019 only. Not the financial year. 18.6 turnover. High staff turnover		Not provided		Not provdied		Not provided	
-----	---	--	-------------------------	--	---	--	--------------	--	--------------	--	--------------	--

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
4.1 (a)	A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation. Weighting - Pass / Fail		To year ending Feb 2020		Year ending 2019		Not provided		Not provdied		Not provided	
4.1 (b)	A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position. Weighting - Pass / Fail		To year ending Feb 2020		Year ending 2019		Not provided		Not provdied		Not provided	
4.1 (c)	Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status). Weighting - Pass / Fail		No information		No infoamtion		Not provided		Not provdied		Not provided	
4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out. Weighting - Pass / Fail		N/A		PASS		Not provided		Pass		Pass	
	Contractual Please confirm that your sub-contractor(s) are willing to enter a collateral warranty. – Upon commencement of the contract, the levels of insurance cover indicated below: Employer's (Compulsory) Liability Insurance = £10M Public Liability Insurance = £10M Professional Indemnity Insurance = £10M Product Liability Insurance = £10M Please confirm whether you can commit to these levels of insurance cover. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass	

Section 5 If you have indicated in the Selection Questionnaire question 1.2 that you are part of a wider group, please provide further details below (Pass / Fail)

5.1	Are you able to provide parent company accounts if requested to at a later stage? Weighting - Pass / Fail		N/A		PASS		Pass		PASS		Pass	
5.2	If yes, would the parent company be willing to provide a guarantee if necessary? Weighting - Pass / Fail		N/A		PASS		Pass		PASS		Pass	
5.3	If no, would you be able to obtain a guarantee elsewhere (e.g. from a bank)? Weighting - Pass / Fail		N/A		NA		Pass		N/A		Pass	

Section 6 Technical and Professional Ability

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
6.1	<p>Relevant experience and contract examples</p> <p>Please provide details of three relevant health care projects, to include:</p> <ul style="list-style-type: none"> •Contract start date •Length of programme •Approximate contract sum •Design team •Form of contract <p>Please outline key challenges of each project, measures implemented to overcome these, and details of any specific results achieved through innovation in relation to delivery to programme, management of contractor design development and approval process.</p> <p>The projects are to be completed within the last 5 years and of similar scale and complexity.</p> <p>No more than 2 pages per case study in size 12 Arial font.</p> <p>Weighting – 45%</p>	45	3	27	1	9	3	27	3	27	3	27
6.2	<p>Please provide reference details for the above examples</p> <p>Weighting- 10%</p>	10	3	6	3	6	3	6	3	6	3	6
6.3	<p>In no more than one A4 side at Arial 12 font, please demonstrate your experience on taking on the responsibility and delivering a BREEAM Excellent building?</p> <p>Weighting- 15%</p>	15	3	9	2	6	3	9	4	12	3	9
6.4	<p>Please confirm your experience (providing 2no. case studies) with adaptations and extensions to Grade II listed buildings and the approach you took to managing the associated constraints and risk. Please advised how you approached liaison with the public authorities and conservation officers.</p> <p>Weighting 30%</p>	30	3	18	0	0	3	18	3	18	4	24

Section 7 Health and Safety (Pass or Fail)

7.1	<p>Please confirm that you will sign up to Considerate Constructors scheme</p> <p>Weighting - Pass / Fail</p>		PASS		Pass		Pass		Pass		Pass	
7.2	<p>Please submit a signed copy of your Health & Safety Policy Statement.</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Pass		Pass	
7.3	<p>Please submit your RIDDOR accident records for the last five years, including the current year's figures.</p> <p>Weighting - Pass / Fail</p>		do not include sub contracted employees		Provided. 2021. are all employee numbers site based.		Pass though perhaps misleading. No near missed. And unusual		Pass		Pass	
7.4	<p>Please submit brief details of any prohibition notices, improvement notices and prosecutions served. Responses should cover the last five years including any notices currently under assessment and must include details of remedial action taken.</p> <p>Weighting - Pass / Fail</p>		Pass		pass		Pass		Pass		Pass	
7.5	<p>Please identify the competent person who is responsible for Health and Safety Issues within your organisation, including all relevant qualifications.</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Provided		Pass	

Section 8 Laws and Legislation (Pass or Fail)

8.1	<p>Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")?</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Pass		Pass	
-----	---	--	------	--	------	--	------	--	------	--	------	--

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
8.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015? Weighting - Pass / Fail		PaSS-though they havent provided a yes or no.		Pass		Pass		Pass		Pass	
8.3	The Council is a London Living Wage accredited organisation please confirm that you will pay the London living wage if awarded this contract Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass	

Section 9 Equality Act 2010 (Pass or Fail)

9.1	Please confirm that your organisation complies with the Equality Act 2010 and confirm your organisation has no history of breaching any social or labour law obligations		Pass		Pass		Pass		Pass		Pass		
	If no, please provide an explanation												
	Weighting - Pass / Fail												
Total				60		21			60		63		66

Robinson Low Francis
26 Finsbury Square
London
EC2A 1DS

www.rlf.co.uk

Selection Questionnaire Report

Relating to Project

Land to Rear of 2-28 Belfast Road, N16 6UH &
Clapton Portico Learning Centre, 34 Linscott
Road, E5 0RD

November 2021
LN28464

Contents

Section	Page
Executive summary	3
Introduction	3
Objectives	4
Pre-Qualification Process	4
Pre-Qualification Results	6
Appendix A – Design Team Comments, SQ Scores and Summary- Belfast Road	
Appendix B – Design Team Comments, SQ Scores and Summary- Clapton Portico	

