



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, 23 October 2023 at 5.30 pm
Council Chamber, Hackney Town Hall,
Mare Street, London E8 1EA**

Live stream link: https://youtube.com/live/TW35_qCXQPY

Back up link: <https://youtube.com/live/UFtLyJru49w>

Members of the Committee:

Councillor Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service (Chair)

Councillor Christopher Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture

Councillor Caroline Woodley, Cabinet Member for Families, Parks and Leisure

Councillor Mete Coban MBE, Cabinet Member for Climate Change, Environment and Transport

**Dawn Carter-McDonald
Interim Chief Executive**

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www.hackney.gov.uk**

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Cabinet Procurement and Insourcing Committee

Monday, 23 October 2023

Order of Business

- 1 Apologies for Absence**
- 2 Terms of Reference of the Cabinet Procurement Insourcing Committee 2023/24** (Pages 9 - 14)

To note the revised Terms of Reference of the Cabinet Procurement Insourcing Committee contained within the refreshed Council Constitution, which came into effect on 4 September 2023.

- 3 Declarations of Interest**

Members are invited to consider the guidance which accompanies this agenda and make declarations as appropriate.

- 4 Urgent Business**

The Chair will consider the admission of any late items of Urgent Unrestricted Business which will be considered under the agenda item where they appear.

- 5 Notice if Intention to Conduct Business in Private and Representations Received**

On occasions part of the Cabinet Procurement and Insourcing Committee meeting may 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. This is in accordance with the Local (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations").

This agenda contains exempt items as set out following the Exclusion of Press and Public agenda Item 10.

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 and Insourcing 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.

6 Deputations/Petitions/Questions

At the time of the agenda publication none have been received.

7 Unrestricted Minutes of the Cabinet Procurement and Insourcing Committee held on 4 September 2023 (Pages 15 - 24)

To confirm the unrestricted minutes of the previous meeting of Cabinet Procurement and Insourcing Committee (CPIC) held on 4 September 2023 as a correct record.

8 CHE S250 Planned Internal Works Contract Award (Pages 25 - 52)

9 Exclusion of the Public and Press

Note from the Governance Team Leader:

Agenda Item(s) 10-11 allows for the consideration of exempt information.

Proposed Resolution:

That the press and public be excluded during discussion of the remaining items on the agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972.

10 CHE S250 Planned Internal Works Contract Award (Exempt Appendices) (Pages 53 - 56)

11 Urgent Exempt Business

The Chair will consider the admission of any late items of Urgent Exempt Business

Public Attendance

The Town Hall is open. Information on forthcoming Council meetings can be obtained from the Town Hall Reception.

Members of the public and representatives of the press are entitled to attend Council meetings and remain and hear discussions on matters within the public part of the meeting. They are not, however, entitled to participate in any discussions. Council meetings can also be observed via the live-stream facility, the link for which appears on the agenda front sheet of each committee meeting.

On occasions part of the meeting may be held in private and will not be open to the public. This is if an item being considered is likely to lead to the disclosure of exempt or confidential information in accordance with Schedule 12A of the Local Government Act 1972 (as amended). Reasons for exemption will be specified for each respective agenda item.

For further information, including public participation, please visit our website <https://hackney.gov.uk/menu#get-involved-council-decisions> or contact: governance@hackney.gov.uk

Rights of Press and Public to Report on Meetings

The Openness of Local Government Bodies Regulations 2014 give the public the right to film, record audio, take photographs, and use social media and the internet at meetings to report on any meetings that are open to the public.

By attending a public meeting of the Council, Executive, any committee or sub-committee, any Panel or Commission, or any Board you are agreeing to these guidelines as a whole and in particular the stipulations listed below:

- Anyone planning to record meetings of the Council and its public meetings through any audio, visual or written methods they find appropriate can do so providing they do not disturb the conduct of the meeting;
- You are welcome to attend a public meeting to report proceedings, either in 'real time' or after conclusion of the meeting, on a blog, social networking site, news forum or other online media;
- You may use a laptop, tablet device, smartphone or portable camera to record a written or audio transcript of proceedings during the meeting;
- Facilities within the Town Hall and Council Chamber are limited and recording equipment must be of a reasonable size and nature to be easily accommodated.
- You are asked to contact the Officer whose name appears at the beginning of this Agenda if you have any large or complex recording equipment to see whether this can be accommodated within the existing facilities;
- You must not interrupt proceedings and digital equipment must be set to 'silent' mode;
- You should focus any recording equipment on 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 to respect the wishes of those who do not want to be filmed and photographed may result in the Chair instructing you to cease reporting or recording and you may potentially be excluded from the meeting if you fail to comply;

- Any person whose behaviour threatens to disrupt orderly conduct will be asked to leave;
- Be aware that libellous comments against the council, individual Councillors or officers could result in legal action being taken against you;
- The recorded images must not be edited in a way in which there is a clear aim to distort the truth or misrepresent those taking part in the proceedings;
- Personal attacks of any kind or offensive comments that target or disparage any ethnic, racial, age, religion, gender, sexual orientation or disability status could also result in legal action being taken against you.

Failure to comply with the above requirements may result in the support and assistance of the Council in the recording of proceedings being withdrawn. The Council regards violation of any of the points above as a risk to the orderly conduct of a meeting. The Council therefore reserves the right to exclude any person from the current meeting and refuse entry to any further council meetings, where a breach of these requirements occurs. The Chair of the meeting will ensure that the meeting runs in an effective manner and has the power to ensure that the meeting is not disturbed through the use of flash photography, intrusive camera equipment or the person recording the meeting moving around the room.

Advice to Members on Declaring Interests

If you require advice on declarations of interests, this can be obtained from:

- The Monitoring Officer;
- The Deputy Monitoring Officer; or
- The legal adviser to the meeting.

It is recommended that any advice be sought in advance of, rather than at, the meeting.

Disclosable Pecuniary Interests (DPIs)

You will have a Disclosable Pecuniary Interest (*DPI) if it:

- Relates to your employment, sponsorship, contracts as well as wider financial interests and assets including land, property, licenses and corporate tenancies.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to DPIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner.
- Relates to an interest which should be registered in that part of the Register of Interests form relating to DPIs, but you have not yet done so.

If you are present at any meeting of the Council and you have a DPI relating to any business that will be considered at the meeting, you **must**:

- Not seek to improperly influence decision-making on that matter;
- Make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent; and
- Leave the room whilst the matter is under consideration

You **must not**:

- Participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business; or
- Participate in any vote or further vote taken on the matter at the meeting.

If you have obtained a dispensation from the Monitoring Officer or Standards Committee prior to the matter being considered, then you should make a verbal declaration of the existence and nature of the DPI and that you have obtained a dispensation. The dispensation granted will explain the extent to which you are able to participate.

Other Registrable Interests

You will have an 'Other Registrable Interest' (ORI) in a matter if it

- Relates to appointments made by the authority to any outside bodies, membership of: charities, trade unions,, lobbying or campaign groups, voluntary organisations in the borough or governorships at any educational institution within the borough.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to ORIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner; or
- Relates to an interest which should be registered in that part of the Register of Interests form relating to ORIs, but you have not yet done so.

Where a matter arises at any meeting of the Council which affects a body or organisation you have named in that part of the Register of Interests Form relating to ORIs, **you must** make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Disclosure of Other Interests

Where a matter arises at any meeting of the Council which **directly relates** to your financial interest or well-being or a financial interest or well-being of a relative or close associate, you **must** disclose the interest. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Where a matter arises at any meeting of the Council which **affects** your financial interest or well-being, or a financial interest or well-being of a relative or close associate to a greater extent than it affects the financial interest or wellbeing of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest, you **must** declare the interest. You **may** only speak on the matter if members of the public are able to speak. Otherwise you must not take part in any discussion or voting on the matter and must not remain in the room unless you have been granted a dispensation.

