

London Borough of Hammersmith and Fulham Record of Cabinet Member Decision

1. **TITLE:** Cabinet Member Decision - Varying the quality to price ratio for the procurement of an Asbestos survey contractor

2. **DECISION MADE BY:** Cabinet Member for Housing

3. **DECISION:**

It is recommended that the Cabinet Member for Housing approves:

- 1 A variation to the Procurement Strategy for the long term housing repairs and compliance model so that the contract for Asbestos surveys is procured on the basis of a 70:30 quality to price ratio.

4. **REASON FOR DECISION:**

Three lessons have been learned from the experience with contractors to inform the procurement of the long-term contracts for Asbestos surveys.

This report allows changes to the procurement strategy where there is “an overriding business need to prioritise the quality of providers submissions where this can be managed within the existing price/schedule and budget”.

5. **ALTERNATIVE OPTIONS CONSIDERED:**

1. Option 1: To vary the Procurement Strategy for the long term housing repairs and compliance model so that the contract for Asbestos surveys is procured on the basis of a 70:30 quality to price ratio. This is the recommended option as it learns the lessons of our negative experience with the current contractors (procured on a 60:40 basis) and gives the greatest chance that a quality contractor will be procured. The disadvantage is that this may result in a more expensive contractor than if the 60:40 ratio was retained.
2. Option 2: To not vary the Procurement Strategy for the long term housing repairs and compliance model so that the contract for Asbestos surveys is procured on the basis of a 60:40 quality to price ratio. Instead reliance is placed on the other two ‘lessons’ – moving from two contractors to one to encourage a dedicated resource, and introducing financial penalties for KPI failures. The advantage of this approach is that it privileges cost considerations and may result in a cheaper contractor. There is a risk of false economy however given that poor quality contractors lead to higher clienting/management costs and rental loss when voids are delayed.

6. **CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**
None

Date of Decision
06 December 2019