Executive Summary

The recommendation of this report is that the below contractors should be invited to tender, based on achieving the highest scores in the tender evaluation process:

Belfast Road	Average Weighted Score (%)
Conamar Building Services Ltd	70%
J Coffey Main Contracts	70%
Jerram Falkus Construction Ltd	74%
Neilcott Construction Ltd	64%

Table 1: Belfast Road- Shortlisted tenderers

Clapton Portico	Average Weighted Score (%)
Conamar Building Services Ltd	60%
Hutton Construction Ltd	60%
Jerram Falkus Construction Ltd	63%
Neilcott Construction Ltd	66%

Table 2: Clapton Portico - Shortlisted tenderers

Based on the financial information received to date, the London Borough of Hackney determined Hutton Construction Limited is to be taken forward on the Portico tender only. It is recommended that London Borough of Hackney undertake a detailed financial review of all contractors and satisfy themselves to each Contractor's financial suitability prior to tender.

Introduction

London Borough of Hackney are working together with City and Hackney Clinical Commissioning Group (CCG), to relocate two primary care GP practices. Clapton Portico Learning Centre, 34 Linscott Road, E5 0RD, has been identified as a suitable site to relocate Lower Clapton Group Practice, whilst land to the rear of 2-28 Belfast Road, N16 6UH has been identified as a suitable site for Spring Hill Practice.

The project will be procured on a single stage competitive procurement route to achieve the best possible solution from the market. The project will be tendered following the completion of RIBA Stage 4.

The form of contract will be a JCT Design and Build Contract (2016) with contract amendments. The contract will be awarded following the conclusion of the tender process.

It is intended that the process will be aligned with the stages outlined below:

- First Stage – Selection Questionnaire.
- Second Stage - Initial to Tender
- Third Stage – Negotiation (if required)
- Fourth Stage – Best and Final Offer (if required)

The two projects are to be tendered together with two separate Lots and two separate contracts; Lot 1 is Belfast Road, and Lot 2 is Clapton Portico.

The purpose of the Selection Questionnaire (SQ) was to assess the suitability of a contractor to deliver London Borough of Hackney’s contract requirements. The completed SQs has been used to evaluate each respondent’s technical, economic and financial suitability under the section headings within the SQ. The pre qualification process was undertaken in accordance with provisions of The Public Contracts Regulations 2015.

The responses will be reviewed within this report. The purpose of this selection questionnaire report is to recommend a shortlist of four contractors, who will then participate in a traditional single stage competitive tender process for the project

These will be the respondents that pass the mandatory criteria and score highest against the technical and professional section of the Selection Questionnaire.

Project Objectives

London Borough of Hackney has set the following objectives for two new GP Surgeries:

- The design creates a sense of place, adding to the local identity of the area
- The new building is integrated into the existing community and environment
- The new development improves the functioning and appearance of the surrounding neighbourhood
- The design sensitively responds to the context and character of the area
- A sense of community and of shared identity is encouraged through design
- The design supports a low-carbon community
- Achieves BREEAM Excellent
- Creates a secure, welcoming environment for patients and staff
- Maximises the use of external space for welfare and amenity benefits

It is important that the selected tenderers have the capability to deliver the above objectives.

It is envisaged that construction for the building will commence in early 2022.

Pre-Qualification Process

The Selection Questionnaire (SQ) was prepared with the following sections.

Section 1	Supplier Information
Section 2	Exclusion Grounds
Section 3	Grounds for Discretionary Exclusion
Section 4	Economic and Financial Standing
Section 5	Information on Parent Company
Section 6	Technical and Professional Ability
Section 7	Health and Safety
Section 8	Laws and Legislation
Section 9	Equality Act 2010

Table 3: Selection Questionnaire Sections

The contractors had been advised of the weighted questions within Section 6. All other sections were pass/fail.

The following two tables set out the weighted questions on the two separate selection Questionnaires.

Belfast Road Technical and Professional Ability	Weighted %
Relevant Experience	50%
References	10%
BREEAM	20%
Compact sites	20%
	100%

Table 4: Belfast Road- Section 6 Weightings

Clapton Portico Technical and Professional Ability	Weighted %
Relevant Experience	45%
References	10%
BREEAM	15%
Listed Buildings	30%
	100%

Table 5: Clapton Portico- Section 6 Weightings

Section 6 is then to be marked out of 5, according the London Borough of Hackney scoring guide as follows:

0. Very weak or no answer
1. Poor- well below expectations
2. Satisfactory but slightly below expectations
3. Good- meets expectations
4. Very good- slightly exceeds expectations
5. Exceptional- Well above expectations

The Selection Questionnaire is to be marked by the following project team members:

- London Borough of Hackney
- ADP Architecture
- Rider Levett Bucknall
- Robinson Low Francis

The procurement exercise was carried out by the Council's eTendering portal ProContract. A Pre Information Notice (PIN) was published on 17th March 2021 advising of the upcoming tender.

The Selection Questionnaire was published on 27th May 2021, with an initial return date of Monday 28th June 2021. Additional time was requested and given, which extended the return date to 9th July 2021.

Pre-Qualification Results

Responses to Selection Questionnaire were received electronically through ProContract.

Six responses were received for Lot 1 – Belfast Road, and five responses were received for Lot 2- Clapton Portico.

RLF collated the relevant information and issued to all members of the design team to score.

RLF checked to ensure all parts of the SQ where mandatory answers were required had been completed. All companies completed the necessary parts of the questionnaire and moved on to the next stage of evaluation.

