

CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Title of Report	General Buildings Contract 1 for Area Surveying Managers (ASM) (General Exception)
Key Decision No.	CHE S314
CPIC Meeting Date	4 March 2024
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 Wards
Cabinet Member	Cllr Clayeon McKenzie, Cabinet Member for Housing Services and Resident Participation
Key Decision	Yes
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)	Contract 1A - £28.8m Contract 1B - £19.2m Total - £48M Excluding VAT as standard rate
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	4 yrs + 2 yrs + 2 yrs

1. Cabinet Member's Introduction

- 1.1. In fulfilling its duty as a social landlord the Council is committed to ensuring that our 30,000 tenants and leaseholders are able to reside in homes that are safe, secure and efficient. We need to ensure that we have the appropriate contracts in place to deliver an effective responsive repair service across all of our housing stock delivering an excellent service to all of our tenants and leaseholders.
- 1.2. The provision of good quality facilities such as kitchens, bathrooms, living space, heating and electrics are essential to the quality of life of our residents.
- 1.3. This procurement aligns with the Council's strategic objective to improve the trust and confidence in the Council among our residents, in respect of the provision of the housing repairs service; underpinned by an unwavering commitment to improve the overall condition and quality of our housing stock.

2. Group Director's Introduction

- 2.1. This report summarises the reasons for awarding the general building contract 1. This consists of two separate contract awards to 2 contractors with a 60/40 percentage work allocation split across the borough. This contract is for the duration of 8 years (4 years + 2 years + 2 years). This contract is expected to provide remedial works and maintenance to the existing housing stock of Hackney Council.
- 2.2. The works in accordance with this contract include but are not limited to the following; reactive repairs, voids, legal disrepair, electrical works and associated scaffolding.
- 2.3. The service provided by this contract is crucial for building maintenance as without this contract we are not able to deliver the basic services of providing safe and adequate living space for our residents.
- 2.4. This contract award report is presented following a Public Contracts Regulation 2015 compliant tender exercise using the Councils e-tender portal ProContract. This proposal ensures key elements of sustainability and social values have been evaluated. The tendered costs have also been evaluated as part of this tender.

3. Recommendation

Cabinet Procurement and Insourcing Committee is recommended to:

- a) **approve the award of Contract 1A for General Building Works - Area Surveying Managers, to Bidder A for an initial term of four (4) years**

with the option to extend for two (2) years and a further option to extend for an additional two (2) years.

- b) approve the award of Contract 1B for General Building Works - Area Surveying Managers, to Bidder B for an initial term of four (4) years with the option to extend for two (2) years and a further option to extend for an additional two (2) years.**

4. Related Decisions

- 4.1. April 2022: Approval of the **Procurement For General Building Dedicated For ASMS**, by Cabinet Procurement and Insourcing Committee on 11 April 2022. The business case from April 2022 includes the importance in procuring contractors for building maintenance and operating with the existing model with slight change of including 2 contractors in comparison to having one general building contractor.

5. Reason(s) For Decision / Options Appraisal

- 5.1. This report outlines the process that has been followed to identify preferred contractors for the General Building Contract 1.
- 5.2. The business case for CPIC was written due to the incumbent contractor failing to deliver general building works satisfactorily across building maintenance.
- 5.3. The approach taken is to appoint 4 different contractors; two contractors on General Building Contract 1 and two contractors on General Building Contract 2. This award report is for General Building Contract 1 only. This will provide the contingency of having more than one contractor in the case of one failing. Also, with more than one contractor servicing the contract, it allowed for increased competition during the tendering process. This ensures that London Borough of Hackney received bids taking into account value for money in relation to cost, quality of works/ delivery and sustainability.
- 5.4. The principle works which fall under this commission include but are not limited to:
- Reactive Repairs
 - Voids
 - Legal Disrepair
 - Electrical works & scaffolding in association with above.
- 5.5. The contract duration is four years, with the option to extend twice by two yearly increments, totalling eight years. The combined contract value per year is approximately £6M, totalling £48M over the 8 year duration.