In all cases, where the Monitoring Officer has agreed that the interest in question is a **sensitive interest**, you do not have to disclose the nature of the interest itself.

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Appendix 3 - Terms of Reference of Council Committees etc Cabinet Procurement & Insourcing Committee

Functions

Cabinet Procurement & Insourcing Committee is responsible for the functions set out below:

1. The [Committee](#) is authorised by [Cabinet](#) to give detailed consideration on all issues relating to procurement practice and policy and to award all high-risk contracts, including all contracts above £2m regardless of their risk rating. The Committee may also reserve to itself the consideration to award any contract for any other procurement listed on the Procurement Pipeline (Procurement Forward Plan).
2. The Committee will exercise the following functions and those matters which flow from them, which are executive functions and advise, as appropriate on:
 - (a) Improving the quality of public services to better meet the needs of all local Citizens through the skilful use of procurement as a function to support Council priorities;
 - (b) Ensuring the Council's procurement processes deliver Value for Money (VFM) outcomes where VFM is defined as the optimum combination of both whole life costs and quality (or fitness for purpose).
3. The Committee will oversee the progress of all contracting activities on the Procurement Forward Plan.
4. The Committee will oversee those procurements put before it under the Gateway process to ensure:
 - (a) They are consistent with Hackney's procurement policy and procedures and the Council's statutory obligations as advised by [Officers](#);
 - (b) The "make or buy" decision is robust and consistent with achieving best value for the Council, where best value is defined as providing services that are efficient, effective and deliver Value for Money.
 - (c) The procurement approach will achieve best value for the Council, promoting procurement options that, where consistent with this duty, have regard to opportunities for collaborating with partners at local, regional, and national level, are designed to deliver a mixed economy of service provision, with ready access to a diverse, competitive range

of suppliers providing quality services, including small firms, social enterprises, minority businesses and voluntary and community sector groups.

- (d) Contract awards are made having regard to identification of the most economically advantageous tender (MEAT), considering issues such as quality, performance, delivery, continuity of supply and whole life costs.
- (e) That the Benefits Realisation of contracts are considered and that lessons learned are captured.

5. The Committee will give consideration to proposals for insourcing of existing outsourced contracts as part of options appraisal for future service provision. Where there is a clear demonstration that this option will consistently achieve best value for the Council and its residents, the Committee will have the power to approve the insourcing of contracts.
6. The Committee will review and where appropriate award contract variations as set out in [Contract Standing Orders](#).
7. The Committee will be responsible for considering any procurements that are referred to the Committee by the [Chair](#) of Hackney Procurement Board (an officer panel established in accordance with Contract Standing Orders).
8. The Committee has the discretionary right to refer any report at Gateway 2 or 4 review for decision by Cabinet,
9. The Committee will also consider and advise, as appropriate, on:
 - (a) A corporate approach to best value in Procurement and ensuring all departments of the Council comply with these principles;
 - (b) Value for money studies following consideration by those bodies with appropriate responsibility for the specific area of work;
 - (c) The use of procurement to support the Council's wider Equalities, Environmental, In-sourcing Services, Social and Community Benefit objectives
10. The Committee will be responsible for considering any procurements that arise from the acceptance of an Expression of Interest under Section 81 of the Localism Act 2011.

Type of Committee

Cabinet Procurement and Insourcing Committee is an [Executive](#) committee under delegated authority of the [Elected Mayor](#).

Membership

The membership of the Committee is appointed by the Elected Mayor and will include the Cabinet Member for Finance, Insourcing and Customer Service and **X** number of Cabinet members.

Chairing arrangements

This Committee is chaired by the Cabinet Member for Finance, Insourcing and Customer Service.

In the absence of the Chair, and subject to availability, the Elected Mayor will Chair this Committee.

Quorum and Voting Arrangements

The [quorum](#) for a meeting of this Committee is two members of the Cabinet which must include the Chair. If neither of them are present the meeting will not be quorate.

Substitutes

Substitutes to the Committee will be appointed by the Elected Mayor for the purposes of establishing a quorum and will have the same voting rights as regular committee members.

Order of Business

- (a) Receive apologies;
- (b) Receive any declarations of interest from elected members;
- (c) Consider any items of urgent business
- (d) Approve the minutes of the previous meeting;
- (e) Review procurement pipeline to ensure that appropriate plans and resources are in place to re-procure or insource existing contracts before they expire
- (f) Receive questions from, and provide answers to, members of the public on matters covered on the [agenda](#);

- (g) Receive questions from, and provide answers to Councillor questions on matters covered on the agenda;
- (h) Consider any matters delegated by Cabinet.
- (i) Consider reports as set out in the agenda.
- (j) Receive details of any procurement related decisions taken by Officers as key decisions under delegated authority.
- (k) Consider any report that any two of the Council's statutory Officers, acting within their statutory duties, decide ought to be considered by the Committee.

Who may attend?

Meetings of the Committee will normally be open to the public, unless [confidential](#) or [exempt](#) information is to be discussed.

Location

This Committee meets at the Council's main offices or any other suitable location.

You can also view meetings online in accordance with the Access to Information Procedure Rules in [Part 6, Section C](#) of the Council's Constitution with the Protocol on Recording and Live Streaming Council Meetings set out in [Part 6, Section F](#) of the Constitution.

Questions to the Committee

A member of the public who lives, works, or studies in the Borough can ask a question of the Committee with one supplementary question relating to an item on the [agenda](#).

A [Councillor](#) may ask a question of the Committee with one supplementary question relating to an item on the agenda.

The total amount of time for questions with notice at the Committee will be no more than 15 minutes.

If the Chair agrees, a member of the public can ask a question at the Committee without having given notice. If a question without notice is asked, the Chair will explain that it might not be possible to give a full answer at the meeting and that a written response will be provided.

Frequency of meetings

The Committee meets on dates set out in the Council's meetings calendar.

Papers and Notice

The agenda and any papers for the Committee will be issued at least 5 working days in advance of the meeting, except in the case of matters of urgency.

Review

The terms of reference will be reviewed on an annual basis, or as necessary, to support the functions and objectives of this Committee. Updates to the terms of reference will be agreed annually at the Committee's first meeting of the municipal year.

Last reviewed: Date xx

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MINUTES OF A MEETING OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY, 4 SEPTEMBER 2023

Councillors Present: **Councillor Robert Chapman in the Chair**

Cllr Christopher Kennedy, Cllr Caroline Woodley and Cllr Mete Coban

Officers in Attendance: Rotimi Ajilore - Head of Procurement
Leila Gillespie - Procurement Category Lead for Corporate Services
Rabiya Khatun - Governance Officer
Rob Miller - Strategic Director Customer & Workplace
Jackie Moylan - Group Director, Finance

Officers in Attendance Virtually: Joe Baxter - Contracts & Commissioning Officer
Suhana Begum - Senior Public Health Specialist,
Colin Cowdrey - Head of Colleague Experience
Divine Ihekwoaba - Procurement Category Lead for Construction
Justin Feltham - Programme Management Office Manager
Merle Ferguson - Procurement Strategy and Systems Lead
Hayley Craig - Major Capital Projects Delivery Lead
Lesley Hill - Strategic Commissioner
Louise Humphreys - Acting Director of Legal, Democratic and Electoral Services
Timothy Lee - Procurement Category Lead for Health and Social Care
Tessa Mitchell - Governance Services Team Leader
Lola Olawole - Public Health Commissioning Manager
Patrick Rodger - Senior Lawyer
Paul Saunders - Facilities Operations and Contracts Manager
Charlotte Smith - Senior Commissioning Officer
Jayne Taylor - Consultant in Public Health
Peter Varey - Commissioning Specialist in Public Health
Monsur Zaman - Senior Digital Analyst

1 Apologies for Absence

1.1 There were no apologies for absence.

2 Declarations of Interest

2.1 Councillor Chapman informed the Committee and it was recorded that Kings Hall Leisure Centre at item 11 of the agenda was in his Homerton Ward.

