

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Councillor Lisa Homan, Cabinet Member for Housing

**Date:** 23/02/2022

**Subject:** Contract Award for Roofing Repairs and Maintenance

**Report author:** Emma Lucas, Commissioning Lead

**Responsible Director:** Jon Pickstone, Strategic Director Economy Dept

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## Summary

A Procurement Strategy report dated 29/09/2021 was approved for the procurement of a contractor to deliver roofing repairs and maintenance works on behalf of the Council's Direct Labour Organisation.

This paper outlines the outcome of that procurement process and recommends that approval is given to appoint Cablesheer (Asbestos) Limited as the contractor for the Roofing Repairs and Maintenance Contract as the most economically advantageous tenderer.

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## RECOMMENDATIONS

1. To approve that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the award of the Roofing Repairs and Maintenance Contract to Cablesheer (Asbestos) Limited, for a value of up to £700,000 for a two-year contract with a one year's optional extension making the total value £1,050,000.

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**Wards Affected:** All

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	As part of the social value commitments the successful bidder has committed to spend through the local supply chain, delivering positive outcomes for local businesses, and delivering two posts through local employment.
Creating a compassionate council	The successful bidder has committed to delivering social value in excess of 10% of the

	contract value, with particular commitments on delivering local spend and work-readiness schemes for young people which will provide opportunities for local residents and businesses. The department will ensure the contractor is linked into the wider social value network across our repairs contractors to maximise impact.
Doing things with local residents, not to them	Residents are regularly consulted in the running of the repairs services they receive and customer satisfaction with the roofing repairs contract will be monitored. In addition, leaseholders were consulted about the procurement process, with the opportunity to recommend contractors to bid for the contract.
Being ruthlessly financially efficient	Leaseholder consultation has taken place to ensure all relevant works can be recharged as applicable. Payment is based only on works completed giving the ability to rigorously control costs.
Taking pride in H&F	Delivering a high performing roofing repairs and maintenance service will ensure buildings are maintained and repaired to good standard, fulfilling LBHFs landlord duties to keep homes safe and in good repair.
Rising to the challenge of the climate and ecological emergency	The successful tenderer has included commitments around increased provision of electric vehicles and outlined approaches to reducing waste, recycling and returning non-used products to suppliers. Effective roofing repairs and maintenance can help to minimise issues relating to heat loss.

## Financial Impact

### Cost of the contract

The annual revenue budget within the HRA for roofing repairs and maintenance in the current year (2021/22) is £350,000. The draft budget for 2022/23 remains at the same level and is expected to be approved by Cabinet on 7 February.

As stated in paragraph 5, the total annual price submitted of £380,956 was a notional tender total for evaluation purposes only. The actual cost will relate to the works completed and spend will need to be contained within the approved budget as the Council has control over the volume of works requested.

The contract prices are based on an adjustment against the standard Schedule of Rates and a set basket of rates. These costs are fixed, subject to annual inflation based on Consumer Price Inflation (CPI).

### Capitalisation

Although capitalisation costs are unlikely based on previous experience of the nature of these repairs, it may be possible to identify opportunities for some capitalisation as the contract progresses.

All works carried out will be conducted through Northgate using the current coding structure, with a detailed explanation of work types carried out. This will enable the identification of capital and revenue costs.

### Leaseholder contributions

It is expected that it will be possible to recharge relevant communal roofing costs to leaseholders as part of their service charge / major works charge where appropriate.

The service have confirmed that the contractor will provide adequate and robust information (through Northgate or otherwise) to enable identification of costs to facilitate leaseholder charging (see paragraph 24 of this report).

### Inflation

Any annual inflationary uplift agreed during the procurement process is expected to be no greater than CPI and will be incorporated into the budget as part of the annual revenue estimates process. The long-term financial plan for the HRA includes an assumption that repairs, and maintenance costs will increase as a result of inflation based on CPI of 2%. Current inflationary pressures indicate that this assumption may need revising upwards resulting in further cost pressures in the HRA and the need to find further savings.

### Risks

Any other associated costs, such as scaffolding is included in the contract price.

There is no guaranteed level of work as part of the contract, and it was made clear in the tender, the contract value submitted was a notional tender for evaluation purposes only and not guaranteed spend.