- 5.6. This contract is split into two, Contract 1A and Contract 1B. Contract 1A comprises approximately £3.6M per year with 60% of the works allocation. Contract 1B comprises approximately £2.4M per year with 40% of the works allocation. The allocation corresponds to a borough wide split between North and South of Hackney.
- 5.7. A separate tender exercise is being conducted for the general building contractor 2 to undertake works in support of the Direct Labour Organisation (DLO).
- 5.8. It is proposed that the Council will enter into a JCT Measured Term Contract 2016 with Hackney Council amendments utilising the National Housing Federation (NHF) v7.2 Schedule of Rates. Supporting documents will include the Council requirements, preliminaries and specification. This is proposed for Bidder A and Bidder B.
- 5.9. Core requirements in accordance with the Council's goals in relation to sustainability and social value have been included in depth within the quality section of the procurement. This is to support the Council's target of reaching net zero, ensuring all the bidders offer the London living wage to all employees and provide opportunities for individuals within the borough. More information is available in Section 8.
- 5.10. **Alternative Options (Considered and Rejected)**
- 5.11. Extend Current Arrangements: (Rejected)
- Continue with the current arrangement of using a specialist contractor engaged through other contract mechanisms such as a Single Tender Award.
- This would delay repairs due to the complexity of the arrangements and would result in the Council's client team having to coordinate the management of multiple contractors, increasing administration time and costs.
- In addition there have been service issues with these types of arrangements and It will not resolve the quality of the repair service currently being experienced by this arrangement.
- 5.12. Do nothing: (Rejected)
- Doing nothing will result in the Council declining those works requiring external contractor support. This would compromise the Council's position as a Public Sector landlord and therefore its duties as defined under section 96 of the Housing Act 1985. The aim of the Council is to provide accommodation which the residents are proud of. Doing nothing will negatively impact the quality of the facilities throughout homes across the borough.

5.13. Insourcing (Rejected)

The DLO is currently not resourced to deliver the quantum and sophistication of works that would be allocated to the General Building Contractors - scope of services and works. Developing the required capacity would take a considerable amount of time and effort and is not the subject of this proposal.

External contracts are required to support the in-house service to deliver effective housing repairs. This is in line with the insourcing strategy already implemented.

This procurement will enable us to appoint 4 contractors against the two packages; 2 contractors for the Area Surveyor Managers and 2 contractors for the Direct Labour Organisation to ensure that there is sufficient capacity and capability whilst the in house service continues to grow. Failure to have the contracts in place would result in poor services for residents.

6. **Project Progress**

6.1. **Developments since the Business Case approval**

Due to the incumbent contractor not performing and providing sufficient support to building maintenance, single tender action (STA) contract awards have been utilised to prevent a gap in service.

From the date of the business case, 7 single tender actions have been sought and approved. This is to mitigate the poor performance from the contractor.

3 Single Tender Action (STA) were issued in December 2022: STA 1 @ £1M, STA 2 @ £850k and STA 3 @ £850k. During this process, KPIs of the incumbent contractor were closely monitored. However, the incumbent contractor failed to meet the KPIs to maintain satisfactory delivery of the contract.

An additional Single Tender Action was issued in January 2023 with the value of £700k. This contract was shared between the Area Surveying Managers, Voids and Legal Disrepair.

The above 4 STAs were to cover the service area until re-procurement is completed. However, due to unforeseen circumstances, the procurement was delayed requiring the additional support of 3 STAs below.

An additional 3 Single Tender Action (STA) were issued in August 2023: STA 1 @ £1.9M, STA 2 @ £1.9M and STA 3 @ £1.9M. This is to cover the service until the re-procurement is completed and the new contractors mobilised. The values from the above STAs will ensure capability of

demobilising the incumbent contractor and ensuring outstanding works are not passed onto the new contractors.

6.2 **Whole Life Costing/Budgets**

The whole life cost evaluation has been conducted by the evaluation team from the quality evaluation team, based on the % bid offered in each supplier's tender and the tenderer who offers the lowest cost to an acceptable tender will receive the full weighting (60%).

Works on this contract will be funded from existing client housing repair budgets.

The contractor returns were benchmarked against existing DLO and existing contractor rates to ensure value for money.

The approximate anticipated value of work to be carried out under each individual contract is as follows excluding VAT:

Lot 1	Per year	Whole contract life/ranked (excl VAT)	Whole contract life/ranked (incl VAT)
Contract 1: 1st ranked	£3,600,000.00	£28,800,000.00	£34,560,000.00
Contract 2: 2nd ranked	£2,400,000.00	£19,200,000.00	£23,040,000.00
	Total	£48,000,000.00	£57,600,000.00

The reason for the above contract strategy is to avoid any disruption to the service in case one of the contractors terminates the contract. Having the ability to access two contractors ensures value for money by having competitiveness between two contractors.