3 Urgent Business

3.1 There was no urgent business to consider.

4 Notice of Intention to Conduct Business in Private and Representations Received

4.1 There were no representations to consider.

5 Deputations/Petitions/Questions

5.1 There were no deputations, petitions or questions to consider

6 Unrestricted Minutes of the Cabinet Procurement and Insourcing Committee held on

RESOLVED

That the unrestricted minutes of the Cabinet Procurement and Insourcing Committee held on 3 July 2023 be agreed as a true and accurate record of proceedings.

7 AHI S186 Integrated Telecare Service Contract Extension Award Report

7.1 Charlotte Smith, Senior Commissioning Officer for Older People and Long Term Conditions, introduced the report seeking approval to extend the Hackney Integrated Telecare Service contract with the incumbent provider for a period of 18 months, plus 6 months plus 6 months options to allow for continued service delivery whilst the service completed the necessary transition from analogue to digital ensuring the continued safety of the most vulnerable residents and commissioned a future Technology-Enabled Care service enabling the move towards delivering a proactive and preventive digital offer that can help improve the quality of life for residents and reduce reactive care costs.

7.2 In response to a question from a Member of the Committee regarding why the contract extension had been requested retrospectively after the contract had expired in February 2023, it was stated that due to health funding issues it had not been possible to achieve a successful tender in February 2023. The City and Hackney Place-Based Partnership Delivery Group had been unable to agree to recurrent funding for any project or service due whilst transitioning to an Integrated Care System. A request for an increase in funding from the Better Care Fund contribution was submitted in August 2022 and a £50,000 recurrent increase to its annual contribution was agreed in May 2023. The budget was now sufficient to meet the forecast spend for a period of two and half years.

RESOLVED:

To award an extension to the contract with Millbrook Healthcare Limited for the delivery of the Hackney Integrated Telecare Service, for a period of 18-months + 6-months + 6-months options to extend; full 30-month contract extension period 26 February 2023 to 25 August 2025. The total projected contract value for the full period is c.£2,080k. This includes an estimated c.£204k cost of equipment that will be reimbursed by health partners.

8 AH1 S176 Stop Smoking Service Reprourement Business Case

8.1 Suhana Begum, Senior Public Health Specialist introduced the report requesting the authority to recommission the City and Hackney Stop Smoking Service for a further 5 years from the 1st of July 2024. The recommissioning would result in £124k savings annually and the specification included some insourcing of the service.

8.2 Members noted the error at paragraphs 6.10.3 and 6.10.4 of the report and the amendments to the KPIs. This should read that, 'as a minimum, 50% of people setting a quit date should achieve a 4 week quit and a stretch target of 60% will be in place'. The target for the service is to encourage 1600 people per year to set a quit date and that at least 50% of those achieve a successful quit.

8.3 In response to a question from a Member regarding managing and recycling e-cigarettes available under the Swap to Stop scheme, the officer replied that this service was under development and that this treatment would only be offered to smokers to help them quit. The service would educate and encourage smokers to use refills instead of single disposable e-cigarettes.

8.4 Members emphasised that the message to people should be that e-cigarettes or vaping should be used as an aid to quit smoking and to discourage the use of disposable e-cigarettes because of its environmental impact.

RESOLVED:

1. Agree the commissioning of the City and Hackney Stop Smoking Service for a period of up to five (5) years (3+1+1) beginning 01/07/2024 at a maximum value of £4m (Option number 4 in section 6). This will include within this financial envelope, a budgeted amount of £80,000 per annum for an insourced PO7 post to provide an enhanced community engagement function and work with the provider to develop partnerships with high prevalence and high risk communities.

2. Such commissioning shall include the option to award further funding to the successful bidder of up to £500k (in total, over the lifespan of the contract, depending on allocation from central government) for optional additional work packages to deliver national initiatives. The potential scope of these work packages is described in section 6.5.7 of the submitted report.

9 FCR S230 Security Framework Extension

9.1 Members noted the Supplementary Papers circulated prior to the meeting.

9.2 Rob Miller, Strategic Director Customer and Workplace, introduced the report seeking approval to extend the current security framework contract for Council regular and reactive security requirements and concierge services for Hackney residential blocks for a 24 month period. This will provide the time required to retender service lots which have been assessed as not feasible for insourcing and develop further analysis of potential savings that can be achieved from this contract for reinvestment in insourcing elements of the service that are considered viable for insourcing (subject to expected cost increases set out in the report).

9.3 Following the introduction, in response to a query from a Member of the Committee regarding the insourcing of the service leading to an increase in staff from 120 to over 140, it was stated that based on the current service hours being delivered if the service was insourced under the Council's terms and conditions and 36 hour working week more permanent staff would be needed to employed to deliver this service.

RESOLVED:

1. To note the work undertaken on the possible insourcing of major parts of this service.

2. To agree a 24 months extension of the current Corporate Security contract with CIS Security Ltd with 12 and 18 month break clauses, while these options are actively pursued.

10 FCR S235 Replacement Unified Communication as a Service (UCaaS) & Contact Centre as a Service (CCaaS) Telephony System 2023

10.1 Rob Miller, Strategic Director Customer and Workplace introduced the report outlining the proposal to replace the current cloud based service for telephony and contact centre software and seeking to award a contract for the procurement of a new 'Unified Communication as a Service' telephony service that included an omnichannel contact centre solution.

10.2 Members noted the exempt appendices.

RESOLVED:

1. To authorise the award of a contract for the procurement of a new 'Unified Communication as a Service' telephony service that includes an omnichannel contact centre solution to Supplier 1.

11 FCR S244 Kings Hall Leisure Centre Refurbishment Project contractor Procurement Business Case Part 1

11.1 Hayley Graig, Major Capital Projects Delivery Lead, introduced the report setting out the case for the contractor procurement to support the delivery of the Kings Hall Leisure Centre refurbishment project, the two stage design and build and procurement process. The procurement would be split at 70% quality and 30% cost. The project governance and management structure put in place for this refurbishment project also ensured that lessons learned across the Council's broader capital delivery programmes including the Britannia Leisure Centre project could be fed into the

project team and help secure the project's success. The project was anticipated to be achieved within the existing budget.

11.2 Following the introduction, Members of the Committee noted the following:

- The importance of Kings Hall Leisure Centre to the local community and that doing nothing would not be an option, and that the staged approach would mitigate the risks for this complex site.
- It had been reassuring that the officers working on this project had previous experience of working on the successful multi award-winning Britannia Leisure Centre.
- In response to a question regarding the timeline of the report to Cabinet, the officer explained that the tender document would be issued in a few days which would enable a contractor to be appointed and a pre-construction services agreement to be signed by end of January 2024, the Stage three design would be reviewed from February to March 2024 and it was anticipated that a full business case including a better understanding of the risks and costs could be submitted to Cabinet by spring 2024.

11.3 The Chair thanked officers for their work on this project.

RESOLVED to:

1. Approve the commencement of a two stage design and build procurement for Kings Hall Leisure Centre Refurbishment Project through the Southern Construction Framework Lot 3.

2. Delegate authority to the Group Director, Finance, in consultation with the Hackney Kings Hall Leisure Centre Development Board, in respect of the award of a Pre-Construction Services Agreement (PCSA) to the recommended contractor.

3. Authorise the Director of Legal, Democratic and Electoral Services to agree and enter into all necessary legal documentations relating to a Pre-Construction Service Agreement with the recommended contractor.

CPIC is requested to note that:

4. Following a review of the Stage 3 cost plan by the PCSA contractor, a Full Business Case requesting budget approval for the whole project will be brought back to Cabinet for consideration.

5. Subject to Cabinet approving such Full Business Case, the project will proceed by submitting a planning application and continuing to complete the second stage of the procurement process (including the open book market testing of the Stage 4 design with the PCSA contractor's supply chain).