Due to the wording of the standard questions to Section 3, limited financial information was provided at SQ stage, and it is recommended that up to date financial information is obtained at tender to provide further assurance to the suitability of the contractors.

Once all members of the design team had scored the SQ returns, RLF collated the scoring and is summarised in the table below. The full scores from all team members alongside commentary is included within Appendix A and B.

Contractors	Relevant Experience 50%		References 10%		BREEAM 20%		Compact Sites 20%		Total Weighted Score / 100%
	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	/100%
Conamar	4	40%	3	6%	3	12%	3	12%	70%
Diamond	1	10%	3	6%	2	8%	2	8%	32%
Hutton	4	40%	3	6%	2	8%	2	8%	62%
J Coffey	4	40%	3	6%	3	12%	3	12%	70%
Jerram Falkus	4	40%	3	6%	3	12%	4	16%	74%
Neilcott	3	30%	3	6%	4	16%	3	12%	64%

Table 6: Belfast Road Technical and Professional Ability

Contractors	Relevant Experience 45%		References 10%		BREEAM 15%		Listed Buildings 30%		Total Weighted Score /100%
	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	Average Score	Weighted Score	/100%
Conamar	3	27%	3	6%	3	9%	3	18%	60%
Diamond	1	9%	3	6%	2	6%	0	0%	21%
Hutton	3	27%	3	6%	3	9%	3	18%	60%
Jerram Falkus	3	27%	3	6%	4	12%	3	18%	63%
Neilcott	3	27%	3	6%	3	9%	4	24%	66%

Table 7: Clapton Portico Technical and Professional Ability

Financial standings

The London Borough of Hackney undertook Dun & Bradstreet checks for the remaining five contractors. Diamond Build PLC were excluded by the quality scoring, and further financial information on Diamond Build PLC was not obtained.

From these checks, four contractors had an overall risk status of 'low-medium', with Hutton Construction Limited achieving a 'moderate' score. The London Borough of Hackney need to be confident with the financial standing of all recommended tenderers and It is important that they undertake a detailed review of the financials for each company prior to the project going out to tender to ensure they are happy.

With consideration to the above, the London Borough of Hackney agreed to put forward Hutton Construction Limited for the Portico tender only.

Recommended Tenderers

The following four contractors are recommended on Belfast and Clapton Portico on the basis that they achieved the highest weighted average scores once all design team scoring had been considered:

Contractor	Average Weighted Score (%)
Conamar Building Services Ltd	70%
J Coffey Main Contracts	70%
Jerram Falkas Construction Ltd	74%
Neilcott Construction Ltd	64%

Table 8: Belfast Road- Marking Summary

Contractor	Average Weighted Score (%)
Conamar Building Services Ltd	60%
Hutton Construction Ltd	60%
Jerram Falkas Construction Ltd	63%
Neilcott Construction Ltd	66%

Table 9: Clapton Portico- Marking Summary

Remaining Tenderers

Diamond Build PLC were deemed unsuitable for the project by the design team, as they were unable to provide relevant examples of delivering projects to the same type, scale and complexity. Their Selection Questionnaire response on Lot 2- Clapton Portico was incomplete.

Appendix A

Design Team Comments, SQ Scores and Summary- Belfast Road

TENDER SCORING - TEMPLATE

NHS SURGERIES - BELFAST ROAD
HACKNEY BOROUGH COUNCIL



Scored by:

RLF

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %

Section 2 Exclusion Grounds (Pass / Fail)20% turnover

2.1(a)	<p>Regulations 57(1) and (2) The detailed grounds for mandatory exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions. Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below and listed on the webpage.</p> <ul style="list-style-type: none">o Participation in a criminal organisation.o Corruption.o Fraud.o Terrorist offences or offences linked to terrorist activitieso Money laundering or terrorist financingo Child labour and other forms of trafficking in human beings <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.1(b)	<p>If you have answered yes to question 2.1(a), please provide further details. Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction, Identity of who has been convicted If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents.</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.2	<p>If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion ? (Self Cleaning)</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.3(a)	<p>Regulation 57(3) Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
2.3(b)	<p>If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines. contributions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
2.4	<p>Please confirm and provide evidence of the following:</p> <p>Contractor to operate an Environmental Management System (EMS) which must</p> <p>Be third party certified, to:</p> <ul style="list-style-type: none">• ISO 14001: 2015, EMAS (EU Eco Management and Audit Scheme)• or equivalent standard <p>Or</p> <p>Is in compliance with BS 8555: 2016 and have:</p> <ul style="list-style-type: none">• Appropriate structure• Reached implementation stage phase four 'implementation and operation of the environmental management system• Completed defined phase audits one to four. <p>Weighting - Pass / Fail</p>		PASS		PASS. ISO expires august, need confirmation that this has been renewed.		iso 14001 pass expires august		Pass		Pass		Pass	

Section 3 Grounds for discretionary exclusion (Pass / Fail)

3.1(a)	<p>Regulation 57 (8)</p> <p>The detailed grounds for discretionary exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation.</p> <p>○ Breach of environmental obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1 (b)	<p>○ Breach of social obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1 (c)	<p>○ Breach of labour law obligations?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(d)	<p>○ Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(e)	<p>○ Guilty of grave professional misconduct?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(f)	<p>○ Entered into agreements with other economic operators aimed at distorting competition?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(g)	<p>○ Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(h)	<p>○ Been involved in the preparation of the procurement procedure?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(i)	<p>○ Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions?</p> <p>Weighting - Pass / Fail</p>		PASS		PASS		Pass		Pass		Pass		Pass	

