


| | |
|--|---|
| Cabinet 25 March 2020 |  TOWER HAMLETS |
| Report of: Neville Murton – Corporate Director, Resources | Classification: Unrestricted |
| Contracts Forward Plan – Quarter Four (FY2019-2020) | |

| | |
|--------------------------------------|---|
| Lead Member | Councillor Candida Ronald, Cabinet Member for Resources & the Voluntary Sector |
| Originating Officer(s) | Zamil Ahmed – Head of Procurement |
| Wards affected | All wards |
| Key Decision? | Yes |
| Forward Plan Notice Published | |
| Reason for Key Decision | Significant Financial Expenditure and Significant Impact on two or more wards |
| Community Plan Theme | A fair and prosperous community |

EXECUTIVE SUMMARY

The Council's Procurement Procedures require a quarterly report to be submitted to Cabinet, setting out a forward plan of supply and service contracts over £250K in value, or capital works contracts over £5m. This provides Cabinet with the visibility of all high value contracting activity, and the opportunity to request further information regarding any of the contracts identified. This report provides the information in quarter three of the current Financial Year. Only contracts which have not previously been reported are included in this report.

Recommendations:

Mayor in Cabinet is recommended to:

1. Consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area
2. Confirm that the remaining contracts set out in Appendix 1 can proceed to contract award after tender

3. Authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2.2 above
4. Review the procurement forward plan 2020-2022 schedule detailed in Appendix 2 and identify any contracts about which further detail is required in advance of the quarterly forward plan reporting cycle

1. REASONS FOR THE DECISIONS

- 1.1 The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250K, and any contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after quarter four of the current financial Year.

2. ALTERNATIVE OPTIONS

- 2.1 Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

3. DETAILS OF THE REPORT

- 3.1 Council's procurement procedures and processes have undergone major improvements to ensure they are clear, concise and transparent. Our systems, documentations and guidance to suppliers have been transformed to ensure they reflect best practice in Public Sector procurement. Our efforts in maintaining effective dialogue with our bidders during the procurement process has helped to minimise procurement challenges.
- 3.2 To ensure the Council continues to be recognised for its sound procurement practices and effective engagement with the supply community, it is imperative that delays in contract award are minimised and adherence to the timetable outlined within our Invitation to Tender documentations.
- 3.3 The importance of procurement as an essential tool to deliver Councils wider social, economic and environmental aims has resulted in the need to ensure effective elected Member engagement in the pre-procurement and decision making process as identified in the recent Best Value audit.

- 3.4 This report provides the forward plan for quarter three of the current financial Year in Appendix 1 and gives Cabinet Members the opportunity to select contracts about which they would wish to receive further information, through subsequent specific reports.
- 3.5 Additionally, the report also includes a Procurement Forward Plan 2019-2022 to provide Mayor and Cabinet members with high level visibility of our planned procurement activity and the opportunity to be engaged in advance of the procurement cycle.
- 3.6 Appendix 1 details the new contracts which are planned during the period Q4 of the Financial Year. This plan lists all of the new contracts which have been registered with the Procurement Service, and which are scheduled for action during the reporting period.
- 3.7 Contracts which have previously been reported are not included in this report. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to Cabinet as individual contract reports.
- 3.8 Cabinet is asked to review the forward plan of contracts, confirm its agreement to the proposed programme and identify any individual contracts about which separate reports – relating either to contracting strategy or to contract award – will be required before proceeding.
- 3.9 Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the Council’s Tollgate process which provides an independent assessment of all high value contracts and ensures that contracting proposals adequately and proportionately address both social considerations and financial ones (such as savings targets). The work of the Strategic Procurement Board and Corporate Procurement Service ensures a joined-up approach to procurement.
- 3.10 The Tollgate process is a procurement project assurance methodology, which is designed to assist in achieving successful outcomes from the Council’s high value contracting activities (over £250K, for revenue contracts, and £5m, for capital works contracts which have not gone through the Asset Management Board approval system). All Tollgate reviews are presented to Strategic Procurement Board; contracts require approval of the Board before proceeding.