6. At the completion of the second stage of the procurement process, a report recommending the award of the main design and build contract to the recommended contractor will be brought back to CPIC for consideration and approval.

12 **Exclusion of the Public and Press**

RESOLVED

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Insourcing Committee during consideration of Exempt Appendices at item 13 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.

13 **FCR S235 Replacement Unified Communication as a Service (UCaaS) & Contact Centre as a Service (CCaaS) Telephony System 2023 - Exempt Appendices**

13.1 The discussion and decision relating to this item are set out in item 10.

14 **Urgent Exempt Business**

14.1 There was no restricted urgent business to consider.

Duration of the meeting: 5.00 - 5.42pm

Cllr Robert Chapman
Chair of Cabinet Procurement and Insourcing Committee

CABINET PROCUREMENT AND INSOURCING COMMITTEE

ACTIONS TRACKER as at 29/09/2023

Ref	Meeting Date	Agenda Item	Action	Assigned to	To be completed by	Status
1	16/1/23	AHI S162 - Integrated Mental Health Network	<p>Senior Public Health Practitioner to share the lessons learned report with Committee Members when available.</p> <p>Update 03/02/23: internal lessons learned session already taken place and report will follow once a session with external stakeholders has been held.</p>	Jennifer Millmore	5 June 2023	Completed
2	13/3/23	CE S174 SEND DPS Transportation Contract Award Approval	Action - Head of SEND : That a report back to a future meeting on the development of performance indicators and processes to ensure compliance with the commitment to the use of low emission vehicles and alternative fuels to reduce the environmental impact.	Joe Wilson	No Specific Date	Pending
3	17/4/23	AHI S150 Adult Social Care Transformation - Business Case	(1) Assistant Director Strategic Commission for Adult Social Care & Public to present proposed contract award to the Committee in July 2023 once the tender process has been completed.	Jenny Murphy	July 2023	Completed

			<p>(2) Officers to ensure that the contract award is listed for key decision on the Council's Executive Meetings Key Decision Notice as appropriate.</p> <p>(3) The Assistant Director Strategic Commission for Adult Social Care & Public Health to provide a written response to Cllr Binnie-Lubbock.</p>			
4	17/4/23	General Exception AHI S192 City and Hackney Enhanced Health Visiting Service - Contract Award	<p>(1) Consultant in Public Health to follow up with the provider on support for young parents and capturing the outcomes.</p> <p>(2) To prepare a briefing note in consultation with the Procurement team addressing the sustainability issues.</p>	Carolyn Sharpe	2 May 2023	Completed September 2023
5	17/4/23	FCR S180 Procurement of Core Insurance Provision Contract Award (Officer Key Decision) - For Noting (Exempt)	(1) Senior Insurance Officer to provide a briefing note to the Committee that provides further detail on the Council's green ambitions, the KPIs referenced in the report and innovation.	James Whitehouse	May 2023	Completed October 2023

6	03/07/23	AHI S222 Lime Tree & St Peter's House	To provide an update at a future meeting on the progress for insourcing this contract.	Leslie Hill	January 2025	
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CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	Planned Internal Works
Key Decision No.	CHE S250
CPIC Meeting Date	9 October 2023
Classification	Open with Exempt Appendices Reason: Information relating to the financial or business affairs of any particular person (including the authority holding the information)
Ward(s) Affected	All
Cabinet Member	Cllr Clayeon McKenzie
Key Decision	<p>_____</p> <p>Yes</p> <p>_____</p> <p>This results in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service/function. Significant in terms of its effects on communities living or working in an area comprising two or more wards.</p>
Group Director	Rickardo Hyatt Group Director, Climate, Homes and Economy
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	£8m including VAT at the standard rate
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	2 yrs + 1 yr (works will be awarded over up to 2 years, and there would be an additional year where the contractor is completing project but not receiving new work)

1. **Cabinet Member's Introduction**

- 1.1 The Council is passionate about its housing stock, and committed to the aims and principles of social housing. It is both a privilege and a duty to repair and maintain the Council's homes and estates, where more than 30,000 tenants and leaseholders live and are their beating heart.
- 1.2 We aim to provide homes that our residents are proud of, and the quality of the facilities in the home are essential to that. Residents need to have good quality, modern, and safe kitchens, bathrooms, heating and electrics.
- 1.3 This work to homes was seriously disrupted by the Covid-19 pandemic as it was not possible for a long time to do major works in homes. While this work has resumed since March 2022, this contract will establish a longer term programme and deliver improvements to hundreds of homes

2. **Group Director's Introduction**

- 2.1 This report summarises the reasons for awarding a contract to cover Planned Internal Works qualifying homes in line with the Council's planned 7-year programme. It is expected to deliver internal improvements to up to 700 homes.
- 2.2 These improvements may include kitchen renewals, bathroom renewals, and electrical and heating upgrades. They will also incorporate key fire safety measures in the homes, and, where possible, work to rectify hazards to residents in the home, including damp and mould.
- 2.3 This work is important to ensuring our homes are continually improved to meet the Decent Homes standard, but it is also work that is usually most important to our residents. This proposed programme is a very extensive programme of work, and represents a further significant investment in the standard of our homes.
- 2.4 This contract award report is presented following a tender exercise using a suitable external framework, established by Fusion 21. This report proposes a direct call off, but costs have been evaluated as offering value for money. Submissions which did not offer value for money were rejected as part of this tender.

3. **Recommendations**

Cabinet Procurement and Insourcing Committee is recommended to:

Approve the award of a 2 year contract to Contractor C for planned internal works to council housing stock, with a further year to complete instructed works, at a value of up to £8m, which has been directly called-off the Fusion 21 framework.

4. **Related Decisions**

March 2019: Approval of the Housing Asset Management Strategy 2019-2027, by Cabinet on 25 March 2019. This provides an overarching framework for investment decision-making across the Council's homes and estates. It sets out the ambitions that Hackney has for the quality of its homes and the priorities that will be established to ensure that the limited available resources are directed at the greatest need.

<http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=111&MID=4332#AI32478>

July 2020: Approval of the Business Case for Capital Works to Hackney Council Housing, by Cabinet Procurement Committee on 6 July 2020. This included a provision to procure contracts covering planned internal works to up to 900 homes. This figure included planned internal works to Lincoln Court (c.200 homes); this work was awarded under a separate contract via a Delegated Powers Report in November 2021. This work started in March 2022 and is now complete.

https://docs.google.com/document/d/1QI6_yU4QQ75OG3joTuHo430Wx_Lx8lzRxE4w18yGBUA/edit

5. **Reason(s) For Decision / Options Appraisal**

- 5.1.0 The Council's capital delivery programme is essential to ensuring the ongoing maintenance of the housing stock, ensuring it reaches the required standards. One of the key aspects of this is ensuring that the inside of the home is in a decent condition; this means having a kitchen, bathroom, electrical and heating system which are to a good condition and modern standard. It also means ensuring the home is free of hazards to the safety of residents, and provides adequate fire safety measures (including alarms and fire stopping).
- 5.1.1 These works are essential to improve residents' welfare and living conditions. The main benefits of the works will be in improving fire safety, ensuring hundreds of tenants benefit from new kitchen, bathroom and heating facilities in their homes.
- 5.1.2 In 2021 the Council's long term framework (which was called 'Contract 1') ended. In 2020 a business case was approved to award an interim contract to cover planned internal works, because it was expected that there would be a delay in the procurement of a replacement contract due to the disruption of Covid and the cyber attack. The work to procure a planned internal work contract was not actively progressed in 2020 or 2021 due to the ongoing limitations on working in people's homes from covid restrictions. The programme development was also made more complex due to loss of key data.