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
3.1(j) - (i)	Please answer the following statements ○ The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (ii)	Please answer the following statements ○ The organisation has withheld such information. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (iii)	Please answer the following statements ○ The organisation is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.1(j) - (iv)	Please answer the following statements ○ The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	
3.2	If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning) Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass		Pass	

Section 3 Selection Questions (Pass / Fail)

4.1	Are you able to provide a copy of your audited accounts for the last two years, if requested? If no, can you provide one of the following: answer with Y/N in the relevant box. Weighting - Pass / Fail		To year ending Feb 2020		For year ending 2019 only. Not the financial year. 18.6 turnover. High staff turnover		Not provided		Not provided		Not provdied		Not provided	
4.1 (a)	A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation. Weighting - Pass / Fail		To year ending Feb 2021		Year ending 2019		Not provided		Not provided		Not provdied		Not provided	
4.1 (b)	A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position. Weighting - Pass / Fail		To year ending Feb 2022		Year ending 2019		Not provided		Not provided		Not provdied		Not provided	
4.1 (c)	Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status). Weighting - Pass / Fail		No information		No infoamtion		Not provided		Not provided		Not provdied		Not provided	
4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out. Weighting - Pass / Fail		N/A		PASS		Not provided		Pass		Pass		Pass	

all

all

all

all

all

all

all

Nr	Question	Question Weight	Scores											
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	J Coffey	J Coffey %	Jerram Falkus	Jerram Falkas %	Neilcott	Neilcott %
7.3	Please submit your RIDDOR accident records for the last five years, including the current year's figures. Weighting - Pass / Fail		do not include sub contracted employees		Provided. 2021. are all employee numbers site based.		Pass though perhaps misleading. No near missed. And unusual		actually provided last 5 years information		Pass		Pass	
7.4	Please submit brief details of any prohibition notices, improvement notices and prosecutions served. Responses should cover the last five years including any notices currently under assessment and must include details of remedial action taken. Weighting - Pass / Fail		Pass		pass		Pass		Pass		Pass		Pass	
7.5	Please identify the competent person who is responsible for Health and Safety Issues within your organisation, including all relevant qualifications. Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Provided		Pass	

Section 8 Laws and Legislation (Pass or Fail)

8.1	Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")? Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	
8.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015? Weighting - Pass / Fail		PaSS- though they havent provided a yes or no.		PASS		PASS		Pass		Pass		Pass	
8.3	The Council is a London Living Wage accredited organisation please confirm that you will pay the London living wage if awarded this contract Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	

Section 9 Equality Act 2010 (Pass or Fail)

9.1	Please confirm that your organisation complies with the Equality Act 2010 and confirm your organisation has no history of breaching any social or labour law obligations If no, please provide an explanation Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass		Pass	
-----	--	--	------	--	------	--	------	--	------	--	------	--	------	--

	Total			70		32		62		70		74		64
--	-------	--	--	----	--	----	--	----	--	----	--	----	--	----

Appendix B

Design Team Comments, SQ Scores and Summary- Clapton Portico

Scored by: RLF

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %

Section 2 Exclusion Grounds (Pass / Fail)

2.1(a)	<p>Regulations 57(1) and (2) The detailed grounds for mandatory exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions. Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below and listed on the webpage.</p> <ul style="list-style-type: none">o Participation in a criminal organisation.o Corruption.o Fraud.o Terrorist offences or offences linked to terrorist activitieso Money laundering or terrorist financingo Child labour and other forms of trafficking in human beings <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.1(b)	<p>If you have answered yes to question 2.1(a), please provide further details. Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction, Identity of who has been convicted If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents.</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.2	<p>If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion ? (Self Cleaning)</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.3(a)	<p>Regulation 57(3) Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
2.3(b)	<p>If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines. contributions?</p> <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
2.4	<p>Please confirm and provide evidence of the following:</p> <p>Contractor to operate an Environmental Management System (EMS) which must</p> <p>Be third party certified, to:</p> <ul style="list-style-type: none">• ISO 14001: 2015, EMAS (EU Eco Management and Audit Scheme)• or equivalent standard <p>Or</p> <p>Is in compliance with BS 8555: 2016 and have:</p> <ul style="list-style-type: none">• Appropriate structure• Reached implementation stage phase four 'implementation and operation of the environmental management system• Completed defined phase audits one to four. <p>Weighting - Pass / Fail</p>		Pass		PASS. ISO expires august, need confirmation that this has been renewed.		iso 14001 pass expires august		Pass		Pass	

Section 3 Grounds for discretionary exclusion (Pass / Fail)

3.1(a)	<p>Regulation 57 (8)</p> <p>The detailed grounds for discretionary exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation.</p> <ul style="list-style-type: none">○ Breach of environmental obligations? <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1 (b)	<ul style="list-style-type: none">○ Breach of social obligations? <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1 (c)	<ul style="list-style-type: none">○ Breach of labour law obligations? <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1(d)	<ul style="list-style-type: none">○ Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State? <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	
3.1(e)	<ul style="list-style-type: none">○ Guilty of grave professional misconduct? <p>Weighting - Pass / Fail</p>		Pass		PASS		Pass		Pass		Pass	

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
3.1(f)	<div>◦ Entered into agreements with other economic operators aimed at distorting competition?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(g)	<div>◦ Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(h)	<div>◦ Been involved in the preparation of the procurement procedure?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(i)	<div>◦ Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions?</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (i)	<div>Please answer the following statements</div> <div>◦ The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (ii)	<div>Please answer the following statements</div> <div>◦ The organisation has withheld such information.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (iii)	<div>Please answer the following statements</div> <div>◦ The organisation is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.1(j) - (iv)	<div>Please answer the following statements</div> <div>◦ The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	
3.2	<div>If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)</div> <div>Weighting - Pass / Fail</div>		Pass		PASS		Pass		Pass		Pass	