The contractor has been advised that £350,000 is an indicative but not guaranteed level of spend on the contract per annum. It will be the service's responsibility to control costs and ensure we do not overspend on budget. Finance Officers will work closely with service colleagues to ensure that the cost of the contract is within the approved budget. The contractor will not be able to carry out any works/jobs above £250 without LBHF management approval.

Upon completion of works, LBHF will inspect the works performed by the contractor and either assess the works as satisfactory or pass back to the contractor for remedial works. If the works are deemed satisfactory then LBHF will be invoiced and the Contractor will be paid according to the payment terms agreed.

There are no TUPE costs associated with this procurement and all mobilisation costs are expected to be contained within the contractor's tendered bid.

### Financial status

A credit check has been undertaken on Cablesheer Ltd and they meet the minimum standards required by the Council in terms of credit rating (72 compared to the required minimum of 50), turnover (£8.3m) and contract limit (£1,350,000).

### Financial context

The HRA is required to deliver annual revenue savings of £3.8m from 2022/23 rising to £7.1m from 2023/24 and to £7.9m from 2024/25. Although this procurement is to be delivered within the existing budgets, it does not deliver any savings, although it is recognised that the repairs and maintenance service will require investment to improve performance. In the medium term, the Housing Transformation programme and increased capital investment in housing stock is expected to enable savings within the repairs and maintenance and other HRA budgets and officers across the department will need to quickly develop firm savings plans to ensure the financial sustainability of the HRA.

*Implications completed by: Paul Haslam, Principal Accountant, Residents & Building Safety  
Verified by Emily Hill, Director of Finance, 7 February 2022*

### **Legal Implications**

This report seeks approval to award a contract for roofing repairs and maintenance works. The term of the contract is 2 years with the option to extend by 1 year. The value of the contract is up to £1,050,000 over 2 years + 1.

On 29<sup>th</sup> September 2021, the Cabinet Member approved a procurement strategy to use the open procedure which was reserved to SMEs. This report confirms that the procurement was carried in accordance with that strategy.

Cablesheer (Asbestos) Limited submitted the Most Economically Advantageous Tender. Therefore, under the Council's Contract Standing Orders, the Council may award the contract to Cablesheer (Asbestos) Limited.

The appropriate decision maker for High Value Contracts of this value is the Cabinet Member as this contract will be funded predominantly from revenue.

As the contract is in excess of £300,000 in value, the decision to award is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website. The award decision cannot be implemented without the expiry of the call-in period for that decision as shown on the website.

Once the decision is made to approve the award, the Council must publish a contract award notice on Contracts Finder containing at least the name of the contractor, the date on which the contract was entered into, the value of the contract and the fact that the contractor is an SME (reg.112(1) PCR).

*Implications completed by: Angela Hogan, Chief Solicitor (Contracts and Procurement), Comments completed: 1<sup>st</sup> February 2022*

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**Background Papers Used in Preparing This Report - none**

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. Following the approval of the Procurement Strategy for the Roofing Repairs and Maintenance Contract a fully compliant procurement process was conducted in line with that strategy.
2. A single stage tender was carried out, which was reserved to Small and Medium Enterprises, and bids were received from 3 organisations.
3. Cablesheer Asbestos were the top-ranked bidder following application of the evaluation criteria and as such the recommendation is to approve the award of the contract to them.
4. Bids were evaluated against three sets of criteria:
  - i. Minimum standards (assessed on pass/fail basis)
  - ii. Quality (60% of final score): A series of method statements relating to technical ability to deliver the works including operational resourcing, stakeholder engagement and health and safety.
  - iii. Price (40% of final score): Adjustment against a standard Schedule of Rates alongside a set basket of rates.
5. The total price submitted was £380,956, however this was a notional tender total for evaluation purposes only and does not reflect the exact spend on the contract. Actual cost will relate to the works raised and completed, as payment will only be made for works completed. A contract spend of £350,000 per annum has been budgeted for.
6. Of the 3 bids received 1 did not meet the minimum standards set and was removed from the remainder of the evaluation. Therefore, 2 bids were evaluated from a quality and price perspective. For a full breakdown of the bidders and scores received please see Appendix 1.
7. The winning tenderer Cablesheer (Asbestos) Limited received a quality score of 72.4%, a price score of 86.66% and a total score of 78.104%.
8. Their social value offer exceeds the minimum 10% required with commitments relating to local recruitment, local spend, and work-readiness support for young people. The supplier committed to 42% social value commitments.