- 5.1.3 From 2024, there will be a new Regulator for Social Housing. One of the new consumer standards will be 'Quality and Safety'. The work in this contract will be key to ensuring that these homes are improved to satisfy these standards.
- 5.1.4 The properties have been selected based on the Council's 7 year programme which was published as part of the Housing Asset Management Strategy in 2019. The business case for this project makes provision to complete necessary internal works to all homes in line with this planned programme. The work will start with properties in Year 1 of the programme. The work will continue insofar as the contract value permits. The scope of work is subject to ongoing surveys.
- 5.1.5 There are about 3500 properties in each year of the programme, of which about 30% are leasehold. It is not the Council's responsibility to carry out this work to leasehold properties.
- 5.1.6 In Year 1 of the 7 year programme, there are about 3500 properties in total. Of these:
C.1100 are leasehold and will not be included
C. 700 may require work
C.1700 are unlikely to require work

At present surveys are being undertaken to finalise the list of properties that require work. Surveyors are surveying all 700 properties which may require work, and a 10% sample of homes where it is unlikely they require work (this sample will be expanded as necessary). Currently it is estimated that about 200-300 properties in Year 1 will require planned internal works.

- 5.1.7 Surveys on properties in Year 2 of the programme will be started in early 2024. There is likely to be a similar number of qualifying properties in this set. Further surveys will be carried out as required.
- 5.1.8 The original business case included planned internal works to Lincoln Court also; this work was awarded via a Delegated Powers Report in November 2021. This work started in March 2022 and is now complete.
- 5.1.9 The works are proposed to be awarded in multiple batches; the first in late 2023 to cover all qualifying homes in Year 1. The second will be issued to follow on from this and achieve continuity of works. At present this is estimated to be in summer 2024 (subject to contractor performance and programme of the first batch). This batch will be all qualifying homes in Year 2 of the capital programme. Further batches will be issued, subject to available contract value.

5.2 Alternative Options (Considered and Rejected)

The full details of the alternative options considered at the start of this work was set out in the Business Case report (Ref: NH Q86) which was approved by CPC in July 2020. The summary is:

5.2.1 Option 1 - Hold procurement of these works until new contracts are in place (rejected)

Contract 1 ended on 31 August 2021. The procurement of the new framework contracts has been delayed by the Covid-19 lockdown, both due to internal operational limitations, and the need to ensure the market is suitable to procure long term contracts. It is estimated that the tender exercise will start in spring 2023, however, it will be spring 2024 before a contract is signed as the tender process, leasehold consultation and internal governance approvals take about a year for a contract of this scale.

As a result the Council decided in July 2020 to procure the Planned Internal Works via an interim contract so that this work could proceed before the planned main framework is in place.

5.2.2 Option 2 – Procure a Stand Alone Contract (rejected)

This option involves carrying out an independent procurement process to let the works. In general this option requires more resources than the proposed option to use an external framework, and this was rejected as it presented a risk of diverting resources from the main procurement work for the new long term contracts and causing further delays.

5.2.3 Option 3- Insourcing the work (rejected)

The option of in-sourcing the planned works was examined, however, the scale of the work, both in value and in type, and the timescales involved, means that it was neither desirable nor possible to restructure the DLO in time to carry out this work.

6. Project Progress

6.1 Developments since the Business Case approval

6.1.1 The planned internal works to Lincoln Court, which was part of the same business case, was awarded under a separate decision. These works are now complete. This work was done by Contractor C, and while it was a technically challenging project as it also involved complex leak remediation works, it was successfully completed, and there have been no complaints.

6.1.2 The contract mechanism will be a 'Project Partnering Contract' which will be issued as an initial 2 year contract, with a potential to extend for a third year in which remaining works can be completed but no new works instructed. Works can be instructed under the contract as properties are identified as qualifying for kitchen and bathroom renewal.

6.1.3 All residents will be offered a design choice for the main materials in their kitchen and bathroom and the kitchen layout. The kitchens will be designed to meet the minimum space requirements of the decent homes standard. Residents may be assessed for and provided with adaptive aids.

6.1.4 A Housing Health and Safety Rating System (HHSRS) survey will be done in all homes and issues identified will be remediated either in this programme or sooner via the repairs team.

6.2 Whole Life Costing/Budgets

6.2.1 Funding is available for this proposed work. The maximum value of the contract is £8 million. The contract term is two years, with a potential additional year to complete instructed work. The amount of work actually undertaken will depend on the outcomes of condition surveys, the needs of residents and delivery rates for the works. Any properties not completed within the contract term will be referred to be completed under a new main framework contract.

6.3 Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Poor Contractor Performance	Low ▾	Medium ▾	Low ▾	Careful due diligence during procurement and good contract administration once contractors are appointed.
Delays in mobilisation of contract	Medium ▾	Medium ▾	Medium ▾	The contractors are already working in the borough on another scheme. Subject to this report being approved in the expected timeframe this should be ok, but it will be an increased risk if there are delays to approval as the contractor will end their presence and teams in the borough.

Unusual inflation affects contract pricing.	Medium ▾	Low ▾	Medium ▾	Where very high inflation occurs and is awarded as an uplift to the contractor, the council can reduce some works to reduce overall costs. There is limited capacity while still meeting the decent homes criteria, but often the council takes a pragmatic approach to slightly early works and these could be set back.
Failure by contractors to comply with contractual obligations	Low ▾	High ▾	Medium ▾	The team have an established working relationship with the contractor and are experienced at managing these types of works and contracts. The Council are able to terminate the contracts should the contractors perform below standards.
Overrun budget	Low ▾	Medium ▾	Low ▾	Work programmes, budgets and orders given to the contractors are continuously managed and formally monitored.

7. **Savings**

7.1 There are no cashable savings arising from this contract.

8. **Sustainability Issues and Opportunities, Social Value Benefits**

8.1 **Procuring Green**

8.1.1 Reducing Carbon Footprint: Contractor C has committed to implementing environmentally friendly practices, minimising waste generation, and reducing carbon emissions in its projects.

They partner with a firm for all construction waste and are proud to confirm that 99% of all construction waste is recycled.

This firm has invested heavily in leading technologies in order to divert 100% of waste from landfill. This, coupled with their diverse social value

activity, means they are able to make a real difference to all their stakeholders. This also means that 99% of waste that is taken from site is recycled or used for alternative methods, fuels, and measures.

- 8.1.2 Energy Efficiency and Resource Management: Contractor C has committed to prioritising energy-efficient design, use of renewable technologies, and resource optimisation in their operations.

8.2 **Procuring For A Better Society**

- 8.2.1 Local Job Opportunities: Contractor C will prioritise local recruitment and training, creating job opportunities for the Hackney community. Contractor C has proposed to utilise the Employment & skills benefits programme facilitated by Building Lives Training Academy to meet their commitment to Identify any opportunity to generate new employment or skills acquisition for local residents, eg apprenticeship, work experience, training and or mentoring.

The contractor's internal teams will lead the recruitment promoting positions through Hackney, local press, and JobCentre Plus. They will be recruited according to work scopes and the needs of Hackney. They will aim to offer a wide range of apprenticeships to develop a variety of skills.

Their Apprenticeship offer provides two years of work experience, CSCS certification, on-going mentoring, development, advanced training on a wide variety of subjects, and PAYE employment. Through this structured scheme, apprentices receive formal on-going monitoring and support through their training. By ensuring the new recruits have a structured training programme over the duration of the work, they are able to provide them with skills, knowledge and development opportunities to further their careers and ensure retention of employment.

- 8.2.2 Skill Development and Training: Contractor C will continue to provide training and development programs, including apprenticeships, which contribute to the growth and upskilling of the local workforce. Through these programs, individuals in the community can gain valuable skills and experience, improving their employability and long-term prospects.
- 8.2.3 Partnerships and Collaborations: Contractor C has committed to establishing long-term partnerships with contractors fosters collaboration and a shared sense of responsibility towards the community.

8.3 **Procuring Fair Delivery**

- 8.3.1 They have confirmed how they would induct and monitor their supply chain (where applicable) and demonstrate their commitment to adhere to the criteria set out under the Prompt Payment code.

