

LONDON BOROUGH OF CAMDEN	WARDS: Kings Cross
REPORT TITLE Building Safety Fund – procurement of a contractor (SC/2020/97)	
REPORT OF Director of Property Management	
FOR SUBMISSION TO The Leader of the Council	DATE 14 th October 2020
STRATEGIC CONTEXT <p>Our Camden Plan sets out how the Council will respond to the vision for our community as described in Camden 2025. Improving housing conditions is core to reducing inequality for the Council’s residents; renewing external wall insulation for the blocks eligible for the Building Safety Fund, to the latest specifications, will help achieve this.</p> <p>In addition to this work, a requirement for the contractor to pay London Living Wage will be included in the tender and the Council will ask suppliers to set out their Social Value offer as part of their submission, including the provision of local employment and / or training opportunities through work with the Council’s Kings Cross Construction Skills centre.</p>	
SUMMARY OF REPORT <p>This report seeks approval to progress with the procurement of a contractor that can undertake the replacement of the external wall insulation on 11 blocks at the Cromer Street estate that meet the criteria set out in the Building Safety Fund. The report is being submitted as an urgent item to the Leader of the Council as the procurement process needs to start during October 2020 to meet Government timescales for applications to the fund. These require applications with actual tendered costs to be submitted during December 2020, this to enable applications to be processed and grants awarded prior to the end of March 2021.</p> <p>Local Government Act 1972 – Access to Information</p> <p>No documents that require listing were used in the preparation of this report.</p> <p>Contact Officer: Susanne Afra, 33-35 Jamestown Road, NW1 7DB. Telephone: 07876 478156. Email: susanne.afra@camden.gov.uk</p>	
RECOMMENDATIONS	

- (i) That the procurement of a contractor that can replace the external wall insulation on the 11 blocks on the Cromer Street Estate that are in scope of the Building Safety Fund with an estimated construction value of £7m, be approved as set out in section 2 of the report.
- (ii) That, subject to the agreement of the Chair of the Housing Scrutiny Committee, the above decision be exempt from call in for the reasons set out a paragraph 2.2 of the report.

Signed:



Gavin Haynes, Director of Property Management

Date: 05/10/2020

1. CONTEXT AND BACKGROUND

- 1.1 In March 2020 Government set up a £1 billion fund for the remediation of non-Aluminium Composite Material (ACM) facades on residential buildings over 18 metres in height. The Ministry of Housing, Communities and Local Government (MHCLG) issued a funding prospectus and invited landlords to register expressions of interest for funding on individual buildings by 31st July. Camden expressed an interest in the fund which was the first stage of the process.
- 1.2 The next stage of the process requires the Council to provide supporting information to evidence its response around the materials within the external wall system on the buildings and show that these meet the fund criteria. The blocks deemed eligible are all on the Cromer Estate, they are safe to occupy however the current insulation does not meet the latest regulations for tall buildings.

2. PROPOSAL AND REASONS

- 2.1 This report is necessary as Contract Standing Orders specify that the procurement strategy for all proposed capital contracts in excess of £5m should be approved by Cabinet. If an urgent decision is required, the Constitution of the Council allows the Leader to make any decision which the full Cabinet may otherwise make.
- 2.2 The report is coming to the Leader as an urgent item as the Council needs to procure a contract to replace the external wall insulation and have firm tender pricing prior to mid-December 2020 to meet Government mandated timescales, the estimate value of the work is £7m. Due to urgency, subject to the agreement of the Chair of the Housing Scrutiny Committee, it is recommended that this decision be exempt from the call-in process.
- 2.3 As part of the approved procurement strategy, the Council will procure the works from the Hyde framework which has a specialist cladding / façade Lot. The Framework is an OJEU (Official Journal of the European Union) /PCR (Public Contract Regulations) compliant route to market for public sector clients. There is no cost to the Council for joining the framework and access to suppliers is immediate. Camden is an existing member of the framework and the Council's procurement team has approved the use of the framework.
- 2.4 The scope of works includes for the removal of the existing external wall insulation system to each block in scope and for the replacement with a new external wall insulation system to meet current Building Regulations. The new insulation will also have improved thermal insulation properties and will improve the appearance of the blocks as the current insulation and rendered finish is approaching 20 years in age.