Section 3 Selection Questions (Pass / Fail)

4.1	<div>Are you able to provide a copy of your audited accounts for the last two years, if requested? If no, can you provide one of the following: answer with Y/N in the relevant box.</div> <div>Weighting - Pass / Fail</div>		To year ending Feb 2020		For year ending 2019 only. Not the financial year. 18.6 turnover. High staff turnover		Not provided		Not provdied		Not provided	
-----	---	--	-------------------------	--	---	--	--------------	--	--------------	--	--------------	--

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
4.1 (a)	A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation. Weighting - Pass / Fail		To year ending Feb 2020		Year ending 2019		Not provided		Not provdied		Not provided	
4.1 (b)	A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position. Weighting - Pass / Fail		To year ending Feb 2020		Year ending 2019		Not provided		Not provdied		Not provided	
4.1 (c)	Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status). Weighting - Pass / Fail		No information		No infoamtion		Not provided		Not provdied		Not provided	
4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out. Weighting - Pass / Fail		N/A		PASS		Not provided		Pass		Pass	
	Contractual Please confirm that your sub-contractor(s) are willing to enter a collateral warranty. – Upon commencement of the contract, the levels of insurance cover indicated below: Employer's (Compulsory) Liability Insurance = £10M Public Liability Insurance = £10M Professional Indemnity Insurance = £10M Product Liability Insurance = £10M Please confirm whether you can commit to these levels of insurance cover. Weighting - Pass / Fail		PASS		PASS		Pass		Pass		Pass	

Section 5 If you have indicated in the Selection Questionnaire question 1.2 that you are part of a wider group, please provide further details below (Pass / Fail)

5.1	Are you able to provide parent company accounts if requested to at a later stage? Weighting - Pass / Fail		N/A		PASS		Pass		PASS		Pass	
5.2	If yes, would the parent company be willing to provide a guarantee if necessary? Weighting - Pass / Fail		N/A		PASS		Pass		PASS		Pass	
5.3	If no, would you be able to obtain a guarantee elsewhere (e.g. from a bank)? Weighting - Pass / Fail		N/A		NA		Pass		N/A		Pass	

Section 6 Technical and Professional Ability

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
6.1	<p>Relevant experience and contract examples</p> <p>Please provide details of three relevant health care projects, to include:</p> <ul style="list-style-type: none"> •Contract start date •Length of programme •Approximate contract sum •Design team •Form of contract <p>Please outline key challenges of each project, measures implemented to overcome these, and details of any specific results achieved through innovation in relation to delivery to programme, management of contractor design development and approval process.</p> <p>The projects are to be completed within the last 5 years and of similar scale and complexity.</p> <p>No more than 2 pages per case study in size 12 Arial font.</p> <p>Weighting – 45%</p>	45	3	27	1	9	3	27	3	27	3	27
6.2	<p>Please provide reference details for the above examples</p> <p>Weighting- 10%</p>	10	3	6	3	6	3	6	3	6	3	6
6.3	<p>In no more than one A4 side at Arial 12 font, please demonstrate your experience on taking on the responsibility and delivering a BREEAM Excellent building?</p> <p>Weighting- 15%</p>	15	3	9	2	6	3	9	4	12	3	9
6.4	<p>Please confirm your experience (providing 2no. case studies) with adaptations and extensions to Grade II listed buildings and the approach you took to managing the associated constraints and risk. Please advised how you approached liaison with the public authorities and conservation officers.</p> <p>Weighting 30%</p>	30	3	18	0	0	3	18	3	18	4	24

Section 7 Health and Safety (Pass or Fail)

7.1	<p>Please confirm that you will sign up to Considerate Constructors scheme</p> <p>Weighting - Pass / Fail</p>		PASS		Pass		Pass		Pass		Pass	
7.2	<p>Please submit a signed copy of your Health & Safety Policy Statement.</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Pass		Pass	
7.3	<p>Please submit your RIDDOR accident records for the last five years, including the current year's figures.</p> <p>Weighting - Pass / Fail</p>		do not include sub contracted employees		Provided. 2021. are all employee numbers site based.		Pass though perhaps misleading. No near missed. And unusual		Pass		Pass	
7.4	<p>Please submit brief details of any prohibition notices, improvement notices and prosecutions served. Responses should cover the last five years including any notices currently under assessment and must include details of remedial action taken.</p> <p>Weighting - Pass / Fail</p>		Pass		pass		Pass		Pass		Pass	
7.5	<p>Please identify the competent person who is responsible for Health and Safety Issues within your organisation, including all relevant qualifications.</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Provided		Pass	

Section 8 Laws and Legislation (Pass or Fail)

8.1	<p>Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")?</p> <p>Weighting - Pass / Fail</p>		Pass		Pass		Pass		Pass		Pass	
-----	---	--	------	--	------	--	------	--	------	--	------	--

Nr	Question	Weight	Scores									
			Conamar	Conamar %	Diamond	Diamond %	Hutton	Hutton %	Jerram Falkas	Jerram Falkas %	Neilcott	Neilcott %
8.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015? Weighting - Pass / Fail		PaSS-though they havent provided a yes or no.		Pass		Pass		Pass		Pass	
8.3	The Council is a London Living Wage accredited organisation please confirm that you will pay the London living wage if awarded this contract Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass	

Section 9 Equality Act 2010 (Pass or Fail)