- 8.3.2 The successful bidders have committed to paying staff a minimum of the London Living wage and this will form a contract term.
- 8.3.3 The contract documents will include details on their commitment to resident engagement and customer care as well as their approach and method used to ensure their contract delivery will be tailored to Hackney's expectations through workshops designed to build solid working relationships with the client in partnership and where relevant, encourage the participation and input from resident representatives.

8.4 **Equality Impact Assessment and Equality Issues**

Contractor C will:

- Appoint staff to work with council staff and resident representatives during mobilisation to co-create a Communication Plan that captures the Residents' Voice.
- Translation of documents into any language, and if necessary, engage with English-speaking family members/friends/neighbours to provide translation.
- Helping Hands Standard in place for elderly/ill-health residents with communication challenges.
- Password system for vulnerable residents
- Continuation of Covid 19 rules for shielding residents on request.
- Offer viewing of kitchen and bathroom materials to help residents select their design choices

8.5 **Social Value Benefits**

- 8.5.1 Social Inclusion and Diversity: Contractor C has committed to placing substantial emphasis on social inclusion, encouraging diversity and promoting equal opportunities within the workforce.
- 8.5.2 Community Engagement and Well-being: Contractor C has committed to continuing its community-focused approach, actively engaging with local stakeholders and addressing community concerns.

9. **Tender Evaluation**

- 9.1 In May 2022 the project team approached contractor A through the London Housing Consortium (LHC) framework, but they turned down the opportunity to price these works due to the current construction market situation. At the time there was a lot of inflation and price uncertainty. They were not able to source the sub-contractor to deliver the programme.
- 9.2 Contractor B was approached in August 2022, and they did submit a price for this work. This was reviewed by the Hackney Council staff and a retained external Cost Consultant firm. However, the cost consultant firm

recommended that the price did not represent value for money, and a decision was made internally not to progress to contract award.

- 9.3 Contractor C (the preferred supplier) was approached in spring 2023. This contractor has been involved in the delivery of a similar programme at Lincoln Court and they had capacity to deliver further works. Their cost is based on the continuity of works which means that better value has been obtained than with the previous contractors approached.
- 9.4 The details of the pricing is included in Appendix B.
- 9.5 The tenders were evaluated on price only, as the framework selection process already established that the contractor was suitably qualified for doing the works. The price of Contractor C was compared to the price Contractor B had submitted and this is also set out in Appendix A.

10. Recommendation

- 10.1 Cabinet Procurement and Insourcing Committee is recommended to:

Approve the award of a 2 year contract to Contractor C for planned internal works to council housing stock, with a further year to complete instructed works, at a value of up to £8m, which has been directly called-off the Fusion 21 framework.

- 10.2 Contractor C will provide a Parent Company Guarantee for the work.
- 10.3 Monitoring of contract budgets and spend will be via the Housing Investment Board on a quarterly basis.
- 10.4 All survey results and outcomes of completed works will be returned to the Asset Performance team to ensure that outcomes are used to update asset databases and information on decent homes.
- 10.5 There are no TUPE implications.

11. Contract Management Arrangements

Resources and Project Management (Roles and Responsibilities):

- 11.1 The Planned Internal Works Contract will be managed by a Contract Delivery Manager along with their technical team including a Project Manager, Building Clerk of Works and Customer Relationship Officers. The Contract Delivery Manager is the overall project manager for the PPC contract and is the point of escalation should a matter arise that is unable to be resolved at the monthly operational meetings. Such matters are escalated to the Monthly or Strategic Core Meeting.
- 11.2 Robust client briefing documents, specifications and schedules of rates will be used to minimise client variation and also by using the technical skills,

knowledge and expertise of the officers managing these works to ensure a good standard of contract management is applied at all times.

- 11.3 Performance is monitored via quarterly Strategic Core Group Meetings. As well as providing a forum for discussion of strategic contract issues, the contract Key Performance Indicators (KPI) will be reported. The results will be collected in accordance with the Contract's KPI document. An annual review of the KPI results will be used to decide whether an extension term, in the form of an extra year, will be granted to the appointed Provider.
- 11.4 Performance against commitments to social value will also be monitored at the quarterly Strategic Core Group Meetings throughout the contract term.

12. Key Performance Indicators

- 12.1 The KPIs are as follows:

- KPI 1 Properties completed per week
- KPI 2 Customer Satisfaction – Overall
- KPI 3 Time – Properties completed in time
- KPI 4 Client Handover Pass Rate
- KPI 5 Safety - Client H&S Inspections

Appendix C sets out further detail.

- 12.2 All KPIs are monitored quarterly at the Strategic Core Group meeting. As far as possible, the data and analysis is produced by Hackney Council officers. This is an enhancement on previous contract arrangements; for example contractors were previously tasked with gathering resident satisfaction information. This will now be done by Hackney Council.
- 12.3 Each KPI can be Green, Amber or Red depending on performance relative to the target. The contract defines an overall performance requirement which is necessary to be awarded an extension to the term. This mechanism is designed to incentivise ongoing high performance throughout the term.

13. Comments Of Interim Group Director Of Finance

- 13.1 The report seeks approval to award a contract to bidder C, with spend of up to £8m over 2 years.
- 13.2 There are no leaseholder re-charge implications as the works are internal and will only be carried out in council owned properties.
- 13.3 The present agreed maximum price (AMP) programme includes various work streams that require funding. All works will therefore need to be prioritised against each other to ensure that capital spend remains within agreed budget limits and capital financing resources are not exceeded.

Monitoring of this particular contract and wider AMP budgets and spend will be overseen by the Housing Investment Board on a quarterly basis.

14. VAT Implications On Land & Property Transactions

Not Applicable

15. Comments Of the Acting Director, Legal, Democratic & Electoral Services

15.1 The works in this Report were assessed as High Risk by the Council and on 6th July 2020 Cabinet Procurement Committee agreed the procurement of a group of planned capital works to Hackney Council housing which are non-rechargeable to leaseholders, via a pre-existing external framework, including Planned Internal Works. Pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to award a contract will be with Cabinet Procurement and Insourcing Committee.

15.2 Details of the procurement process undertaken by officers to procure the appointment of a works contractor are set out in this Report.

16. Comments Of The Procurement Category Lead

16.1 The Business Case for this element of the works; 'Planned Internal Works' as part of the - Capital Works to Hackney Council Housing CPIC report approved July 2020 (Key Decision No: NH Q86) recommended the following procurement procedure; Procurement of planned capital works which are non-rechargeable to leaseholders, via a pre-existing external framework.

16.2 This recommendation and the procedure followed are compliant with the business case approved procedure and the call-off process for a 'direct call-off' from the Fusion 21 framework.

16.3 The procurement team was engaged in this commissioning exercise and uploaded and issued the full tender brief (framework agreement, scope, pricing schedule) to Contractor C. These documents were issued via the Council's e-tender portal and submissions were received on the 29th August 2023.

16.4 Procurement team has confirmed with the Fusion 21 framework contract managers that the submitted rates are in line with the framework rates. The final Fusion 21 (framework) report is being finalised in preparation for contract award. This is to ensure a compliant procedure and a legally binding contract is put in place

16.5 Given Fusion 21's confirmation of the procedure carried out, this commissioning activity now amounts to a proper, transparent, fair procurement exercise.

