

# Croydon Council

For General Release as a background document to agenda item 13 –  
Cabinet Meeting agenda 15.09.14

<b>REPORT TO:</b>	<b>CABINET MEMBER for HOMES AND REGENERATION</b> <b>15 September 2014</b>
<b>AGENDA ITEM:</b>	<b>not applicable</b>
<b>SUBJECT:</b>	<b>Emergency Fire Precaution Works</b> <b>Award of Contract</b>
<b>LEAD OFFICERS:</b>	<b>Peter Brown</b> <b>Director of Housing Needs and Strategy</b> <b>David Sutherland</b> <b>Director of Croydon Landlord Services</b>
<b>CABINET MEMBERS:</b>	<b>Councillor Alison Butler</b> <b>Deputy Leader and Cabinet Member for Homes and Communities</b> <b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/OUTCOMES FOR RESIDENTS:</b> These works meet the Council's Corporate priorities to: <ul style="list-style-type: none"><li>• Provide Value for Money to its residents through the delivery of the Planned Maintenance and Improvements Programme to the Council's housing stock</li><li>• Improve our Assets through investment in our housing stock</li><li>• Improving health and well-being through decent homes and neighbourhoods</li><li>• Contribute to the local economy and environment</li><li>• Fulfill the Council's statutory responsibility to keep tenants safe in terms of fire precautions.</li></ul>	
<b>FINANCIAL IMPACT SUMMARY:</b> This report recommends the direct award of a contract for a period of 18 months from 1 <sup>st</sup> October 2014 to 31 <sup>st</sup> March 2016 up to a total value of £900k, chargeable to the HRA.	

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## KEY DECISION REFERENCE NO.: n/a

This is not a Key Decision as defined in the Council's Constitution.

### 1. RECOMMENDATIONS

The Cabinet Member for Homes and Regeneration, in consultation with the Cabinet Member for Finance and Treasury, is requested to approve the direct award of a contract for Emergency Fire Precautions works with **R&S Builders Ltd** for a period of 18 months from 1<sup>st</sup> October 2014 to 31<sup>st</sup> March 2016 up to a total value of £900k, chargeable to the HRA.

### 2. EXECUTIVE SUMMARY

- 1 This report covers the need to award a new contract to **R&S Builders Ltd** to cover any emergency fire precautions works (the work) to housing assets identified as being required from the regular fire safety inspections carried out jointly by the Council and Fire Brigade. The previous contract with R&S Builders Ltd expired on 31<sup>st</sup> July 2014. It is vitally important that the Council are able to maintain continuity of service provision and implement any emergency recommendations from fire safety reports. This will ensure that the Council are able to continue to maintain the safety of tenants and vulnerable households for the next 18 months.
- 2 The funding of £600,000 per annum; £900,000 maximum over the proposed 18 months contract term will be made available from the Housing Revenue Account.

### 3. DETAIL

#### Background

- 3.1 The London Borough of Croydon housing stock comprises approximately 14,000 tenanted and 2,100 leaseholds properties. Protecting, maintaining and improving the existing Council stock is a core objective of the Housing Strategy for 2011-2015, of which emergency fire precaution works is a crucial part of the overall service.
- 3.2 The Council is required to ensure the safety of all its 1100 blocks within its housing stock by complying with the statutory instruments applicable, including health and safety legislation. Fire Risk Assessments (FRA) have been carried out at all blocks in line with a strategic agreement reached with the fire brigade. The remedial work arising from these risk assessments forms the basis for the works required under this contract. The work included in this contract comprises a wide range of fire precaution works, including the upgrading and renewal of existing fire doors, which include flat entrance doors, corridor and communal doors, electrical cupboard doors to lift lobbies and all dry riser cupboards, the replacement of intumescent fire and smoke seals, new fire signage and all associated works and redecoration.

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## The current service provision:

- 3.3. In March 2010, a contract for the work for two years, with the option to extend for a further two years, was awarded on the recommendation of the the Council's Corporate Services Committee to R & S Builders Ltd as the primary contractor on a schedule of rates basis. This contract commenced in August 2010 and following the initial two year term as the contractor had performed very satisfactorily during a demanding and time sensitive initial period CCB agreed to extend the contract in accordance with T&C Regulations 2.7 for the full additional two years from August 2012 until 31<sup>st</sup> July 2014.
- 3.4 R & S Builders Ltd was originally selected via a competitive tender from Constructionline at a reduction to the schedule of rates of minus 24.5%. R&S Builders Ltd was able to accommodate the Councils programme and performed very well within the contract terms The option to extend the contract was taken up for both of the additional years to allow successful continuation of this vitally important Fire Precaution work.
- 3.5 The contract with R&S expired at the end of July 2014 and the intention in the long term is to include this work within the scope of the new PMI contracts which will commence in late 2015 or early 2016. However there is a continued urgent need for the emergency fire precaution works during the transition period. Since the contract expired, where ad-hoc work has been required, this has been done under individual orders to R&S Builders Ltd. to ensure that emergency arrangements can be maintained. However, going forward, there is a requirement to directly award a new contract (on the same terms and contract conditions) for emergency fire precaution works in order to have a compliant means in place to implement any fire safety recommendations and maintain the safety of the Council's tenants.
- 3.6 R & S Builders Ltd have provided over the course of the past four years a consistent and positive approach to the contract with a good network of liaison and accountability established. This report now recommends the direct award of a contract for the provision of emergency fire precautions works to **R&S Builders Ltd** for a term of 18 months from 1<sup>st</sup> October 2014 to 31 March 2016 to cover the intervening period pending the start of the new PMI contract. The terms of the new contract will be consistent with the recently expired contract with the option to terminate the contract early if the Council so requires

The total maximum anticipated cost of these work for the 18 months ahead is £900,000 and a budget for these works has been identified and allocated from the HRA Capital Programme for the term of the new contract award.