6.3 **Risk Assessment/Management**

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Delay in contract mobilisation	Medium	Medium	Medium	Subject to this report being approved in the expected timeframe this should be manageable, but it will be an increased risk if there are delays to approval as the incumbent contractor will end their presence and teams in the borough at the end of their contract extension. Further to

				<p>this, if there are any delays in mobilisation, a contingency plan will have to be used. This is the use of contract extensions to existing contracts and/or using the resilience from the existing STA contracts in place to enable enough capacity for the service area till the new contract is mobilised.</p>
Poor performance from contractor	Low	Medium	Low	<p>Ensure good contract administration, consistent reviews of contractor performance against the KPIs and monthly performance reviews.</p>
Unexpected inflation affecting contract value	Medium	Low	Medium	<p>Where very high inflation occurs and is awarded as an uplift to the contractor, the council can reduce some works to reduce overall costs.</p>
Budget Overspend	Low	Medium	Low	<p>The contract is monitored by the contract managers and performance officer. Monthly updates on spend and work load of the contractors is assessed and pro rata'd to manage and anticipate spends.</p>
S20 Consultation	Medium	Medium	Medium	<p>S20 consultations will proceed on the completion of the award. The leaseholders will be notified and a standstill period will be applicable. During this period, questions may arise from leaseholders which will be handled by the leaseholder team with the support of the commercial team to quickly and effectively respond to queries. Supporting documents will be available to keep this process as efficient</p>

				as possible and reduce likelihood of challenge from the leaseholders.
Supplier Failure	High	Medium	Medium	Throughout the contract duration, there are possibilities that suppliers may go out of business due to the difficult construction climate at present. To mitigate this, there should be various suppliers within the main contractors supply chain. The transparency of the supply chain will be requested from the main contractor. The Hackney officers will ensure that we engage with the main contractor and identify any future risks within the main contractor supply chain on a monthly basis through the contract review meetings. Supplier failure is also mitigated by appointing four separate suppliers for General Building Contract 1 and 2.
Capacity of the Main Contractor	Low	High	Medium	The invitation to tender document outlines an indicative value of works which is expected based on the year of project going live on procontract. This transparency has allowed the main contractor to identify any pinch points of their current directly employed operatives / supply chain that may impact service delivery during their appointment on this contract. To mitigate this, we have received assurances of the workforce which will be allocated to this contract from the start. This is detailed within the quality submission. This will be reviewed during contract mobilisation and a plan set in place to increase the inhouse labour of the

				provider to ensure that the main contractor is able to provide the capacity required on this contract inhouse and use the supply chain on specialist works.
Possibility of modern slavery, forced labour and human trafficking within the supply chain	Low	Low	Low	<p>The procurement is intended to target local SME contractors. It is not expected contractors will exceed the £36 million turnover at which the council's sustainable procurement strategy proposes an investigation into potential modern slavery issues would be undertaken, under the Transparency in Supply Chain clause of the Modern Slavery Act 2015.</p> <p>However the contract is procured using council standard contract terms which give consideration to these concerns.</p>

7. **Savings**

There are no cashable savings from this contract. However, the bids arising from the contractors align with current market conditions.

Bidder A is providing a saving to the existing STA contract. One of the STA contracts utilises the same schedule for this contract procurement. The bid from Bidder A is between 15-20% less than the STA contract, this is dependent on the area of work ie. Reactive Work, Voids Work and Legal Disrepair Work. The price obtained under the current STA reflects the short duration of the contract when the mobilisation are amortised over just one year.

Bidder B has bidded in line with the existing STA contract.

Other STA's are using the NHF V6.2 and Matco (also used by Direct Labour Organisation) pricing schedule.