Appendices

Appendix A: Tender price summary and evaluation (EXEMPT)

Appendix B: Pricing Document (EXEMPT)

Appendix C: Detailed KPIs

Exempt

By Virtue of Paragraph(s) 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 Documents

None

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KEY PERFORMANCE INDICATORS (KPIs)

To be read in conjunction with all other Tender Documents

CONTENTS

PART 1: INTRODUCTION

1. Purpose of the KPIs
2. Issuing Additional Orders
3. Target Standard and MAP Standard

PART 2: KEY PERFORMANCE INDICATORS:

- | | |
|-------|--------------------------------------|
| KPI 1 | Properties completed per week |
| KPI 2 | Customer Satisfaction – Overall |
| KPI 3 | Time – Major Works completed in time |
| KPI 4 | Client Handover Pass Rate |
| KPI 5 | Safety - Client H&S Inspections |

APPENDICES

- A. EXAMPLE CUSTOMER SATISFACTION QUESTIONNAIRE

PART 1: INTRODUCTION

1. Purpose of the KPIs

In this Project Partnering Contract, Key Performance Indicators (“KPIs”) are used for the following purposes:

- to monitor performance of the Works, with a view to both the Client and Constructor having data which they will review so that each of them can bring forward suggestions for the improvement of the performance of the Contract and the delivery of the Programme;
- to incentivise the Constructor's performance, as the KPI performance for each Order is taken into account in deciding whether to issue any subsequent Orders.
- to identify performance below the required performance Targets that will require the Constructor to produce an Action Plan; and
- to identify performance that is below the minimum standard that will trigger the Client's rights to terminate the Constructor 's appointment under this Project Partnering Contract.

2. Issuing additional Orders

The Constructor's performance shall be kept under regular review and will be used to form the basis for issuing subsequent Orders in the following manner:

- i) The Term is for a period of up to 2 years. Within this period, where the Constructor's performance for an Order has met the required standards as set out in this KPI document, the Constructor may be issued further Orders where available.

The Client intends to award subsequent Orders subject to:

- i) the availability of funding
- ii) the Client's continued ownership of the relevant stock
- iii) evidence that the Constructor continues to discharge all of its obligations in accordance with the contract documents
- iv) performance against the KPIs
- v) evidence of performance against the Constructor's Quality Assessment responses/ Quality Submission Requirements.

For the avoidance of doubt iii) includes but is not limited to the following, Duty of Care, Cost Control in relation to the established Agreed Maximum Price, Early Warning System, overall Contract Management, Change Control, Risk Management, Project Completion and Support, and Problem Solving and Dispute Avoidance or Resolution.

The Constructor 's actual performance in contract in relation to its response to the Quality Assessment within its Tender shall also be taken into consideration when deciding whether to issue additional Orders e.g. Resident Engagement, Quality Control and Social Value and Sustainability etc

The Client will continue to review the rationale, justification and business case for the programme/works and at its sole discretion may increase, decrease or adjust the volume of work or cease the programme and all future Orders entirely.

The Constructor shall not have a claim against the Client (whether under contract, statute, tort or otherwise) for any consequential or indirect loss or any actual or expected loss of profit, loss of revenue, loss of goodwill or loss of opportunity except under the provisions of the relevant Project Partnering Contract.

- ii) The KPI Reviews will take place on or immediately after the first calendar day of the quarter following the programme start date for works in the Order. For example, where the works start date is 20th February, the first KPI Review will take place on 1st April of that calendar year (the **First KPI Review**). Each KPI Review will take place on a quarterly basis following the First KPI Review.

iii) On or immediately following the completion of the Order, the Core Group shall assess the performance of the Constructor for the Order in accordance with this KPI document (each an **Order Review**).

3. Target Standards and MAP Standards

i) There are a total of 5 KPIs, which are reported monthly. For the purposes of the reviews to decide on issuing new Orders, the Constructor 's performance for each KPI will be reviewed based on its performance over the previous Order, in accordance with the formulae set out in this KPI document.

ii) All KPIs are assessed as follows (and as described in more detail in Part 5 of this KPI document):

- a. Green is performance at or above the Target,
- b. Amber is performance above the Minimum Acceptable Performance Standard (MAP Standard) but not at the Target Standard; and
- c. Red is performance below the Minimum Acceptable Performance (**MAP**)

iii) For any KPI Review, the Constructor is required to achieve the following standards:

- a. The Target Standard (Green) must be achieved on the minimum number of KPIs set out in the Summary Table below (depending on the number of KPIs assessed during the relevant KPI Review); and
- b. Amber scores (achieves the MAP Standard but does not achieve the Target) can be accrued on up to the maximum number of KPIs set out in the Summary Table below but must not exceed this number; and
- c. No Red scores (less than MAP Standard) must be achieved against any KPI.

iv) Where, as part of any KPI Review, there is no data against a particular KPI, it will be considered 'not applicable'.

v) The Client reserves the right to consider mitigating circumstances in any poor performance, which are demonstrably outside of the Constructor's control.

Summary Table:

No. of Assessed KPIs	Green (Target Standard)	Amber (MAP Standard achieved but Target Standard not achieved)	Red (less than MAP Standard)
Up to 5 KPIs assessed	All but 1, and must include KPI 1 and 5 where assessed	Maximum of 1, but not KPIs 1 and 5 where assessed	None

KPI 1	Properties Completed per Week									
Purpose	To assess the number of completed properties per week by means of a running average and measure the Constructor 's productivity.									
Definition	The proportion of the total number of properties completed, measured from the programme start date for works, relative to the target set as agreed on contract award.									
Method	$\frac{\text{Total No. of properties completed}}{\text{Target No. of properties per week} \times \text{Number of Weeks of Installation}} \times 100\%$ <p style="text-align: right;">(Note: Target to be agreed on contract award)</p>									
Targets and Minimum Acceptable Performance levels	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%;">Target</th> <th style="width: 25%;">MAP</th> </tr> </thead> <tbody> <tr> <td>First Year</td> <td>85 %</td> <td>70 %</td> </tr> <tr> <td>Second Year</td> <td>100 %</td> <td>85 %</td> </tr> </tbody> </table> <p>Targets and MAP levels may be revised by agreement between the Client and the Constructor .</p> <p>The Client reserves the right to omit pilot property weeks in the programme from the requirements of this target. The Client may also stop measuring this target towards the end of the programme where the final 'difficult to access' properties are being completed.</p>		Target	MAP	First Year	85 %	70 %	Second Year	100 %	85 %
	Target	MAP								
First Year	85 %	70 %								
Second Year	100 %	85 %								
Example	<p>In week 7 of the programme, the Constructor completed 6 properties, bringing the total installed to 62. A target number of 10 properties per week was agreed on contract award.</p> $\frac{62}{10 * 7} = 88\%$ <p>Therefore, for the first year the Target was achieved, but for any second year only the MAP was achieved.</p>									
Measurement Period	Weekly Cumulative figures per Order are also to be provided.									
Reporting interval	Monthly (Note: trackers of installations are to be provided weekly, but formal KPI reporting and review is monthly)									
Collection of data	Client and Constructor									
Data processor	Client									

KPI 2	Customer Satisfaction – overall									
Purpose	To determine the overall level of Customer satisfaction with the Works.									
Definition	How satisfied the Customer was with the Works and overall Customer service provided by the Constructor , as assessed from specific questions in the Customer Satisfaction Questionnaire (the Questionnaire), using a 1 to 10 scale, where 10 means "Totally satisfied", with the figure being expressed as a percentage.									
Method	<p>After each Order the Client will send to the Customer the applicable Questionnaire form at Appendix A. Questionnaires will be issued by text, or post, or by call to an independent officer.</p> <p>The KPI measures the average of the scores for questions 4 & 5 from the Questionnaire at Appendix A from all questionnaires received during the Measurement Period for each Order.</p> <p>For monitoring purposes KPI performance is also to be measured cumulatively for all questionnaires received per Order.</p>									
Targets and Minimum Acceptable Performance levels	<table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td>First Year</td> <td>75 %</td> <td>65 %</td> </tr> <tr> <td>Second Year</td> <td>85 %</td> <td>70 %</td> </tr> </tbody> </table> <p>Targets and MAP levels may be revised by agreement between the Client and the Constructor .</p>		Target	MAP	First Year	75 %	65 %	Second Year	85 %	70 %
	Target	MAP								
First Year	75 %	65 %								
Second Year	85 %	70 %								
Example	<p>At the end of each month, using the example questionnaire (see Appendix A), the average Customer satisfaction with the completed Works, as determined from the specified questions in the returned Questionnaires is at 8.7 out of 10. The performance score is therefore 87%.</p> <p>If the MAP is 70% and the Target is 85%, both the MAP and Target have been achieved.</p>									
Measurement Period	<p>Weekly.</p> <p>Cumulative figures per Order are also to be provided.</p>									
Reporting interval	Monthly									
Collection of data	Client									
Data processor	Client									