4. EQUALITIES IMPLICATIONS

- 4.1 Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed. The work of the Strategic Procurement Board and Corporate Procurement Service ensures a joined-up approach to council’s procurement activities.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding,

Best Value Implications

5.2 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Council procures annually some £350m of supplies and services with a current supplier base of approximately 3,500 suppliers. The governance arrangements undertaking such buying decisions are set out in the Council's Procurement Procedures, which form part of the Financial Regulations.

5.3 Contracts listed in Appendix 1 are all subject to the Council's Tollgate process which involves a detailed assessment by Procurement Review Panel and Strategic Procurement Board of the procurement strategy to ensure compliance with existing policies, procedures and best value duties prior to publication of the contract notice

Sustainable Action for Greener Environment

5.4 Contracts are required to address sustainability issues in their planning, letting and management. This is assured through the Tollgate process.

Risk Management

5.5 Risk management is addressed in each individual contracting project, and assessed through the tollgate process.

Efficiency Statement

5.6 Contract owners are required to demonstrate how they will achieve cashable savings and other efficiencies through individual contracting proposals. These are then monitored throughout implementation.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This is a quarterly update report on the Council's contract forward plan for 2019-20 which details the list of contracts that are due for renewal in the next 3-6 months (Appendix 1).

6.2 There are 12 specific contracts detailed in Appendix 1 with a cumulative annual value of £13m approx. and total contract value of £74m. The cost of these contracts must be contained within available approved budgets and it

will be the budget holders' responsibility to ensure that. Budget Holders will also need to be mindful of the MTFs saving on contracts where efficiencies are required.

- 6.3 Contracts reference **R5598 - IT Support Services** and **R5666 - Cloud based Secure Network Service (iWAN)-Internet Network** will require the appropriate approval to increase the Capital budget for ICT Transformation by £3m, funded from the ICT Reserve or other capital resources.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Council has adopted financial procedures for the proper administration of its financial affairs pursuant to section 151 of the Local Government Act 1972. These generally require Cabinet approval for expenditure over £250,000 for revenue contracts and £5m for capital works contracts.
- 7.2 Cabinet has approved procurement procedures, which are designed to help the Council discharge its duty as a best value authority under the Local Government Act 1999 and comply with the requirements of the Public Contract Regulations 2015. The procurement procedures contain the arrangements specified in the report under which Cabinet is presented with forward plans of proposed contracts that exceed specified thresholds. The arrangements are consistent with the proper administration of the Council's financial affairs.
- 7.3 Pursuant to the Council's duty under the Public Services (Social Values) Act 2012, as part of the tender process and where appropriate, bidders will be evaluated on the community benefits they offer to enhance the economic social or environmental well-being of the borough. The exact nature of those benefits will vary with each contract and will be reported at the contract award stage. All contracts delivered in London and which use staff who are ordinarily resident in London will require contractors to pay those staff the London Living Wage. Where workers are based outside London an assessment will be carried out to determine if the same requirement is appropriate.
- 7.4 When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the tollgate process
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – new contracts planned: Q4 of the Financial Year and beyond.
- Appendix 2 - Procurement Forward Plan 2020 -2022

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

- N/A

Appendix 1 – New contracts planned: Q4 of the Financial Year and beyond.

| | | | |
|--|--|---|--------------------------|
| Contract Ref & Title | R5598 IT Support Services | | |
| Procurement Category: | Corporate Services | Funding: | IT Transformation |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/04/2020 | Contract Duration and Extensions: | April 2020 to March 2023 |
| Value P/A: | £1M (year 1) £0.8M (year 2) £0.6M (year 3) | Value Total: | £2,400,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non-Statutory: | Non-Statutory | | |

Contract Summary

To provide a source of resource and support for the IT Transformation Programme and beyond to IT transition from Agilisys in 2021.