8. Sustainability Issues and Opportunities, Social Value Benefits

8.1. Procuring Green

- 8.1.1. The works undertaken will maintain and enhance the quality of the council's housing stock and the estate environment.
- 8.1.2. The Procurement Impact Assessment (PRIMAS) document for this procurement ensures setting up targets to have a positive environmental impact. This is through the targets set for the bidders to achieve the following; valid waste carrier licence, target the use of local SMEs, intend in employing local residents and have or be open to considering working towards an electrical fleet. This is further explored for Bidder A within 8.1.6 and Bidder B within 8.1.7. In summary, both bidders have acknowledged and intended to work towards the goals set up by London Borough of Hackney as part of the quality questions within the SQ and ITT.
- 8.1.3. The quality element ensures that the contractors have a valid waste carriers licence. Contract arrangements require all waste to be disposed of at a licensed tip. Contractors should also produce their effective waste management strategy.
- 8.1.4. This procurement exercise has ensured that the appointed contractors commit to the use of local suppliers where possible, as some materials are specialist in nature and will form part of risk assessment and method statement. This will contribute to local economic growth along with local employment opportunities and lower carbon footprint by reducing vehicle journeys whilst offering overall contract efficiencies by achieving quicker repair turnarounds. Other environmental factors like CO2 emission and air pollution in the borough were considered during each stage of procurement including the use of sustainably sourced materials. Further information which the contractors will deliver is stated in section 8.1.6 and 8.1.7.
- 8.1.5. The quality question elements required the contractors to comment on how they intend to employ local residents and if they have any electric vehicles in their fleet, if not if they are open to considering such an option. This has been explored below.
- 8.1.6. Within the quality submission, Bidder A has stated that the existing fleet includes electric vans, there is an aim to increase the number of electric vans throughout their contract with LBH. The bidder has also committed to use biofuels where possible. The bidder has committed to meet **net zero by 2030**. The bidder has stated that "LBH will value our use of sustainable materials/products that can be reused at the end of life wherever possible" indicating that sustainable materials will be sourced and have the ability to be reused/ recycled at end of life. Bidder A also has been accredited with **ISO14001- accredited environmental management system**.

8.1.7. Bidder B has stated that the future plan is to allocate electric vans throughout their fleet, and the use of electric bikes will be trialled throughout the contract duration. The bidder is accredited with **ISO14001-accredited environmental management system**. The bidder has targeted a reduction of CO2e of 5% per year to 2025 and increasing per year going forward.

8.2. **Procuring For A Better Society**

8.2.1. The contractors have been asked to complete a template detailing how they will meet the employment requirements of Hackney, encourage local employment, employment and skills initiatives and apprenticeships.

8.2.2. Within the quality submission, Bidder A has stated that on the award of Contract 1A, they will provide 28 apprenticeships throughout the lifetime of the contract. This bidder has also committed to provide the following; 12 new employment opportunities for the local community, fixed 1% of the value of works donated to the local Hackney based charities, use of local supply chains for ALL materials within the local area.

8.2.3. Within the quality submission, Bidder B has stated that on Contract 1B, they will provide 6 visits per annum to local education delivering career talks, 3 career fairs per annum, initiatives to encourage females in construction of which 20% of their current workforce are women, 4x6 week blocks of paid or unpaid work placements/ pre-employment courses, target to employ at least 1 long term unemployed person on this contract and to employ 1 apprentice per £1 million of turnover.

8.3. **Procuring Fair Delivery**

8.3.1. By the nature of the service, the delivery will be equitable to residents. The inhouse service will ensure as part of their monitoring that all services are delivered to a good quality standard.

8.3.2. Hackney Council has a duty to adhere to the Modern Slavery Act (MSA) 2015 and we will ensure a zero-tolerance approach to modern slavery within business operations, supply chain and throughout the lifecycle of this contract. With the impact of Covid-19 in the industry, we are conscious that the construction industry is suffering and the risks of modern slavery within any supply chain are increased. As a result, we will engage with all current and future suppliers to ensure their policy and a process to preventing modern slavery is in line with our expectations and those of the legislation in place. Successful bidders will be required to show their Whistleblowing Policy. Training and staff awareness will be mandated during inductions by providing e-learning training modules which addresses modern slavery, human trafficking and whistleblowing

8.3.3. Within the quality submission, Bidder A has stated that all apprentices, employees and training opportunities created will be paid at no less than

the London Living Wage. A further commitment was made that numerous job opportunities and career advice to residents in the local area will be provided. The bidder has also committed to provide quarterly social value progress meetings to discuss ongoing/planned activities.

- 8.3.4. Within the quality submission, Bidder B has stated that the contractor will promote SMEs, this will be done by using the existing supply chain on Hackney contract, collaborate with Hackney to identify SMEs within Hackney, host supplier events, donate flexible enterprise space for start ups, encourage residents to set up voluntary/ community organisations. From the bidders £22M turnover in 2021, 45% of the spend was spent with local SMEs in Hackney postcodes. London Living Wage will be applicable to all subcontractors and local notification of employment opportunities will be accessed which includes but is not limited to social media, local newspaper.