### **Options Appraisal**

9. Option 1: Award the contract to Cablesheer (Asbestos) Limited. This is the recommended option. This bidder delivered top-ranking bid and LBHF require a contractor to deliver roofing related works across its council housing stock on behalf of the Direct Labour Organisation, who do not currently have the specialism to deliver this element in-house. It is the duty of LBHF as a landlord to keep homes safe and in good repair and awarding this contract will support this to be achieved.

10. Option 2: Do not award the contract. This is not recommended as a contractor to deliver roofing related works is required. The tender process has delivered competitive bids, of a quality standard. Not awarding a contract as a result of the procurement process would mean the council is left without a compliant provider to deliver these types of works.

## **Contract**

11. These works will be subject to a JCT Measured Term Contract. A draft contract was issued with the tender and this will be finalised and engrossed, prior to being executed as a deed, following approval of award.
12. Contract award letters will be issued and mobilisation with the successful contractor will begin. There is no TUPE applicable.

## **Reasons for Decision**

13. To enable LBHF to carry out roofing related repairs and maintenance works across council housing stock, fulfilling its duties as landlord.
14. The recommendations are based on a competitive procurement exercise in which the Contractor recommended for appointment is the top-ranking bidder according to the Council's evaluation criteria.

## **Equality Implications**

15. An Equality Impact Assessment for this project has been completed and is appended to the report. In summary, there are potentially greater negative impacts for people with disabilities, elderly people and pregnant people as a result of these types of works, relating to access issues, integrity of the home and health and safety. The specification for the service outlines clear mitigating actions for the contractor to take to effectively maintain access routes, communicate with residents about the type and length of works and being considerate to the needs of all residents. The EQIA outlines in more detail the mitigating actions taken to ensure any impacts based on a protected characteristic are neutralised.

## **Risk Management Implications**

16. The Council requires a repairs service which meets its objectives, which provides flexibility in how it manages its housing asset to deliver a higher level of resident satisfaction in its repairs service, which ensures resident safety and wellbeing, and which delivers on a range of other policies including social value and use of local suppliers. In line with the ruthlessly financially efficient priority, the Council also needs to demonstrate that the repairs service demonstrates and delivers value for money in managing and maintaining its housing stock to

an appropriate standard. In this instance, for roof repairs and maintenance, the works have been procured through a competitive process, which is in line with the priority.

17. Officers should regularly review the appointed contractors' performance to ensure that the objectives of the contracts are being met and take appropriate action where there is poor performance.

*Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 31 January 2022*

## **Climate and Ecological Emergency Implications**

18. The successful bidder has outlined a number of actions they will take within the contract to support the council's approach to the climate emergency. This includes a transition to electric fleet across the next three years, a comprehensive waste management plan which identifies options for materials which can be recycled, re-used or returned to minimise landfill waste, and a central 'Carbon Core Group' which consistently reviews and researches new technologies and approaches to support carbon reduction.
19. The Direct Labour Organisation will work with the successful bidder to plan and package works geographically and by type to minimise travel required and enable sharing of resources.
20. The bidder has additionally included a social value commitment relating to biodiversity schemes and the council will work with them to link them in to existing schemes and projects which they can support in that area.

*Implications verified by: Hinesh Mehta, Strategic Lead – Climate Emergency, 07960 470125 2<sup>nd</sup> February 2022*

## **Procurement implications**

21. The results of the evaluation process have been verified against the Capital Esourcing tendering system on 09/02/22 by Elliot Tyrell, Governance and Procurement Officer (Economy).
22. The procurement exercise was carried out by officers from the Governance and Commissioning Team (Economy) in compliance with the authorised procurement strategy. No risks have been identified.