Scope of Contract

SOCITM resources, commissioned via the BLOOM Framework, have been used to design and build new infrastructure, successfully rollout new network switches, Wi-Fi and large screens in Council buildings, and have migrated many of our 100s of on-premise servers to cloud to improve resilience, enable smarter working and prepare ground for the move to the new Town hall. Work remains on Unix and legacy applications that require update. The team have successfully migrated 50 Smarter Working and IT Client users to laptops with Windows 10 and Office 365. Workspace is a delivery platform to replace the legacy VDI allowing users to connect from any device using the internet. The current mix of resources are needed to rollout the rest of the devices to all Council users. Many of the users have several line of business applications and some of these are old and need upgrading. This is proving to be a challenge especially when combined with other upcoming projects in transformation. These projects include: Office365 and workspace rollout, application delivery, cloud migration, recycling of devices, decommissioning of legacy infrastructure and many more. Additionally, Microsoft standard support for Windows 7 will end at mid-January 2020, so the Council will need to procure this for one year and fast track the programme to complete roll out and decommission all infrastructure (VDI, MaaS360, Enterprise Vault) by January 2021 to meet 2021-22 IT savings target of £500k in addition to the £200k next year.

Currently, the design team consists of Socitm consultants, whereas the delivery team consists of a mixture of permanent staff, seconded staff, agency, university placement students and Socitm consultants to keep costs to minimum and allow for skills transfer. Socitm consultants will lead on application delivery, cloud migration, recycling of devices decommissioning of legacy infrastructure and then support on IT transition of the rest of services (IT service desk, hosted and cloud services, network services etc) from Agilisys in 2021 to either council or to multiple vendors. Also replace Agilisys for ad hoc PM and technical services post Agilisys from April 2021 through to March 2022 as an alternative source for short term highly skilled one-off technical projects. The current Bloom Annual spend is £850K p.a.

Contracting Approach

The market for this service is limited so this will be done through G-Cloud. The Framework is designed to obviate a repeat use of the Bloom Framework, currently providing this service at an enhanced rate of cost plus 5%. This 5% uplift is legitimate but can be avoided through LBTH securing its own facility to draw off these services.

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities and volunteer opportunities.

| | | | |
|--|--------------------------------------|--|----------------|
| Contract Ref & Title | R5660 IT Future Sourcing 2021 | | |
| Procurement Category: | Corporate Services | Funding: | General Fund |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2020 | Contract Duration and Extensions: | 3 plus 2 years |
| Value P/A: | £3m | Value Total: | £15m |
| Reviewed by Competition Board <input type="checkbox"/> | 11/02/2020 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

In April 2019 the Council insourced application management, contract management, project management and telephony; extending all other IT services delivered via the partnership to 31st March 2021. While we work to absorb the insourced services, planning has now commenced for the future sourcing of our cloud, connectivity and user support services. Procurement will be tendered in the following lots/service towers:

1. Cloud Services Provider for Microsoft Azure
2. External physical internet connectivity
3. Internal physical network
4. IT Service Desk and SIAM tooling

In order to finalise the scope of this procurement we are undertaking pre-market engagement, via a webinar and informal meetings, for suppliers listed on the relevant Crown Commercial Services frameworks: Technology services 2, Network Services 2 and G Cloud (Digital Marketplace).

Contracting Approach

Pre-market engagement is currently taking place to finalise the scope and specifications for the contracts. Information was supplied to all organisations on Crown Commercial Services frameworks Technology Services 2 and Network Services 2. Over 40 organisations participated in a webinar and completed a feedback survey, providing comments on contract scope, key requirements, transition timelines and new innovations/technology that could be utilised to deliver the contracts in an efficient and cost-effective way. A number of informal supplier meetings will be held to further gather feedback from the market and ensure the final specifications provide value for money for the Council whilst remaining viable for suppliers.