9.1	Please confirm that your organisation complies with the Equality Act 2010 and confirm your organisation has no history of breaching any social or labour law obligations If no, please provide an explanation Weighting - Pass / Fail		Pass		Pass		Pass		Pass		Pass	
-----	---	--	------	--	------	--	------	--	------	--	------	--

Total				60		21		60		63		66
-------	--	--	--	----	--	----	--	----	--	----	--	----

Robinson Low Francis
26 Finsbury Square
London
EC2A 1DS

www.rlf.co.uk

AGENDA ITEM 10

TITLE OF REPORT: Variable Data Print re procurement CONTRACT APPROVAL Key Decision No: FCR S050	
CABINET PROCUREMENT & INSOURCING COMMITTEE MEETING DATE (2021/22) 17 January 2022	CLASSIFICATION: Open with exempt Appendix A By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 Appendix A, is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. If exempt, the reason will be listed in the main body of this report.
WARD(S) AFFECTED All Wards	
CABINET MEMBER Mayor Glanville	
KEY DECISION Yes REASON Spending	

GROUP DIRECTOR

Ian Williams

GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES**1. CABINET MEMBER'S INTRODUCTION**

- 1.1. This report seeks approval for the award of a 4-year contract following a competitive tendering exercise via a Crown Commercial Service (CCS) framework (RM6017) which was undertaken by the ICT Contracts Team and Corporate Procurement.
- 1.2. As per Council standing order 2.7.7, the value of the total life of this contract to date is currently at £3.2M approx, which is over the £2m threshold stipulated in the Council Standing Orders (CSO's) and has therefore come to the Cabinet Procurement & Insourcing Committee (CPIC) for review and approval for the contract award.
- 1.3. This report recommends the award of a new contract under the above framework in order to ensure the Council gains best value through the competitive pricing offered via this CCS further competition. The proposed contract meets the Council requirements in a call-off contract that enables services to use this service when digital services are not a viable option.
- 1.4. I welcome the continued support for a strong inhouse print function, supported by flexible access to specialist and larger volume print through this contract where required. I also welcome the commitment to procuring in line with the Council's sustainable procurement strategy, including employment within London in line with the London Living Wage.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. The services covered in this procurement are currently being delivered by the incumbent supplier FDML PLC. Typically these are either specialist areas of print that cannot be produced on Hackney's own in-house equipment (for example Council tax billing, Council benefits notification letters, Parking enforcement notices, Electoral ballot papers) or printing that is fulfilled externally as a top up to the in-house service during periods of heavy workloads or for very high volumes, where our in-house service cannot scale to meet the demand.

- 2.2. The Council's current contract has expired and is operating under the terms of the previous contract. It is therefore necessary that we procure a new contract in order to continue to obtain best value for the Council as well as maintain service delivery for those business areas of the Council who rely upon its use.

3. RECOMMENDATION

- 3.1. **Cabinet Procurement and Insourcing Committee (CIPC) is recommended to approve the award of a 4-year contract, via the Crown Commercial Services framework RM6017 for Postal Goods, Services and Solutions (Lot 7: Hybrid Mail, Digital And Transformational Communications) to 'Supplier A' for the estimated contract value of up to £3.5M**

4. RELATED DECISIONS

- 4.1. On the 7th of June 2021 the the CPIC board approved the Business Case for the procurement of the above framework agreement in accordance with the Hackney Procurement Gateway for Medium Risk procurements.
- 4.2. This report seeks authorisation to implement the recommendations resulting from the execution of the Business Case as approved by the Cabinet Procurement and Insourcing Committee

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1. The Council continues to have a requirement for these additional specialist print services and with the current contract having expired in March 2020, there is a need to reprocur via an appropriate framework. This contract will be a call off contract that enables a wide range of council services to use the contract when needed and when appropriate. The contract award does not commit the council to any spend for printing, notwithstanding any potential set up costs that could be charged by a new supplier as part of their commercial bid.
- 5.1.1. These specialist print services form part of our overall communications with residents In recent years alternative avenues of communicating with residents have been explored and introduced, for example we are also making use of Gov.Notify built into new digital services to send bulk emails/SMS messages and letters to residents. The proposed future approach is to continue to use an effective mix of our in-house print, the Gov.Notify service and the external variable data print contract which is detailed in this paper to meet the Council's varied written communication needs with the residents and local businesses.

- 5.1.2. This report therefore seeks authorisation to award this contract, which does not guarantee specific volumes of work to the supplier, in order to enable the Council's services to competitively meet increases in demand for variable print services and support the communications strategies of the Council and its departments in a way that is also aligned to the Council's sustainability values and meet the high standards of performance required by the Council.
- 5.1.3. In arriving at this recommendation the following options were considered: (a) do nothing, (b) in-source service provision, (c) call-off services from existing framework agreements.
- 5.1.4. Do nothing: This option is not available to the Council as there is an ongoing requirement for the service which we cannot meet in house and the existing contract has expired. Doing nothing places an ongoing risk to the Council and the areas who require this work as there is no formal contract in place.
- 5.1.5. Insourcing: Providing the Service in-House is not cost effective due to the costs of investment needed into the Print Unit for the required specialist equipment and personnel, to be able to provide the range of services needed. It is also anticipated that the need for these services will reduce over the life of the contract (as described above in a strategic context) and therefore investment in specialist equipment would bring diminishing returns.
- 5.1.6. The preferred option is to proceed via a further competition to be undertaken via the Crown Commercial services frameworks RM6017 for Postal Goods, Services and Solutions (Lot 7: Hybrid Mail, Digital And Transformational Communications)
- 5.1.7. The preferred option ensures the Council can gain best value through the competitive pricing offered via CCS as well as being in line with Council requirements, in a call off contract that enables services to use this service when needed, whilst allowing us to transform the services to residents in line with changing user needs and behaviours.