3. OPTIONS APPRAISAL

3.1 The procurement timelines are driven by the requirement set out by MHCLG that a claim for the funding should be submitted by mid-December 2020 with an agreed contract sum confirmed and confirmation that the works are able to commence on site before 31st March 2021.

3.2 Option one: Waiting for the Council's new Better Homes Framework

Not recommended.

Using the new Better Homes Framework, which is due to go live in November, would put the Council outside the time scales for claiming the MHCLG funding as we would need to wait for the Camden framework to be up and running and undertake a tender / mini competition exercise to select a contractor and then appoint.

3.3 Option two: OJEU restricted

Not recommended.

As option one, tendering the works via OJEU would put the Council outside the timeframe for claiming the MHCLG funding and the Council would not be able to secure tender prices prior to the end of December.

3.4 Option three: Third party framework (Hyde)

Recommended as this allow us to meet the timelines as set out by MHCLG.

This is the recommended procurement route due to the time constraints and also it will enable the Council to appoint a specialist external wall insulation contractor for the works and obtain the appropriate guarantees. A programme has been prepared which shows that a call off from the Hyde framework would secure tender prices by mid-December. A two-stage process is recommended whereby a supplier is appointed, detailed design work carried out and firm tender prices submitted at the end of the design process.

3.5 Option four: Do nothing

Not recommended.

As outlined in section 2 of this report, there is a requirement for the façade at these blocks to be replaced with a new external wall insulation system that will meet current Building Regulations.

4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

4.1 The following table summarises any key impacts / risks and how they will be addressed.

Risk / Impact	Mitigation
Poor market response	The Hyde framework has a large range of specialist suppliers that have delivered similar external wall insulation schemes. As part of the option appraisal work the Council has been engaging with the framework to establish the demand for the work amongst its suppliers.
Design and quality control	The procurement will take place via a two-stage process with input from a specialist Employer's Agent which has delivered similar projects for other large landlords with high rise blocks requiring new insulation.
Public relations and stakeholder engagement	Communication with stakeholders will be key to the success of the delivery of these works. The project team will engage residents on the progress of the funding application and the delivery of works.

5. CONSULTATION/ENGAGEMENT

- 5.1 Communication with residents and other stakeholder groups will be key to this project. Residents have been kept up to date on the Council's application for the fund and the broader works to improve fire safety across the blocks. The Council will update and engage residents on the bidding process, any announcements with regards funding and the delivery of works.
- 5.2 The replacement external wall insulation will require Planning permission and consultation on this will progress in line with statutory requirements.

6. LEGAL IMPLICATIONS

- 6.1 The report proposes the use of the Hyde Framework Agreement to procure a contractor to undertake External Wall Insulation works at 11 blocks on the Cromer Estate. The works will be funded by the Government's Building Safety Fund, to whom an application for funding needs to be submitted by December 2020. The submission requires the Council to provide confirmed costs for the works, which the Council can only provide once the works have been competitively tendered.
- 6.2 The estimated value of the works is £7m, so Contract Standing Orders would normally require this procurement strategy to be approved by Cabinet. However, because of the deadline for submissions of applications for funding, there is insufficient time to do this, so the Leader is asked to approve the strategy.
- 6.3 The Constitution of the Council provides that the Leader of the Council may take the decision to approve this procurement strategy where an urgent decision is required.

7. RESOURCE IMPLICATIONS

- 7.1 The report seeks approval to procure a contractor to undertake works on the 11 blocks of Cromer Estate which is estimated to cost £7m. These works do not form part of the budgeted capital programme and therefore a bid will be submitted in December 2020 for the Government's Building Safety Fund. The procurement exercise through the chosen route will enable the council to be prepared for the March 2021 deadline to commence with works if the bid is successful.
- 7.2 If the bid is not successful or we do not submit our bid to the fund, budgets for other committed capital projects would have to be deferred or re-prioritised to deliver this work.
- 7.3 The Head of Capital Works, Supporting Communities, has discussed the proposed approach with the Category Manager in Procurement and the proposed approach is suitable for this procurement and complies with The Public Contracts Regulations 2015. Other comments are included in the report.

8. TIMETABLE FOR IMPLEMENTATION

- 8.1 Should this report be approved, the first stage of the procurement process will take place in October. Once a supplier has been appointed, detailed design work will commence and final pricing will be submitted as part of the second stage of the tender process in mid-December 2020. Should funding be secured, mobilisation will take place early 2021 and works commence prior to the end of March 2021.

REPORT ENDS