

## **LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**Report to:** Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

**Date:** 28 September 2023

**Subject:** Award of contract for structural repairs and refurbishment of 1-56 Askham Court W12 and 1-48 Aldine Court W12

**Report author:** Vince Conway, Senior Programme Manager, Capital Delivery

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

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### **SUMMARY**

This report seeks approval to award a contract for structural repairs and refurbishment of 1-56 Askham Court W12 and 1-48 Aldine Court W12. Askham Court and Aldine Court were included in the Procurement Strategy approved by Cabinet on 22 December 2022, which identified sites for investment during the period 2023-2025. The buildings are of non-traditional construction – Cornish Type 2 (photographs included in Appendix 4) – and are subject to periodic inspections to monitor their structural integrity. Whilst the buildings are essentially sound, various instances of cracking and concrete spalling are evident that require intervention to ensure they continue to perform satisfactorily in the longer term.

A works specification has been produced to address the structural issues and to include additional necessary works such as roof repairs and insulation, window overhauls, door replacement (at Aldine Court as Askham Court already completed), fire safety works, and external and communal repairs and redecoration.

In accordance with the approved procurement strategy the contract has been procured via a call off from the South East Consortium's ("SEC") suite of public sector frameworks, using a mini-competition process in accordance with the competition requirements set out in the Council's Contract Standing Orders ("CSOs").

This report has been approved by Contracts Assurance Board on 13<sup>th</sup> September 2023 and the recommendations have the support of the Departmental Management Team including the Director of Housing and the Assistant Director, Residents and Building Safety.

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### **RECOMMENDATIONS**

1. To note that Appendices 1-3 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that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. That the Cabinet Member for Housing and Homelessness approves the appointment of Mulalley and Company Ltd via the South East Consortium Internal and External Works Framework Lot 1b (Major Refurbishment over £1m) (“SEC Framework”), to undertake structural repairs and refurbishment works to Askham Court W12 and Aldine Court W12 for a sum of £1,452,229. The project is expected to start 30 October 2023 with an estimated completion date of 16 August 2024.
3. That the Cabinet Member for Housing and Homelessness approves the contingency sum detailed in exempt Appendix 3 to deal with any unforeseen works that may arise during the delivery of the project.
4. To note that the formal award of the contracts will not be made until completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act 1985.

**Wards Affected:** Wormholt, Shepherds Bush Green

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The proposed works will improve and maintain the standard of council homes, thus supporting the council in its strategic function as a social housing landlord of providing the opportunity of a decent home to its residents. Housing is a prime influence on quality of life, life expectancy, opportunities for work, education, leisure etc. It is critical to economic development, educational achievement, public health, and community cohesion.
Creating a compassionate council	Investment in social housing enables the council to fulfil its landlord function and provide good-quality homes to local people that are safe, secure and genuinely affordable.
Doing things with local residents, not to them	Residents have been fully consulted during the preparation of schemes, and this will continue through to progression to site, and final delivery. The consultation will continue post-award to include site set-up arrangements and further information on the delivery stage. Residents will be balloted to confirm preferred communal redecorations and,

	in the case of Aldine Court, door styles.
Being ruthlessly financially efficient	The project has been competitively tendered and will be awarded on the basis of most economically advantageous tender. There will be robust contract management and a strong site presence to ensure quality standards and value for money.
Taking pride in H&F	The evaluation criteria required contractors to give details of their approach to energy consumption, use of sustainable materials, transport plan, site waste management, and noise pollution.
Rising to the challenge of the climate and ecological emergency	The primary aim of the contract is to ensure the structural stability of the subject properties. New or additional insulation to roofspaces is included in the specifications to meet maximum U-values (energy conservation) in accordance with current building regulations. New front entrance doors at Aldine Court will comply with current energy efficiency standards.

## Financial Impact

The report seeks approval to appoint Mulalley and Company Ltd for a 42-week contract from 30 October 2023 to 16 August 2024 at a total cost of **£1.452m**. The cost will be divided £0.508m in 2023/24 and £0.944m in 2024/25.

The works are anticipated to be wholly capital in nature as they are expected to enhance the asset quality and extend the lifespan.

The HRA 4-year Capital Programme contains a budget allocation of £10.4m within Concrete Compliance and Structural Works and the budget for the works at Askham and Aldine Court will be taken from this allocation.

The projected contribution from Leaseholders is £0.272m. This is the sum of the individual service charge payable by each lessee in accordance with the terms of their lease based on the total estimated rechargeable costs for each building, inclusive of contingency and fees. Further details are provided in Appendix 2.

A Credit Safe report was run on Mulalley & Co. on 17/08/2023, which provided a risk score of 91, far above the Council's minimum of 50, as well as an annual contract limit of £48.5m, which is more than sufficient for the contract detailed in this report.

Furthermore, the service has advised that invoicing for the works will be done in arrears, once works are completed.