8.4 **Equality Impact Assessment and Equality Issues**

There are no negative impacts foreseen for people or groups due to their age, disability, ethnicity, gender, religion/belief, sexual orientation and/or other characteristics as a consequence of this proposed procurement.

This proposed procurement is part of a strategy to ensure the Council fulfils its obligations to ensure the continuous safe and efficient running of building maintenance. Potentially, vulnerable residents (e.g. due to age or disability) could be disproportionately affected if these services fail.

The contract documents include obligations to ensure there is no discrimination with regards to protected characteristics and that the Service Provider complies with equalities legislation. Additionally these documents require the Service Provider to endeavour to assist the Council in their duty to promote equality and diversity.

8.5 **Social Value Benefits**

All social value benefits from the winning bidders, Bidder A and B have been outlined in section 8. To summarise, Bidder A has committed to provide 28 apprenticeships throughout the duration of the contract, 12 new employment opportunities within the local borough, 1% of value of works donated to local Hackney charities, use of local supply chain for all materials and all employees paid at no less than the London Living Wage.

Bidder B has committed to provide 1 apprentice per £1M of turnover, 6 visits per annum to local education centres, 3 career fairs per annum, 4x6 week blocks of paid or unpaid work experience, employ at least 1 long term unemployed person to this contract, collaborate with SMEs on supply chain and London Living Wage applied to all employees and subcontractors.

9. Tender Evaluation

9.1. Procurement Route

Subsequent to the formal approval of the business case, the procurement of the current provision was seamlessly executed through the council's dedicated portal, procontract. The restricted procedure within the tendering process was diligently executed for the facilitation of this procurement endeavour, in strict accordance with established protocols and regulatory requisites.

This comprised of:

1. SQ stage
 - a. SQ evaluation
 - b. SQ moderation
 - c. SQ short listing
2. ITT stage
 - a. Tender evaluation
 - b. Tender moderation

9.2. The evaluation panel were the following;

1. Chief Estimator (LBH)
2. Senior Quantity Surveyor (LBH)
3. Area Surveying & Communal Works Manager (LBH)

9.3. The long list and short list of bidders can be found in exempt appendix 1.

9.4. The breakdown of quality, price and social value of bidders can be found in exempt appendix 2.

9.5. The evaluation criteria were the following:

Score	Rationale/Judgment	General Description
0	Response does not meet the requirement/s and contains significant omissions, weaknesses or concerns of the tenderer's understanding and proposed methodology to address the criteria, with little or no evidence to support the response.	Wholly unsatisfactory
1	Response contains significant omissions, weaknesses or concerns of the tenderer's understanding and proposed methodology to address the criteria, with little evidence to support the response.	Unsatisfactory
2	Response contains some omissions, weaknesses or concerns of the tenderer's understanding and proposed methodology to address the criteria, with limited evidence to support the response.	Cause for concern
3	Response satisfies the requirement and demonstrates that the tenderer has an understanding and proposed methodology to address the criteria, with some evidence to support the response.	Acceptable

4	Response demonstrates the tenderer has a good understanding and proposed methodology to address the criteria, with good evidence to support the response.	Good
5	Response demonstrates the tenderer has an excellent understanding and proposed methodology to address the criteria, with excellent evidence to support the response.	Excellent

This evaluation criteria for the successful Tenderer has met minimum quality standards, any Tenderer that is awarded a score of 2 or less on any question will be deemed to have failed minimum quality standards and will be deselected from the tender process.

10. Reason for Recommendation

	Quality (26.4%)	Price (60%)	Social Value (13.6%)	Total (100%)
Provider A	17.60%	60.00%	10.24%	87.84%
Provider B	19.20%	55.44%	10.24%	84.88%
Provider C	18.16%	56.03%	9.44%	83.63%