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities, volunteer opportunities. The tender evaluation criteria will consist of a 5% weighting allocated to the Social Value Matrix intended to secure community benefits during the life of the contract.

| | | | |
|---|---|---|-------------------|
| Contract Ref & Title | R5666 Cloud based Secure Network Service (iWAN)-Internet Network | | |
| Procurement Category: | Corporate Services | Funding: | IT Transformation |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | May 2020 | Contract Duration and Extensions: | 3 plus 2 years |
| Value P/A: | £200,000 | Value Total: | £600,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 11/02/2020 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

The council has traditionally had 2 main data centres and network hubs (Mulberry Place and Albert Jacobs House) and then with outsourcing to Agilisys in 2012 two further 2 data centres and network hubs Welyn Garden City & PowerGateway were added. Council has been moving away from on premise data centres to cloud in preparation for end of Agilisys contract in March 2021 and move to Town Hall in 2022. Most of council's network sites (70 plus e.g. children centre, one stop shops, day centres, parking depot, idea stores, registrars) connect to one or more of the 4 buildings through BT leased lines, CCTV fibre lines etc. The future is about each of the council sites going to internet directly. With migration to cloud and rollout of O365 and one drive this will be possible.

The Council's current network security approach using port locking, Complex MPLS network technology for WAN and based on an assumption of physical security with a central data centre is no longer a suitable way to secure the Council's network connectivity to IT services. As the components of the Council's IT services become more distributed, the cost and complexity of the current network security approach are rising, flexibility is limited, performance is both variable and unquantified, security assurance due to potential introduction of non-secure devices, storage and applications is limited and as a result change is needed. The IT team have reviewed appropriate network security models and tools and have established the following fundamental requirements:

- (i) Zero trust Architecture where all networks as assumed to be untrusted with encryption applied from end point device all the way to applications. The connections from device to application are controlled on a per user basis.
- (ii) Software defined architecture where all components of the service apart from the endpoints are delivered in the cloud and not dependent on any physical security appliances and the behaviour of the network from the Council's standpoint is purely defined by software configuration.
- (iii) Strong capability for monitoring performance, applications being used, network activity.
- (iv) Optimise performance of connectivity to Office 365 and Microsoft Azure services.

Contracting Approach

To procure the required services for ZPA licences, implementation support and ongoing product support via the G-Cloud 10 framework. The proposed technical service is currently unique in the marketplace and is the best fit for the Council's current and emerging needs for the next 3 years. Circa 4700 licences, support, implementation and service for Z-Scaler Private access for a 3-year contract term

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. The tender evaluation criteria will consist of a 5% weighting allocated to the Social Value Matrix intended to secure community benefits during the life of the contract.

| | | | |
|---|------------------------------|---|--|
| Contract Ref & Title | AHS5128 Dellow Hostel | | |
| Procurement Category: | Health and Social Care | Funding Source: | Integrated Commissioning - Ageing Well Budget. |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input checked="" type="checkbox"/> | 01/07/2020 | Contract Duration and Extensions: | 5 years (3 years plus one plus one) |
| Value P/A: | £457,528.15 | Value Total: | £2,287,640.75 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

Approval is being sought to proceed to extend the contract for the Dellow Centre Hostel - a single adult's accommodation-based support service. The service provides 58 bed spaces and wraparound support. The landlord is Providence Row Charity and the support provider is Providence Row Housing Association.

The scheme forms an integral part of the Vulnerable Adults Homelessness Pathway which aims to ensure that people are actively supported to change behaviour, raise aspirations and gain meaningful occupation so that they are able to move into independent living. The Contract was subject to a procurement exercise and awarded in 2017 years following an approval by Cabinet on 26/07/2016. The contract was tendered and awarded with a term of 5 years, 3 years as initial term with the option to extend for a further 2 years (1+1) in in line with the procurement strategy and tollgate procedure. However, due to an administrative error the cabinet report was not clear relating to the extension period. Following legal advice Cabinet approval is sought to clarify that the original 2-year extension period is part of the original approval.