5.2. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 5.2.1. For the reasons set out in 5.1.3 - 5.1.5, the following options were considered and rejected:
 - 5.2.1.1. (a) Do nothing
 - 5.2.1.2. (b) In-source service provision.

6. PROJECT PROGRESS

6.1. Developments since the Business Case approval

An invitation to participate in the Further competition stage under The framework RM6017, was published on 28/09/2021, via the Council's Procurement Portal, ProContract (ref. **DN569587**). The published award criteria was 40% for price-related elements and 60% for non-price-related criteria (Quality).

6.2 Whole Life Costing/Budgets.

6.2.1 A review of the spend report for the duration of the contract for the period April 2016 to March 2020 reflects a total variable data print spend of £2.8M approximately. This is broken down into Printing and production cost (£963k approx) and postage cost (£1.8M approx) for the duration of the contract. Print and production costs incorporate the supplier handling the data from LBH, to printing on agreed templates, to inserting into envelopes and finally preparing for postage. Manipulating the data and preparing it for accurate print is a key part of the service provided.

	2016/2017	2017/2018	2018/2019	2019/2020
Print and Production cost	£246,924.97	£208,493.31	£315,553.24	£196,348.03
Postage cost	£357,134.50	£417,075.51	£553,612.83	£526,870.66
Total	£604,059.47	£625,568.82	£869,166.07	£723,218.69
Grand Total	£2,822,013.05			

6.2.2 As described above we are seeing overall print volumes gradually reducing and in addition Hackney is making more use of digital communication channels as user needs and behaviours change. However we are also seeing an increase in both print and postage costs. Taken together this makes accurate forecasting for future expenditure difficult, however based on the previous spend profile during the last contract period, we estimate the new contract value will be up to £3.5M. These costs will be met from within the existing revenue budgets of the commissioning services. This is a call off contract which will not contain any guarantees of printing spend to the successful vendor.

6.2.3 There are no additional equipment costs identified with this procurement.

6.3 SAVINGS

- 6.3.1 Any savings will be difficult to measure due to fluctuating requirements. There is not a set budget for this print contract for individual print jobs, as the departments have general printing budgets only. All print spend is driven by demand. Savings will therefore not necessarily be evidenced by a decrease in the annual print spend, but will be tested and monitored by tracking the prices for regular orders where like-for-like comparisons can be made.
- 6.3.2 There is a wide market of organisations able to supply variable data printing services. However, it is essential that providers are familiar with and are able to interface with any application system and data formats used by the Service Areas.
- 6.3.3 Given the nature of this procurement, the ability to make savings could only be achieved by a reduction in the printing requirement. Postage and paper costs are not fully within the control of the supplier and given historic cost increases, this is likely to limit the ability to realise cost savings during this contract.

7. SUSTAINABILITY ISSUES

7.1. Procuring Green

- 7.1.1. As part of the evaluation process, bidders were informed in the ITT that the Council preferred and encouraged Suppliers to use the best environmental options in the performance of this contract. The awarded supplier, as part of their commitment to sustainability and minimising environmental impact, is accredited with an ISO14001 Environmental accreditation standard and also complies with the Packaging Waste Directive 94/62/EC.

7.2. Procuring for a Better Society

- 7.2.1. There were no economic issues identified in the Procurement Impact Assessment.

7.3. Procuring Fair Delivery

- 7.3.1. There are no fair delivery concerns in procuring these services identified in the Procurement Impact Assessment.

7.4. Equality Impact Assessment and Equality Issues

- 7.4.1. There are no equalities issues affected by this procurement and contract award. However, the capacity to issue documents in a range of other languages will be explored as part of any value added services provided by

the awarded supplier.

- 7.4.2. The selected supplier has confirmed in their tender response that all aspects of the contract will be carried out within London and all FDM staff are paid the London Living Wage.

8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 8.1. The reasons for rejecting alternative courses of action are listed in paragraph 5.1.3 - 5.1.5 of this report.
- 8.2. Providing the Service in-House is not cost effective due to the costs of investment needed into the Print Unit for the required specialist equipment and personnel as mentioned in 5.1.5
- 8.3. The collection of Council Tax and Non Domestic Rates are key corporate indicators. The Council must ensure collection performance continues to improve. The prompt and accurate issuing of all recovery documentation is therefore essential to this performance. The 4-year contract term and nature of framework agreements provides the Council with the flexibility and contractual protection required in such circumstances.

9. TENDER EVALUATION

9.1. Evaluation:

- 9.1.1. The deadline for clarification questions for potential bidders ended on 13/10/2021. Potential bidders were given the opportunity to submit their tender responses by 27/10/2021. Out of the 22 suppliers that were invited to bid, only 2 had successfully returned their submissions.
 - 9.1.1.1. 5 suppliers showed an interest in the tender by way of submitting clarification questions. Based on those questions it is assumed that the suppliers who did not bid, made that decision based on their business model (to use sub contractors) being contrary to the Council's stated requirement for direct provision for Electoral Services.
- 9.1.2. The applications were evaluated in accordance with the evaluation criteria below and methodology at 'Appendix A' of this report, by the panel consisting of the following four (4) evaluation officers: Quality Assurance Officer; Head of Revenues, Electoral Services Manager, and Electoral Registration Manager. The Procurement Category lead, ICT Senior Contract Officer and ICT Officer were present to support the process.