## The future service provision:

- 3.7 The Council is committed to meeting its statutory obligations in all matters relating to Fire Precaution works to its Residential Housing stock
- 3.8 The long term procurement strategy is to include fire precaution works into the Planned Maintenance and Improvements (PMI) contracts that are currently being

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reviewed prior to re-tendering. The expectation is to have new PMI contracts in place in late 2015 or early 2016.

- 3.9 This is classified as a 'Works' contract under EU regulations, but the total value of the new contract at £900k is under the OJEU threshold for this category of work.

## Contract term:

- 3.10 The proposed contract term will be for 18 months maximum but with the ability to terminate this earlier without penalty for any reason upon giving adequate notice (i.e. 3 months) if the Council requires. This will offer maximum flexibility and enable the Council to align the contract end dates with the long-term procurement plans for PMI.

## Contract Management:

- 3.11 Contract management will be undertaken by the Head of Planned Maintenance and Improvement Progress Monitoring of this project is undertaken by the assigned supervising officer throughout the entirety of the scheme with monthly payments made in arrears to ensure any potential defect items are satisfactorily remedied.

Within the final year of the contract, a service review will be carried out and a de-commissioning plan prepared.

## 4.0 FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

- 4.1 This funding is currently contained within the HRA Capital Programme:

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
<b>Total HRA Budget available:</b>	300	600		
<b>Effect of decision from report</b>	300	600		
<b>Expenditure</b>				
<b>Remaining budget</b>	0	0		

### a. Effect of the Decision:

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The award of the new contract will be based upon the same terms and conditions as the previous contract. Annual inflation will not be applied to this contract.

**b. Risks:**

The award of this contract will help to reduce the risk to tenants. An unavoidable consequence of the work is the requirement on occasions to replace at cost leaseholders own sourced front doors that do not meet the fire precaution regulations.

**c. TUPE**

This award will reduce the risk of any staff transfer from existing to new providers (or the Council) under the TUPE regulations, if the contract was not renewed.

**d. Options**

The option of doing nothing would place the Council at risk of not fulfilling its statutory obligations.

**Approved by: Lisa Taylor Head of Finance and deputy Section 151 Officer**

## 5.0 COMMENTS OF THE COUNCIL SOLICITOR

- 5.1 The Solicitor to the Council comments that the direct award of the contract to **R&S Builders Ltd** is in accordance with the Council's Tenders and Contracts Regulations and seeks to support the Council's duty to achieve Best Value pursuant to the Local Government Act 1999.

**Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer**

## 6.0 HUMAN RESOURCES IMPACT

- 6.1 This report does not directly raise considerations of staffing levels, restructuring/regarding, TUPE implications, recruitment, employee relations, the Council's personnel policies or other Human Resources matter

**Approved by: Michael Pichamuthu, Strategic HR Business Partner (on behalf of Heather Daley, Director of Workforce).**

## 7.0 EQUALITIES ANALYSIS

- 7.1 An initial Equality Analysis has been completed and a full analysis will be required as part of the commissioning process. The works will be delivered to some of the most vulnerable residents in Croydon and as such will need to be assessed as fully meeting their needs in terms of customer care and quality of delivery.

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## **8.0 ENVIRONMENTAL IMPACT**

- 8.1 There will be a limited impact for the environment arising from this contract. The environmental opportunities will be included within the contractor's own environmental practices; on site waste reduction and recycling and the opportunities to move towards more sustainable/environmentally friendly products and new technology over time.

## **9 CRIME AND DISORDER REDUCTION IMPACT**

- 9.1 There are no direct crime and disorder impacts identified as a result of the proposed contract award.

## **10 FREEDOM OF INFORMATION (FoI) / DATA PROTECTION CONSIDERATIONS**

- 10.1 The Council's Procurement Strategy and Tenders & Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council's Publication Scheme. Information requested under that Act about the specific procurement exercise and contract which are the subject of this report, held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.
- 10.2 Subject to approval of the recommendation details of the successful bidder and contract award will be published as part of the Council's Contracts Register.

## **11 CUSTOMER IMPACT**

- 11.1 A detailed CIA will be undertaken as part of the commissioning process. The works will be delivered to some of the most vulnerable residents in Croydon and as such will need to be assessed as fully meeting their needs in terms of quality of delivery.

## **12 HUMAN RIGHTS IMPACT**

- 12.1 There are no adverse impacts identified in relation to the Human Rights Act 1998.

## **13 CONSULTATION**

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- 13.1 Customer satisfaction reports are now compiled on a monthly basis for this work and show a steady upwards curve in all customer satisfaction categories, which breakdown into; how well customers were consulted, the level of disruption, disrespect and the quality of the work. A complete month by month analysis of customer satisfaction over the year has been carried out and this indicates that this all percentages reach or exceed the targets set.
- 13.2 An unavoidable consequence of the work is the requirement on occasions to replace at cost leaseholders own sourced front doors that do not meet the fire precaution regulations. This can understandably lead to a rather negative response under the circumstances, even though the work has been carried out to a good standard.
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Background Papers: CCB Report – 18 July 2012 (exempt from public disclosure)