Contracting Approach

An open procedure was carried out for the award of the services with Providence Row Housing Association being the appointed contractor. It is intended that following the extension of 2 years the Council will re-procure the services through a public tender exercise subject to the Landlord agreement, and through the 3+1+1 there is also the option of doing this after one year.

Community Benefits

Reducing Homelessness, substance misuse, and anti-social behaviour.

| | | | |
|---|--|---|----------|
| Contract Ref & Title | CS5649 Kemp Masterplan Improvement Programme – Design Element | | |
| Procurement Category: | Construction & FM | Funding: | S106 |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 13/01/2020 | Contract Duration and Extensions: | 2 years |
| Value P/A: | £125,000 | Value Total: | £250,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

Tower Hamlets Council wishes to appoint a landscape led design team to take the project through detailed design to implementation and completion (Royal Institute of British Architects stages 3 – 7). This is to include all required services (e.g. Quantity Surveyor, Mechanical & Electrical services, Structural Engineer, Construction Design Management (and any other specialist advisors needed). It is expected that the lead designer will be a landscape architect. The detailed design will be based on the research, consultation and design carried out to produce the King Edward Memorial Park Masterplan as well as taking into consideration consultation and views expressed since that time.

It is expected that the design team will:

- Carry out consultation with stakeholders and residents and produce a report of that consultation;
- Prepare design options based on consultation
- Prepare outline cost plan based on preferred option
- Produce pretender cost plan and support any value engineering exercises as required
- Produce detailed drawings and specifications for tender
- Support tendering process and provide quantity surveyor services to evaluate tenders
- Manage construction process on site
- Provide Construction Design Management Services
- Provide Contract Administration Services

Contracting Approach

Tower Hamlets Council wishes to tender for a landscape led design team to take the project through detailed design to implementation and completion (Royal Institute of British Architects stages 3 – 7). This is to include all required services (e.g. Quantity Surveyor, Mechanical & Electrical services, Structural Engineer, Construction Design Management, and any other specialist advisors needed). It is expected that the lead designer will be a landscape architect.

Community Benefits

The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.

| | | | |
|---|---|---|-------------------|
| Contract Ref & Title | P5658 EA Services for Southern Grove New Build Housing | | |
| Procurement Category: | Construction & FM | Funding: | Capital Programme |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | March 2020 | Contract Duration and Extensions: | Est 30 months |
| Value P/A: | n/a | Value Total: | Est £260,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

There is a requirement to procure professional services for Employers Agent and Cost Consultancy services, fully inclusive of CDM, Party Wall and Clerk of Works services for the Southern Grove housing scheme including 44 new build council homes, 35 homes through the refurbishment and conversion of the Victorian Workhouse and associated on site works.

Contracting Approach

This procurement will be undertaken through an OJEU compliant framework or DPS, based on the council's specification and requirements. The contract terms will include council amendments drafted by legal services.

Community Benefits

The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.

| | | | |
|---|--|---|-------------------|
| Contract Ref & Title | P5664 Ashington House – Design Team & Associated Services | | |
| Procurement Category: | Construction & FM | Funding: | Capital Programme |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | March 2020 | Contract Duration and Extensions: | Est 36 months |
| Value P/A: | n/a | Value Total: | Est £275,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non- | Non-Statutory | | |

| | |
|---|--|
| Statutory: | |
| <p><u>Scope of Contract</u></p> <p>There is a requirement to procure design services and associated technical consultants for the regeneration of Ashington House. The block is a part seven-storey and part six-storey apartment building, comprising 31 flats and 14 maisonettes situated in the Collingwood Estate. The site also includes 46-48 Somerford Street, built as part of the same development, comprising two adjacent buildings, one of which is a detached house, the other a pair of semi-detached houses. Capacity studies have indicated that demolition of Ashington House and redevelopment on the existing footprint could deliver between 70 and 90 units. If the Project were to be extended to include the three homes of Somerford Street, one can expect the number of additional homes to increase further.</p> <p><u>Contracting Approach</u></p> <p>This procurement will be undertaken through an OJEU compliant framework or DPS, based on the council's specification and requirements. The contract terms will include council amendments drafted by legal services.</p> <p><u>Community Benefits</u></p> <p>The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.</p> | |