Criteria		Weighting
1. Price		40%
2. Quality		60%
	A. Ability to deliver specification	40%
	B. Account management and after-sales service	10%
	C. Contract Implementation	4%
	D. Management Information (MI) and IT Security	3%
	E. Sustainability	3%
Total		100%

9.1.3. On the 05/11/2021 at the tender moderation meeting, the above evaluation panel had gathered, and out of the 2 suppliers who submitted their tenders 1 supplier who scored the highest was successful for the contract to be awarded to, please see 9.2.2. This is detailed in a tab labelled 'All scores (Quality)' in Appendix A of this report. All bids were evaluated in accordance with the published evaluation criteria and methodology with a 60:40 quality to cost ratio, as detailed and approved in the Business Case, (Please refer to 9.1.2 for breakdown of the Quality criteria)

9.2. Recommendation

9.2.1. Following the completion of the evaluation of the bids it is recommended that the Bidder/Supplier 'A' be awarded the contract as they were the highest scoring bidder, offering best value for money and quality when assessed as set out in the invitation to tender. Please refer to scoring in 9.2.2 for supplier scores.

9.2.2.

	Price Weighting at 40%	Quality Weighting at 60 %	Total	Rank
Supplier / Bidder A	40.00%	54.75%	94.75%	1st
Supplier / Bidder B	34.30%	40.50%	74.80%	2nd

10. CONTRACT MANAGEMENT ARRANGEMENTS

10.1. Resources and Project Management (Roles and Responsibilities):

10.1.1. The Contract will be supported by the ICT Contracts Team, but will be managed by LBH Services (Revenues and Benefits, Parking, Electoral Services, Housing).

10.1.2. Suppliers' KPI performance data will be reviewed quarterly with the supplier in addition to reports, and where relevant, meetings held to address any issues, discuss continuous improvements and monitor call-off prices according to the contract and table at 10.1.3

10.1.3. Key Performance Indicators:

Main KPI Targets Set	Monitoring	Expected Level of Service
Production turnaround times for despatch.	48 hrs	100%
Number of spoils/duplicates	None	100%
Posting Errors/mismatch of documents	None	100%
Proofing of new document templates	24 hours within receipt of draft requirements	100%
Proofing of amended document templates	24 hours within receipt of draft requirements	100%
Final proof of new template documents	24 hours within receipt of final document amendments	100%
Final proof of amended document templates	24 hours within receipt of draft requirements	100%
Production of agreed monthly Management Information	Maximum of 7 working days following month end	100%

11. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

11.1 This report recommends the procurement route for additional specialist print services that the Council needs, including NNDR and Council Tax billing. As summarised in procurement comments in paragraph 14, the proposed route would mean we use Crown Commercial Services framework RM6017 for Postal Goods, Services and Solutions (Lot 7: Hybrid Mail, Digital And

Transformational Communications) to undertake a mini-competition to award to a single supplier.

- 11.2 As mentioned at paragraph 6, the suggested indicative cost of four years of use of the framework could be £3.5m (which includes print relating to elections), though the eventual cost is wholly dependent on the jobs specified and the costs they drive. The rising cost of print and postage is noted. All jobs specified will need to take into account available budgets. In the case of print jobs such as those relating to the elections, there may be an available grant to contribute towards the cost.

12. VAT IMPLICATIONS ON LAND & PROPERTY TRANSACTIONS

Not Applicable.

13. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 13.1 Paragraph 2.7.7 of Contract Standing Orders states that, in respect of procurements with a risk assessment of "Medium Risk", Cabinet Procurement and Insourcing Committee will determine the award of contracts above the value of £2m. The estimated maximum value of the contract in this Report is approximately £3.5m so therefore the Cabinet Procurement and Insourcing Committee can agree to the recommendation in this Report.
- 13.2 Details of the procurement process undertaken by officers, using Crown Commercial Services framework RM6017 for Postal Goods, Services and Solutions (Lot 7: Hybrid Mail, Digital And Transformational Communications, are set out in this Report. Legal Services will, subject to approval, assist with the drafting and execution of the applicable framework agreements as requested.

14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 14.1 The contract is valued above the relevant UK Public Procurement threshold (Services) and a compliant mini-competition process has been conducted via a CCS framework in accordance with the Public Contracts Regulations 2015.
- 14.2 Hackney Contract Standing Order 2.7.7 requires approval from the Cabinet Procurement and Insourcing Committee to award medium risk contracts valued above £2M.
- 14.3 Although the tender response rate was low, there are no concerns with the recommendation to award the contract to Supplier 'A' as described. The successful tender offers the best quality and value for money when assessed against the published criteria.

- 14.4 Suitable KPIs and contract management arrangements are in place, including meeting environmental commitments in line with the Council's Sustainable Procurement Strategy.

APPENDICES

Appendix A - Variable Data Printing Evaluation Scoring 2021 - Exempt

EXEMPT

By Virtue of Paragraph(s) **3** Part 1 of schedule 12A of the Local Government Act 1972 **Appendix 'A' is exempt** because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

Report Author	Karim Ali ICT Contract Officer karim.ali@hackney.gov.uk
Comments for and on behalf of the Group Director of Finance and Corporate Resources	Rachel Dunbar Group Accountant, F&R rachel.dunbar@hackney.gov.uk
Comments for and on behalf of the Director, Legal & Governance Services	Patrick Rodger, Senior Lawyer Tel: (020) 8356 6187 Patrick.Rodger@hackney.gov.uk
Comments of Procurement Category Lead	Dawn Cafferty Procurement Category Lead dawn.cafferty@hackney.gov.uk

This page is intentionally left blank