*Implications prepared by: Llywelyn Jonas, Principal Accountant – Housing Capital,*

*Verified by: Danny Rochford, Head of Finance (HRA and Economy), 29/8/23.*

## **Legal Implications**

The Contract value is below EU thresholds so the Public Contracts Regulations 2015 do not apply.

The Council's Contract Standing Orders (CSOs) do apply and the competition requirements have been complied with by running a mini competition using South East Consortium Internal and External Works Framework Lot 1b to make the appointment.

Under CSO 21.5 all contract awards over £100,000 must be submitted to the Contracts Assurance Board.

Under CSO 21.1 the Chief Executive/SLT Member in consultation with the relevant Cabinet Member can make the Contract Award.

Under CSO 21.7 where the award report concerns the award of contract in excess of £300,000 in value or the expenditure is otherwise significant, then it 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.

Implications prepared by: Joginder Bola, Senior Solicitor (Contracts & Procurement), 14 August 2023

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## **Background Papers Used in Preparing This Report**

**NONE**

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## **DETAILED ANALYSIS**

### **Reasons for Decision**

1. Askham Court and Aldine Court were included in the Procurement Strategy approved by Cabinet on 22 December 2022 which identified sites for investment during the period 2023-2025.
2. The decision above is required to appoint the successful contractor to carry out the works required in these properties.

### **Property**

3. Askham Court is located on the corner of Askham Road and Uxbridge Road in the Wormholt ward. Originally built in late 1950s, it was redesignated as a

sheltered housing scheme in 1977 and comprises four four-storey walk-up blocks providing 56 homes.

4. The three four-storey walk-up blocks that make up Aldine Court are situated off the north side of Shepherds Bush Green and provide 48 homes, of which 22 have been sold under the right to buy.
5. The buildings are of non-traditional construction – Cornish Type 2 – and comprise pre-cast reinforced columns and beams externally with non-load-bearing un-reinforced concrete infill panels to front and rear elevations, with masonry flank walls covered with stone cladding.

## **Proposals**

6. The Council is required to maintain its housing stock in good repair, providing quality homes that are safe and secure and meet tenant aspirations.
7. As the buildings are of non-traditional construction – Cornish Type 2 – they are subject to periodic inspections to monitor their structural integrity. Although forms of non-traditional construction appeared in the inter-war years they proliferated after the Second World War when there was rapid construction of new dwellings, both to replace bomb-damaged homes and to complete the slum clearance programme started before the war. Cornish buildings were one of many system-built types and comprise pre-cast reinforced columns and beams externally with non-load-bearing un-reinforced concrete infill panels to front and rear elevations, with masonry flank walls covered with stone cladding. Whilst the buildings are essentially sound, various instances of cracking and concrete spalling are evident which require intervention to ensure they continue to perform satisfactorily in the longer term.
8. A works specification has been produced to address the structural issues of settlement cracking, spalling concrete and steel corrosion. and the scheme also includes additional necessary works such as roof repairs and insulation, window overhauls, installation of FD30 front entrance doors for fire safety and improved security (at Aldine Court only, FD60s already installed at Askham Court as sheltered housing), fire stopping/compartimentation works, and general repairs and redecoration to refresh the external facades and common parts.

## **Tender Process**

9. In accordance with the approved strategy, the procurement has been undertaken through the SEC framework by way of a mini-competition under the Internal and External Works framework Lot 1b (major refurbishment works over £1,000,000).
10. Expressions of interest were sought from the twelve suppliers on the framework with six asking to be included in the process. An invitation to tender was published on the CapitalEsourcing portal on 6 April 2023 with an original closing date of 18 May 2023, extended to 25 May 2023. Tender submissions were received from four suppliers.

11. The tender appraisal panels evaluated all submissions in accordance with the mini-competition set out in the ITT using most economically advantageous tender (MEAT) criterion with a weighting of 60% to qualitative and technical aspects of the tender submission and 40% to price.
12. The table below sets out the scores achieved by each supplier as assessed by the evaluation panel. Further scoring information is provided at exempt Appendix 1.

<b>Overall Ranking</b>	<b>Contractor</b>	<b>Value of tender</b>	<b>Price Score</b>	<b>Price Rank</b>	<b>Quality Score</b>	<b>Quality Rank</b>	<b>Total Weighted Score</b>
1 <sup>st</sup>	Mulalley & Company	£1,456,229.00	100.00	1st	73.57	2nd	84.142
2 <sup>nd</sup>	Tenderer 2	£1,709,085.00	85.21	2nd	80.00	1st	82.082
3 <sup>rd</sup>	Tenderer 3	£1,879,158.23	77.49	3 <sup>rd</sup>	71.70	4th	74.020
4 <sup>th</sup>	Tenderer 4	£1,914,755.26	76.05	4 <sup>th</sup>	72.09	3rd	73.673

13. Based on the evaluation process carried out in accordance with the approved procurement strategy and Invitation to Tender, officers therefore recommend acceptance of the tender submitted by Mulalley and Company Ltd.

## **Equality Implications**

14. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any protected groups, under the Equality Act 2010.