| | | | |
|---|---|---|--------------------|
| Contract Ref & Title | P5661 Construction of New Homes at 71-77 Heylyn Square | | |
| Procurement Category: | Construction & FM | Funding: | Capital Resources |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | March 2020 | Contract Duration and Extensions: | Est 27 months |
| Value P/A: | n/a | Value Total: | Est £11.71 million |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

| | | | |
|--|--|--|--|
| <p><u>Scope of Contract</u></p> <p>There is a requirement to procure the main construction contract for the provision of new council homes at Heylyn Square. Planning approval was obtained in October 2019 to demolish the existing building and construct an 8-storey residential block to provide 33 homes for affordable rent, and a ground floor retail unit with associated external works. Two of the larger properties are designated as wheelchair accessible.</p> <p><u>Contracting Approach</u></p> <p>This procurement will be undertaken through an OJEU compliant framework, or the councils own DPS for construction works if appropriate. A mini competition will be issued, open to all relevant suppliers, based on the council's design, specification and employers' requirements. The contract terms will be the JCT 2016 Design & Build Contract with council amendments drafted by legal services.</p> <p><u>Community Benefits</u></p> <p>The procurement will seek community benefits from the build contractor through a requirement for them to submit a social value proposal. Benefits will include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities.</p> | | | |
|--|--|--|--|

| | | | |
|---|--|---|-------------------|
| Contract Ref & Title | P5656 EA Services for Clichy Estate Regeneration Scheme | | |
| Procurement Category: | Construction & FM | Funding: | Capital Programme |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | March 2020 | Contract Duration and Extensions: | Est 84 months |
| Value P/A: | n/a | Value Total: | Est £450,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

There is a requirement to procure professional services for Employers Agent and Cost Consultancy services, fully inclusive of CDM, Party Wall and Clerk of Works services for the Clichy Estate regeneration scheme. The proposed development will comprise approximately 450 units. The full scope of the EA appointment will be determined once the results of the resident ballot scheduled to take place between 10th February and 4th March is known.

Contracting Approach

This procurement will be undertaken through an OJEU compliant framework or DPS, based on the council's specification and requirements. The contract terms will include council amendments drafted by legal services.

Community Benefits

The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.

| | | | |
|---|--|---|-------------------|
| Contract Ref & Title | P5663 Ashington House – Employers Agent, Cost Consultancy & Associated Services | | |
| Procurement Category: | Construction & FM | Funding: | Capital Programme |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | March 2020 | Contract Duration and Extensions: | Est 36 months |
| Value P/A: | n/a | Value Total: | Est £300,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

There is a requirement to procure professional services for Employers Agent and Cost Consultancy services, fully inclusive of CDM, Party Wall and Clerk of Works services for the regeneration of Ashington House. The block is a part seven-storey and part six-storey apartment building, comprising 31 flats and 14 maisonettes situated in the Collingwood Estate. The site also includes 46-48 Somerford Street, built as part of the same development, comprising two adjacent buildings, one of which is a detached house, the other a pair of semi-detached houses. Capacity studies have indicated that demolition of Ashington House and redevelopment on the existing footprint could deliver between 70 and 90 units. If the Project were to be extended to include the three homes of Somerford Street, one can expect the number of additional homes to increase further.

Contracting Approach

This procurement will be undertaken through an OJEU compliant framework or DPS, based on the council's specification and requirements. The contract terms will include council amendments drafted by legal

services..