*Implications completed by: William Shanks, Head of Contract Governance (Economy), 0781 858 1911, 9<sup>th</sup> February 2022*

## **Local Economy and Social Value implications**

23. Cablesheer (Asbestos) Limited has committed to 42% social value commitments and scored 60/100 on the qualitative submission, providing

confidence that they can deliver on their commitments. The highest social value commitments are around local jobs, local spend and support in to work for young people.

24. It is recommended the project lead will work closely with the Council's Social Value Officer and the Contractor to agree on a delivery plan. The winning bidder will be required to set targets on Social Value Portal for effective monitoring and it will be responsible to pay the relevant fee as per the Instruction to Tender document published at the tender stage. It is advisable the Commissioner will work closely with Legal services to ensure appropriate social value clauses are included in the contract, so that the Council can enforce its right to compensation if social value commitments are not delivered.

*Implications completed by: Ilaria Agueci, Social Value Officer, Tel: 0777 667 2878, 7<sup>th</sup> February 2022.*

## **Consultation**

25. Leaseholder consultation is taking place in order that leaseholders can be appropriately recharged for works where relevant. Stage 1 leaseholder consultation took place prior to the issue of the tender. Stage 2 leaseholder consultation will take place following approval of this award report. Contract Award letters will be issued subject to the outcome of the Leaseholder consultation process.

## **LIST OF APPENDICES**

Exempt Appendix 1: Full Tender Results  
Appendix 2: Equality Impact Assessment



## LONDON BOROUGH OF HAMMERSMITH & FULHAM

### Appendix 2 - H&F Equality Impact Analysis Tool

<b>Overall Information</b>	<b>Details of Full Equality Impact Analysis</b>	
<b>Financial Year and Quarter</b>	4 / 21-22	
<b>Name and details of policy, strategy, function, project, activity, or programme</b>	<p>Title of EIA: Roofing Repairs and Maintenance Award EIA                  Short summary: EIA in relation to the appointment of a contractor to deliver roofing repairs and maintenance services across council housing stock.</p> <p><b>Note:</b> If your proposed strategy will require you to assess impact on staff, please consult your HR Relationship Manager.</p>	
<b>Lead Officer</b>	Name: Emma Lucas Position: Commissioning Lead Email: emmalucas@hotmail.co.uk Telephone No:	
<b>Date of completion of final EIA</b>	28 / 01 / 22	

<b>Section 02</b>	<b>Scoping of Full EIA</b>		
<b>Plan for completion</b>	Desktop exercise carried out by report author		
<b>Analyse the impact of the policy, strategy, function, project, activity, or programme</b>	Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.		
	<b>Protected characteristic</b>	<b>Analysis</b>	<b>Impact:</b> Positive, Negative, Neutral

	Age	Completion of roofing works often requires the erection of scaffolding which has the potential, if not erected properly, to affect access routes to buildings which may disproportionately affect older people e.g. blocking paths, removing nearby car parking spaces. Additionally, poorly completed works could affect the integrity of the home e.g. persistent roof leaks, which could disproportionately affect the health and or/day to day lives of older people. Council tenants in LBHF are older than the average population (data suggests that more than 50% of the tenant population are above 60 years old), so it is important that the right mitigations are implemented to ensure no adverse effect on this section of council tenants..	Neutral with the right mitigations in place
	Disability	Completion of roofing works often requires the erection of scaffolding which has the potential, if not erected properly, to affect access routes to buildings which may disproportionately affect people with disabilities e.g. blocking paths, use of cones, removing nearby car parking spaces, temporary pavement coverings. It also has the potential to block light in to people's homes. Additionally, poorly completed works could affect the integrity of the home e.g. persistent roof leaks, which could disproportionately affect the health and or/day to day lives of people with disabilities. Council tenants in LBHF are more likely to have a disability than the average population (data suggests that 5.5% of residents are registered disabled), so it is important that the right mitigations are implemented to ensure no adverse effect on this cohort of tenants.	Neutral with the right mitigations in place
	Gender reassignment	No impacts identified	Neutral
	Marriage and Civil Partnership	No impacts identified	Neutral
	Pregnancy and maternity	Completion of roofing works often requires the erection of scaffolding which has the potential, if not erected properly, to affect access routes to buildings which may disproportionately affect pregnant people or people with small children e.g. blocking paths, removing nearby car parking spaces, temporary pavement	Neutral with the right mitigations in place

