

# Procurement strategy for External Wall Safety Works at Edward Woods estate W11

### **1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED**

The procurement is required to appoint a contractor to undertake urgent safety works at the three 24-storey towers on Edward Woods estate W11. The works comprise the removal of cladding on each elevation together with the removal of a PV array on the south elevation. The works are in accordance with the objectives set out in the Housing Asset and Compliance Strategy, agreed by Cabinet in December 2018, which prioritises investment in health and safety compliance works and the Fire Safety Plus initiative.

### **2. MARKET ANALYSIS**

The proposed main contractor for the project will have access to a range of sub-contractors who specialise in the opening up of high-rise facades, and the removal of cladding and panels.

### **3. PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS**

#### **3.1 Option1 – Do Nothing**

The works need to be done to ensure the properties are compliant with the latest fire safety standards therefore doing nothing is not an option.

#### **3.2 Option 2 – Carry out an open tender.**

This would lengthen the process so is not a preferred option due to the urgency of the works. Advantages of using South East Consortium are provided under Option 3.

#### **3.3 Option 3 – Use existing South East Consortium framework**

This is the preferred option. The particular framework to be used is the Internal & External Building Works Framework for projects over £1m. A direct award is considered appropriate due to the urgency of the works. The SEC provides a selection of OJEU-compliant frameworks and offers a quicker route to pre-selected suppliers already assessed as suitable for social housing providers. The council has successfully procured eight major refurbishment projects and various fire safety schemes via this route in the last year, we have a good relationship with the SEC who understand our particular requirements. The previous tender exercises have generated a good breadth of interest which has in turn allowed a robust analysis of tenders to achieve and demonstrate value for money. The services offered to the council include:

- drafting tender documents (for client approval)
- seeking tenders through a secure portal
- carrying out financial evaluation of tenders
- facilitating the technical/quality evaluation of tenders (assessment undertaken by client)
- issuing contract award letters
- option for preparation of contract documents

#### **4. RISK ASSESSMENT AND PROPOSED MITIGATIONS**

The SEC provides a selection of OJEU-compliant frameworks and offers a quicker route to pre-selected suppliers already assessed as suitable for social housing providers. The council will conduct its own financial and quality checks on the supplier to be recommended for appointment. Proposals made are in accordance with the Council's continuing ambition to improve fire safety and security for residents.

#### **5. FINANCIAL INFORMATION**

The current HRA Capital Programme as approved by Cabinet on 12 October 2020 has a budget allocation of £6,000,000 for Edward Woods fire safety works. In the HRA Capital Programme Quarter 2 budget monitoring report, an additional £3,149,169 has been added to this budget which is being presented for approval to the Cabinet in January 2021. Aside from a commitment of £79,400 for façade investigation work, this budget is uncommitted. Therefore, the budget is sufficient to cover the estimated contract value of £4,500,000.

#### **6. COMPETITION PROCESS**

The strategy recommends a direct award under an existing SEC framework, specifically Internal and External Works Lot 1b (Projects over £1m). Lot 1b has been designed to encompass several work streams including repairs or remedial works to external fabric and offers several leading construction companies with experience in major refurbishment of residential tower blocks.

Of the two ways to call-off under the SEC framework, direct award or mini-competition, the council is opting for the former due to the urgency of the works. Under the direct award option, SEC approaches the number 1 ranked Contractor on behalf of the Council and advises them of our requirements. If they are interested in the project, SEC will arrange for them to meet with the Council and discuss the project further. If the first ranked Contractor declines the project, SEC will then approach the second (2nd) ranked Contractor and so on using the cascade method.

#### **7. SELECTION AND AWARD CRITERIA**

The original appointment of contractors on to the SEC's Internal and External Works Framework was based on the Most Economically Advantageous Tender (MEAT) criteria using a 60% Quality and 40% Cost split. A total of 12 contractors were appointed to the framework.

#### **8. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

The specification is being finalised by an external consultant. The length of the contract is expected to be twelve months.

#### **9. CONTRACT MANAGEMENT**

The Assistant Director, Property and Compliance is the strategic lead for the housing capital programme. The Head of Capital Delivery will lead the operational team overseeing the appointed consultants and contractors. The Head of Capital Delivery will manage the relationship with Baily Garner the consultants appointed for the housing capital programme. Baily Garner will have the role of contract administrator for the works contract and will be responsible for issuing all instructions, variations,

notices etc. to contractors. The appointed Quantity Surveyor will provide cost control and valuation of works.

A suite of KPIs will be used to monitor, measure and report on the performance of both consultants and contractors. These are expected to include but will not be limited to:

- (a) Resident satisfaction of contractor performance
- (b) Defects – number of defects at the point of handover
- (c) Safety (Main Contractor) – number of reportable accidents each month/ average number of
- (d) Construction time
- (e) Percentage of works completed to programme
- (f) Time to produce pre-construction cost information
- (g) Predictability of costs
- (h) Environmental impact, waste control, noise, dust during construction
- (i) Social Value impact (to be monitored via Social Value Portal)
- (j) Time to complete scope of works and outline specification (multi-disciplinary consultant)
- (k) Time to complete final account (Quantity Surveyor)
- (l) Time to produce health and safety files (multi-disciplinary consultant)
- (m) Client satisfaction