- 10.1. It is recommended to award contract 1A to Bidder A and contract 1B to Bidder B.
- 10.2. Bidder A will be awarded the contract value of £3,600,000 per year. Throughout the whole contract duration including the extensions amounting to £28,800,000 excluding VAT. This is for the duration of 8 years (4 years with two extensions of 2 years). Bidder A has received the maximum percentage as it was the lowest bid (cheapest). Bidder A achieved a total score of 87.84% combining the quality and social value. The total Quality score percentage is less than Bidder B however due to their cheaper price, they have achieved higher total scores.
- 10.3. Bidder B will be awarded the contract value of £2,400,000 per year. The whole contract duration including the extensions amounting to £19,200,000 excluding VAT. This is for the duration of 8 years (4 years with two extensions of 2 years). Bidder B was not the second cheapest in price however the quality and social value score has bought them into second place. The quality and social value score has totalled 29.44% which brings their total score ahead of Bidder C.
- 10.4. Bidder C will not be awarded the contract, as they totalled a score lower than Bidder A and Bidder B. The quality and social value totalled 27.60% which is the lowest score across all three bidders. The price element of the tender came in at 2nd place with 56.03%, however with the

combination of the price and quality/social value. The overall score is allocated in 3rd place with 83.63% overall.

- 10.5. Overall, between the 3 bidders, the social value and quality score was closely matched. The split of 60% price and 40% quality/social value resulted in the bids of all three providers to be within 5% of each other. This ensures value for money as the bids are competitive. There were not very large variations within the bid which indicates that this is inline with the market.
- 10.6. Following this strategy, it will meet the requirements as set out in the business case (section 4.1). One of the two bidders have set out aims and objectives to achieve net zero sooner than the Hackney Council strategy. Further information can be found in section 8. The contract management of the contract will be as section 11. TUPE information has been provided to the bidders and declarations as per the ITT documents have been signed and returned. London Living wage and apprenticeships have been stated within section 8.

11. **Contract Management Arrangements**

- 11.1. London Borough of Hackney's Contract Manager will be responsible for performance management of the contract. Management will take place through analysis of data, consideration of performance against the key performance indicators and regular meetings with the supplier. Meetings shall typically take place monthly. These meetings will
- review the Contractors performance and methods of improving the service. Suggestions will be looked into and shall be developed if the service(s) can be improved in terms of both quality of work and value for money.
 - ensure the on-going achievement of the key performance indicators for the contract.
- 11.2. Contractors will be required to produce a full suite of management information at least one week before any contract review meeting. The content of management information reports shall be agreed post contract award and pre contract commencement; however, as a minimum this will include but not be limited to:
- Spend year to date including completed works and works in progress
 - Analysis of active work orders summaries including values & +/- days from completion date
 - detailed breakdown of performance against KPIs and SLAs.
- 11.3. TUPE information has been shared with the bidders in ITT phase, this has been reviewed by the bidders and a declaration has been signed. The

bidder is recommended to seek their own legal advice in relation to whether TUPE will apply or not. Implementation plan will be provided by the bidder on approval of the contract award.

11.4. **Key Performance Indicators**

Main KPI Targets Set	Monitoring
<p>1. KPI 8 ACCURACY OF APPLICATIONS / AUDIT</p>	<p>After every month, to measure the accuracy of each application for payment based on completed work, the percentage difference between application value from the contractor & the client's certified value (i.e. budget) for the same period is calculated. This data will then be entered on the KPI database using the relevant template.</p> <p>Worked example set out below of measurement. At monthly intervals of the Capital Works Project, using the template on the KPI database to enter the service provider application against the client certified application.</p> <p><i>First Application from service provider: £25,091.00</i> <i>First Certified Application from Client: £25,000.00</i> <i>Difference of £91.00 = 0.3633% difference.</i></p>
<p>2. Recalls [PS 1]</p>	<p>Hackney will collate monthly recall reports and proportion to total repair tickets completed in the same months as provided from Hackney CRM</p>
<p>3. Post inspection pass rate [PS 2]</p>	<p>Hackney post inspection team carry out 10% random sampling of all job orders. The team records comments and a pass / fail mark for each inspection. (the contractor either passes or fails the inspection) Passed inspections are to be expressed as a proportion of the total number of inspections and analysed by the Service Provider.</p> <p>The inspection team report on nine (8) criteria scored either adequate or inadequate</p>