		coverings. Additionally, poorly completed works could affect the integrity of the home e.g. persistent roof leaks, which could disproportionately affect the health and or/day to day lives of pregnant people or those with small children.	
	Race	No impacts identified	Neutral
	Religion/belief (including non-belief)	No impacts identified	Neutral
	Sex	No impacts identified	Neutral
	Sexual Orientation	No impacts identified	Neutral
<p><b>Human Rights or Children's Rights</b>          If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice          Will it affect Human Rights, as defined by the Human Rights Act 1998? No          Will it affect Children's Rights, as defined by the UNCRC (1992)? No</p>			

<b>Section 03</b>	<b>Analysis of relevant data</b> Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
<b>Documents and data reviewed</b>	Data sourced from Northgate (Housing Management System) tenancy data in Oct 2020.
<b>New research</b>	N/A

<b>Section 04</b>	<b>Consultation</b>
<b>Consultation</b>	General leaseholder consultation was carried out as part of the procurement process.

<b>Analysis of consultation outcomes</b>	Whilst there were no direct equalities issues raised, leaseholders did raise points in relation to safety of working, access routes and quality of work delivered. Appropriate mitigations, expectations and standards have accordingly been set in the service specification.
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<b>Section 05</b>	<b>Analysis of impact and outcomes</b>
<b>Analysis</b>	Following analysis, it has been determined that there are potential detrimental affects to older people, people with disabilities and pregnant people if roofing work is not carried out compliantly, safely and to a high standard and given the potential impact of erecting scaffolding. Given that the service is a responsive repairs and maintenance service – it is crucial that it is carried out, as without it the integrity and safety of our buildings would be compromised. Overall, this is unlikely to have a widespread or significant impact on the groups outlines above, with it being most likely that issues will need to be dealt with on a case by case basis should they arise, after mitigation actions have been established.

<b>Section 06</b>	<b>Reducing any adverse impacts and recommendations</b>
<b>Outcome of Analysis</b>	<p>The specification for the service sets clear expectations around some of the key areas identified as risks, in order to mitigate these. With relation to maintaining access routes, there are clear points around how and when scaffolding can be erected, including the requirement to maintain access routes, and communicate clearly with residents when there may be any impact to this (and indeed in advance of any scaffolding being erected). All scaffolding will be required to be registered and LBHF will oversee the scaffolding register regularly to assess compliance. This will mean safe access routes are maintained for residents. In addition, scaffolding will only be erected for the time necessary to complete the works and be taken down in a reasonable time following this.</p> <p>With regards to quality of work, there is a strong performance management system built into the contract, LBHF will undertake customer satisfaction surveys, and contractors will be required to perform a water test on repaired leaks to ensure integrity of repair. This should ensure the continued delivery of a high standard service which means people can continue to enjoy their homes safely.</p> <p>In addition, the contractor is expected to abide by LBHF's Customer Charter Code of Conduct (which forms part of the contract) which outlines how operatives should behave and interact with residents, as well as standards set in the service specification around respectful behaviour and minimising inconvenience and nuisance of works.</p>

<b>Section 07</b>	<b>Action Plan</b>					
<b>Action Plan</b>	Note: You will only need to use this section if you have identified actions as a result of your analysis No identified actions currently – mitigating actions already taken in service specification design.					
	Issue identified	Action (s) to be taken	When	Lead officer and department	Expected outcome	Date added to business/service plan
	N/A					

<b>Section 08</b>	<b>Agreement, publication and monitoring</b>					
<b>Senior Managers' sign-off</b>	Name: Richard Buckley Position: Assistant director, residents & building safety Email: Richard.buckley@lbhf.gov.uk Telephone No: 07769882207 Considered at relevant DMT: No					
<b>Key Decision Report (if relevant)</b>	Date of report to Cabinet/Cabinet Member: 16 / 02 / 22 Key equalities issues have been included: Yes					
<b>Equalities Advice (where involved)</b>	Name: N/A Position: Date advice / guidance given: Email: Telephone No:					