## **Risk Management Implications**

15. A risk register will be maintained by the contract administrator for this project with appropriate contingency measures in place for any identified risks. Robust project controls and monitoring will be maintained throughout the programme of works to ensure timely delivery, within the financial envelope and to the quality standards specified. The project has been tendered via a competitive procedure which will help to demonstrate that value for money is secured through the project, which is in line with council objective of being ruthlessly financially efficient. The contract will not be awarded until the section 20 consultation with leaseholders has been concluded, which mitigates the risk of the Council not being able to bill leaseholders for their share of the cost of the works.

*Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 21 August 2023*

## **Climate and Ecological Emergency Implications**

16. The Capital Delivery team have advised that PAS20235 assessments have not been undertaken for the subject buildings as the project brief had been issued and scheme worked up prior to the approval of the December 2022 procurement strategy. The scope of works were primarily based on the recommendations of structural surveys carried out by the Council's Building Control officers and the priority for the scheme is to ensure the structural integrity of the subject properties. However, the scope also includes the installation of loft insulation to the roofspaces of all seven blocks, and the installation of new front entrance doors to Aldine Court. The construction type means the buildings are not suitable for external wall insulation and they already benefit from double-glazed windows, installed in 2006. The windows will be overhauled as part of the scheme to ensure they continue to perform efficiently.

*Implications verified by: Hinesh Mehta, Assistant Director of Climate Change, 05/09/2023*

## **Local Economy and Social Value Implications**

17. The social value offer on each contract has been evaluated by the Social Value Portal. Mulalley and Company have committed to social value above the council's minimum 10% threshold.
18. Appropriate social value clauses are included in the contract (schedule 11 of the LBH&F standard contract to be added to the framework agreement), so that the Council can enforce its right to remedy if social value commitments are not delivered.
19. Social value contributions proposed should amount to a proxy value of at least 10% of the contract and the proposals count towards 17% of the overall score of the bid.
20. Mulalley and Company proposed a proxy value of 11.18% social value.
21. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed. In addition, the evaluation of social value should account for a weighting of 10% of the overall score from a procurement strategy agreed by CAB prior to 1/4/23.
22. The Summary confirms the Procurement Strategy was agreed in December 2022 and paragraph 19 that Social Value accounted for 10% of the overall score. Mulalley proposed a proxy Social Value contribution amounting to 11.18% of the price quoted. Where they are not a local supplier, which they cannot be for such a large contract, the council contract manager works with the supplier to secure their committed social value. The contract binds the supplier to the social value commitment.

23. Paragraph 18 confirms that these Social Value commitments will be included in the contract agreed with Mulalley.

*Implications verified by: Paul Clarke, Social Value Officer, 16 August 2023*

## **Procurement implications**

24. The results of the evaluation process (ITT\_16911) have been verified against the e-tendering system.
25. A contract shall be created in the contracts register and a signed copy of the contract uploaded, to ensure compliance with statutory transparency requirements.
26. Contract Award Notices shall be published via capitalEsourcing.

*Implications to be verified by: Implications verified by: Waheeda Soomro, Commercial Manager, Commercial & Procurement 7 September 2023*

## **Digital Services Implications**

27. IT Implications: no direct IT implications are considered to arise from this report as it seeks approval to award a contract for the refurbishment of various council-owned void properties. Should this not be the case, for example, by requiring new systems to be procured or existing systems to be modified, Digital Services should be consulted.
28. IM Implications: a Data Privacy Impact Assessment (DPIA) will need to be completed to ensure all potential data protection risks arising from this proposal are properly assessed with mitigating actions agreed and implemented.
29. Mulalley and Company Ltd will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
30. Any contracts arising from this report will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

*Implications verified by: Cinar Altun, Digital Strategy Lead, Digital Services 22.08.2023*

## **Consultation**

31. There has been ongoing consultation with residents to explain the nature and scope of the works, programme, and broad timescales. Residents will receive further correspondence prior to work starting on site, updating them regarding



the programme, the scope of works and the level of support in place for residents from officers within the Capital Delivery Team.

32. Askham Court is a sheltered housing scheme and there are no leaseholders. There are a total of 22 leaseholders across the three blocks of Aldine Court and they have been notified in accordance with statutory consultation legislation. Notices of intent were sent out on 14 November 2022 and expired 19 December 2022. The Notices of Estimate will be issued during September 2023 with a 35 day consultation period. The contract will not be issued until expiry of the Section 20 notice period and the satisfactory conclusion of any observations received.
33. The total estimated charges to leaseholders based on the recommended contract sum plus contingency and internal management fees is £0.272m. Further details are shown in Appendix 2.
34. The council offers a range of repayment options to leaseholders with extended interest free periods for those facing higher bills.

## **LIST OF APPENDICES**

Exempt Appendix 1: Details of tender analysis

Exempt Appendix 2: Details of estimated leaseholder recharges

Exempt Appendix 3: Risk Register Contingency Amounts

Appendix 4: Photographs of subject properties

Front, rear, and side elevations of 1-16 Askham Court



Front, rear and side elevations of 17-32 Aldine Court