KPI 3	Time – Major Works completed in time																				
Purpose	To determine the performance of the Service Provider against their programmes in Major Works.																				
Definition	The proportion between the actual number of Working Days in undertaking the works to each property within a Task Order and the number of Working Days programmed for each property, calculated from the date of commencement in the property to the date of the completion of works in the property. The Clerk of Works handover inspection may take place after this date, but where this is failed, the property will be deemed not completed.																				
Method	<p>For each property within each Task Order for Major Works ascertain the number of Working Days in undertaking the works in the property, the number of Working Days allocated in the Provider's programme approved by the Client, and the number of Working Days approved under Extension of Time (EOT) applications where the delay event was outside the contractor's control.</p> <p>Performance =</p> $\frac{\text{Actual number of Working Days}}{\text{Programmed number of Working Days + Approved EOTS which were outside the Provider's control}} \times 100\%$ <p>Where there is more than one property completing in a Measurement Period, the performance will be averaged across properties.</p>																				
Targets and Minimum Acceptable Performance levels	<table border="1"> <thead> <tr> <th></th> <th>TARGET</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td>Year 1</td> <td>110 %</td> <td>120 %</td> </tr> <tr> <td>Year 2</td> <td>105 %</td> <td>115 %</td> </tr> </tbody> </table>		TARGET	MAP	Year 1	110 %	120 %	Year 2	105 %	115 %											
	TARGET	MAP																			
Year 1	110 %	120 %																			
Year 2	105 %	115 %																			
Example	<p>Within a quarter, there, three properties completed with the following results:</p> <table border="1"> <thead> <tr> <th>Property</th> <th>Programme Working Days</th> <th>EOT Working Days</th> <th>Actual Working Days to Complete</th> <th>Performance</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>76</td> <td>0</td> <td>74</td> <td>97%</td> </tr> <tr> <td>B</td> <td>124</td> <td>10</td> <td>138</td> <td>103%</td> </tr> <tr> <td>C</td> <td>90</td> <td>0</td> <td>95</td> <td>105%</td> </tr> </tbody> </table> <p>The average of the above performance is 102%.</p> <p>The TARGET is achieved.</p>	Property	Programme Working Days	EOT Working Days	Actual Working Days to Complete	Performance	A	76	0	74	97%	B	124	10	138	103%	C	90	0	95	105%
Property	Programme Working Days	EOT Working Days	Actual Working Days to Complete	Performance																	
A	76	0	74	97%																	
B	124	10	138	103%																	
C	90	0	95	105%																	

Measurement Period	Quarterly Cumulative figures across each Contract year are also to be provided.
Reporting interval	Quarterly
Collection of data	Client & Provider
Data processor	Client

KPI 4	Client Handover Pass Rate										
Purpose	To determine the proportion of Installs that pass a Clerk of Works handover on the first visit. Aim is to improve productivity and reduce disruption.										
Definition	The % of handover inspections which pass relative to the total number of handover inspections. A handover inspection is required for each door.										
Method	<p>Upon completion of a door installation, the Constructor is to request a Clerk of Works inspection. The Clerk of Works will inspect, note snags and determine if the level and type of snag is minimal enough to pass the inspection and allow the Client to take handover of the door as completed to the required standard.</p> <p>Performance =</p> $\frac{\text{No. Handover Inspections Passed}}{\text{No. Handover Inspections Carried Out}} \times 100\%$										
Targets and Minimum Acceptable Performance levels	<table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td>First Year</td> <td>90 %</td> <td>85 %</td> </tr> <tr> <td>Second Year</td> <td>95 %</td> <td>90 %</td> </tr> </tbody> </table> <p>Targets and MAP levels may be revised by agreement between the Client and the Constructor .</p>			Target	MAP	First Year	90 %	85 %	Second Year	95 %	90 %
	Target	MAP									
First Year	90 %	85 %									
Second Year	95 %	90 %									
Example	<p>In a particular week, the Constructor completed 32 doors and requested handover inspections on these. The Clerk of Works passed 27 of these inspections on a first visit.</p> <p>$27 / 32 = 84\%$</p> <p>Therefore, for the first Order the Target was achieved, but for any subsequent ones only the MAP was achieved.</p>										
Measurement Period	Weekly Cumulative figures per Order are also to be provided.										

Reporting interval	Monthly
Collection of data	Client
Data processor	Client

KPI 5	Safety - Client Health and Safety Inspections										
Purpose	To assess the suitability of the Constructor's Health and Safety (H&S) standards, control measures, training, and compliance while Works are on site.										
Definition	The proportion of inspections carried out by the Client Resident Safety team within a Measurement Period which pass. OR The average mark of inspections carried out by the Client Resident Safety team within a Measurement Period.										
Method	$\frac{\text{No. Inspections Passed}}{\text{No Inspections Carried Out}} \times 100\%$ OR Average Result of Inspection Results within the Measurement Period										
Targets and Minimum Acceptable Performance levels	<table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td>First Orders</td> <td>85 %</td> <td>75 %</td> </tr> <tr> <td>Subsequent Orders</td> <td>90 %</td> <td>80 %</td> </tr> </tbody> </table>			Target	MAP	First Orders	85 %	75 %	Subsequent Orders	90 %	80 %
	Target	MAP									
First Orders	85 %	75 %									
Subsequent Orders	90 %	80 %									
Example	In a particular week, the Client Resident Safety team undertook 4 inspections. The inspector passed 3 of these visits $3 / 4 = 75\%$										

	Therefore, for the first Order the MAP was achieved, but for any subsequent Orders it wasn't.
Measurement Period	Weekly Cumulative figures per Order are also to be provided..
Reporting interval	Monthly
Collection of data	Client
Data processor	Client

Appendix A - Example Customer Satisfaction Questionnaire for Task Orders of Planned Internal Works

To help us improve our service to you, we would be grateful if you could fill in this short questionnaire.

Part A: Before the Major Works

1. How satisfied were you with the service provided by the Hackney Council's staff who communicated with you before the work started?									
Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

2. How satisfied were you with the material and design choices offered?									
Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

Part B: About the Major Works

2. Did Hackney Council communicate the proposed works to you in a way that was sufficiently clear?

Yes			No		
-----	--	--	----	--	--

4. In general, did [Name of Contractor] arrive when you were told they would?									
Never					Always				
1	2	3	4	5	6	7	8	9	10

Appendix A - Example Customer Satisfaction Questionnaire for Major Works(Page 2 of 2)

5. How satisfied were you with the finished work?									
Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

6. How satisfied were you with the communications and Resident Liaison service provided by the [Name of Contractor] during the work?									
Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

7. How satisfied were you that [Name of Contractor]’s staff were polite, courteous, minimised noise and disruption and kept their work areas safe and tidy?									
Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

Part C: About the work overall

8. How satisfied were you with the overall service provided by Hackney Council and the [Name of Contractor] both before and during the work?

Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

9. To what extent do you feel that the works have improved your home?

Significant Worsening			No Improvement				Significant Improvement		
1	2	3	4	5	6	7	8	9	10

10. Do you have any other comments about the work that was carried out and the service you received? (We are especially interested in suggestions of how we can improve our service to you)

Thank you for your time and help.
Please return the questionnaire in the Freepost envelope provided

IMPORTANT NOTE: Users of this questionnaire should ensure that it is accessible to all their Customers including people who do not have a good understanding of English, people with disabilities and people with special needs. Completed questionnaires should reflect the diversity of the neighbourhood in which the Service Provider operates.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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