	<p>or Yes or No.</p> <p>1 - Contact Centre Specification 2 - Technical Specification (Service Provider) 3 - Job incomplete 4 - Work Booked Incorrectly / Incorrect Materials / Incorrect Quantities Used 5 - £1 Item or Day work SOR used Incorrectly by service provider 6 - Variation Unjustified 7 - Works Done As Specified 8 - Was Workmanship Satisfactory</p> <p>An inspection is deemed to have failed if any criterion is inadequate, and would be counted as a Service Provider failed inspection if failure is in any areas for which they are responsible.</p> <p>Inspection reports posted on the Hackney CRM system with the opportunity for Service Provider to challenge this within a stated time period.</p>
4. Priority Performance [LKPI 139]	<p>Hackney CRM report highlighting all completed works tickets including priority, date ticket raised, finish date and number of days to complete repair.</p> <p>Analysis of those tickets completed within contract timescales and those outside.</p>
5. Resident satisfaction [LKPI 133]	<p>Client representatives will carry out a telephone survey each month on a sample of 600 completed repairs, out of a total of 6,000, 10%. We aim to carry out 200 telephone surveys from the sample a month. This will be reported quarterly.</p> <p>Hackney will analyse the raw data and may contact any resident who has given a poor or fairly good rating to ascertain the reason why.</p>
6. Appointments kept (Excluding TMOs) [LKPI 06]	<p>Hackney CRM system report highlighting all missed appointments and total repair tickets with appointments completed. Appointments kept expressed as a proportion of total appointments.</p>

12. **Comments Of Interim Group Director Of Finance**

12.1. The 10 year capital programme for Housing that covers the investment in

HRA stock and assets managed by Housing Services was agreed by Cabinet as part of the Housing Revenue Account Budget 2024/25 Proposals in January 2024.

- 12.2. The HRA 10 Year Capital Programme has been set in line with the resources available in the HRA Business Plan which sets out how the Council will manage the range of services delivered under the HRA, using the income raised locally through council rents and other sources of HRA income for revenue and capital purposes. It has been developed with due regard to the Housing Asset Management Strategy approved by Cabinet in March 2019. The Housing Asset Management Strategy sets out the Council's long-term objectives for investing in our homes and provides an overarching framework for investment decision-making across the Council's homes and estates.
- 12.3. There are capital budgets available within the Asset Management Plan (AMP). However, there are various streams that require funding and 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.
- 12.4. The average annual budget requirement over the life of the proposed contract is £6m and is to be funded from 'existing repair budgets' (p6 clause 6.2.2).
- 12.5. Assuming high value repairs (£6k plus per job) continue to be capitalised the following budgets are included in the AMP Capital Schemes (HRA) - 10 year Budget Plan:
- Reactive Repairs £30m (£3m pa)
 - Voids £25m (£2.5m pa)
 - Legal Direpairs £0
 - Electrical Works £0
- 12.6. Funding can be sourced by way of virements from the earmarked for planned capital programmes (formerly Contract 1) to fund these contracts.

13. **Comments of the Acting Director, Legal, Democratic & Electoral Services**

- 13.1 The works in this Report were assessed as High Risk by the Council and on 11th April 2022 Cabinet Procurement and Insourcing Committee approved a Business Case for the procurement of General Building Works for Area Surveying Managers Pursuant to paragraph 2.10 of Contract

Standing Orders the approval to award a contract will be with Cabinet Procurement and Insourcing Committee.

- 13.2 Details of the procurement process undertaken by officers for the general building works are set out in this Report.

14. **Comments Of The Procurement Category Lead**

- 14.1 Officers have complied with all regulatory requirements governing the commissioning of General Buildings Contract 1 for Area Surveying Managers (ASM) Contract 1A and Contract 1B. The total estimated contract value mandated a Public Contracts Regulations 2015 prescribed procurement route. The 'Restricted Procedure' was adopted.
- 14.2 The tender exercise was carried out in accordance with Public Contracts Regulations 2015 and Public Procurement (Amendments) Regulations 2020. Prior to this exercise a business case, PRIMAS, RAT were approved. In tendering, Social Value was assured and KPI's measures incorporated. All in-tender and evaluation clarification questions have been closed out. The tender exercise has been transparent, fair, equal and non discriminatory. Despite all efforts to advise participants at the Standard Selection Questionnaire stage of the fairness of the exercise, the Council has had to address a challenge from one participant. Efforts are underway to resolve this matter to the satisfaction of both parties.
- 14.3 It is the considered opinion of the procurement team that this exercise followed a compliant process and has resulted in the Most Economically Advantageous Tender recommendation and is assessed as meeting all necessary requirements to deliver these services and works satisfactorily.

Exempt Appendices

Appendix 1 - Suppliers at SQ stage: Selected & Deselected (Exempt)

Appendix 2 - Breakdown of Quality, Price and Social Value Scores (Exempt)

Exempt

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 the appendices are 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

None

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