Community Benefits

The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.

| | | | |
|---|--|--|---|
| Contract Ref & Title | R5667 Energy - Natural Gas & Grid Electricity | | |
| Procurement Category: | Corporate Services | Funding: | General fund for corporate sites. HRA for THH sites. Third party clients are responsible for their own bills. |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | May 2020 | Contract Duration and Extensions: | 12 months + 12 months + 12 months |
| Value P/A: | £12m | Value Total: | £39m |
| Reviewed by Competition Board <input type="checkbox"/> | 18/02/2020 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

The current energy contracts (natural gas and grid electricity) expire on the 31st March 2021 for the THH and third party clients and 30th September 2021 for the corporate sites respectively. They cover the borough estate, housing, schools, colleges and third-party clients. The annual contract value is +/- £12m. Because of the current volatility of the energy markets a twelve-month contract is currently more economically advantageous than being tied into a longer term.

Volume aggregation provides financial benefits, providing access to lowest quoted prices available at specific trading times and through creating a demand profile that is attractive to energy suppliers and therefore lower in cost. Substantial research, detailed analysis and assessment of the entire public sector energy spend through the Pan Government Energy Project and though the London Energy Project demonstrated that FLEX contracts delivered best value for the public purse.

LBTH currently purchase through the Government Procurement Service - Crown Commercial Services (CCS) and the corporate estate through an independent broker. The CCS frameworks have favourable terms and conditions and are fully compliant with procurement regulations and their fees and charges are transparent and competitive.

The London Energy Project provide benchmarking data to allow a confidence in the aggregated, flexible method of procurement. For 2015 - 2019 the results indicate that over all the contracts the achieve price was graded (on the raw energy only) as being of 'Good Performance', which means the execution of the strategy meets expectation. The achieved price is between the target price and the target price + 5%.

There is no hope that the cost of energy will reduce in the near future, consequently the only way to reduce the end price is to reduce consumption. It is recommended that all sites are now transferred to CCS. In the longer-term energy procurement will fall in line with the Carbon Zero Road Mapping Project and will be looking at carbon neutral generation and offsetting with partners. Details of this project will be available once the partnership has been formed and it has been approved by the necessary governance panel.

CCS offer green certified electricity supplies but as yet this is not available for natural gas on the scale we require. This method of purchase is recommended by the London Energy Project and the Association of Borough Treasurers.

Contracting Approach

It is advised that LBTH continue with using the Crown Commercial Services frameworks RM6011 - Supply of Energy & Ancillary Services

Community Benefits

Bulk purchase enables clients to achieve a favourable unit price on a framework which is robustly controlled.

| | | | |
|--|---|---|------------|
| Contract Ref & Title | P5662 - Storage and Removal Services | | |
| Procurement Category: | Corporate Services | Funding: | Revenue |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2020 | Contract Duration and Extensions: | 4 years |
| Value P/A: | £300,000 | Value Total: | £1,200,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 11/02/2020 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |
| Statutory/Non Statutory: | Non-Statutory | | |

Scope of Contract

The Council currently engages a number of storage and removal providers to meet its statutory obligation of removing and storing belongings of those homeless in accordance with its statutory duties under Regulation S211 of the 1996 Housing Act, and in accordance with the provisions of the Letting Policy. The service is also used as part of the Council's incentive scheme for assisting those downsizing to a smaller accommodation in the removal and delivery of their belongings to their new property and for office moves between council offices.

This service will also be used for the disposal of items that are no longer required or surplus to Council's requirement; preference will be given to the re-use of such items within the community or donated to charity based projects either in the UK or as part of an overseas aid scheme. The contract will ensure that disposal firms comply with WEEE Regulation 2013.

Contracting Approach

The advert will be published in OJEU and Contract Finder via the Council's tendering portal. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Pre - Qualification Questionnaire (PQQ).

The Framework Agreement will be with a number of service providers across the following lots:

- Lot 1 – Removal Service (Office and Homeless)
- Lot 2 – Removal Services (Under Occupied)
- Lot 3 – Storage Services (Office and Household items)
- Lot 4 – Disposal Services (Office and Household items)

Community Benefits

The procurement will seek community benefits from the supplier through a requirement for them to submit a social value proposal. Benefits may include apprenticeships, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities together with other community related benefits.