



Committee Name: Cabinet

Committee Date: 07/07/2021

Report Title: The award of contract for specialist ground improvement and associated structural work

Portfolio:	Councillor Gail Harris, Portfolio holder for social housing
Report from:	Executive director of community services
Wards:	All Wards
OPEN PUBLIC ITEM	

Purpose

To consider awarding a contract for specialist ground improvement and associated structural work

Recommendation:

To award the contract for specialist ground improvement and associated structural work at an estimated value of £2,000,000 over four years (£500,000 per annum). The final award value will be within the existing allocated budget.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets the Great neighborhood's, housing, environment corporate priority

This report addresses the 'good quality housing' strategic action in the Corporate Plan

This report helps to meet people living well adopted policy of the Council

This report helps to meet the Housing, Regeneration and Development objective of the COVID-19 Recovery Plan

[View the Corporate Plan 2019-22](#)

[View the COVID-19 Recovery Plan](#)

Report Details

Identification of need and background

1. This contract is to appoint a contractor to deliver structural repairs that arise unexpectedly like subsidence, flood, fire, sink holes etc, in order to maintain the property stock in good condition and to protect its residents from potential health and safety issues. It is therefore necessary to be prepared to respond quickly and effectively to urgent situations where properties have been subject to flooding, structural failure, subsidence, fire, damage as a result of severe weather and the effects of poor ground conditions (eg: solution features, chalk workings etc). This forms the responsive work stream and it will be the responsibility of the successful supplier to work closely with NPS Norwich Ltd to identify and deliver this.
2. Ground stabilisation, structural and associated cosmetic repair works are required to a range of structural defects including foundations, sunken ground slabs, lack of restraints to floors and roofs, under strength roof structures, inadequate wall ties, defective concrete elements, and under strength suspended floor structures.
3. The work is responsive and specialist in nature, therefore works will be advised to the successful supplier on an adhoc basis, as and when required over the contract period. However, the council has a list of addresses which require work now and these will be issued upon award of contract.
4. The contract period is for up to four years, consisting of an initial two-year term with the option to extend for a further two years, depending on performance and budget
5. Potential suppliers were advised that the level of funding is not guaranteed for 4 years as the Council cannot foresee the number of responsive referrals that will be received. Any expenditure in years 2022/2023; 2023/2024 and 2024/2025 is subject to annual budget approval.

Procurement Process

6. The procurement exercise has been undertaken in accordance with Norwich City Council's contract procedures. It has been conducted fairly, transparently, in an open and regularised way that conforms to relevant legal requirements.

7. An open tender opportunity was advertised on the council's e-procurement portal and contracts finder on 15 April 2021 and the tender return date was 28 May 2021.
8. The tenders are being evaluated with a maximum of 40% of the available marks awarded for price and 60% of the marks awarded for quality criteria.
9. The tender evaluation process is currently underway and will be completed before cabinet on 07 July. Cabinet will be advised of the outcome of the tender process by way of an exempt addendum at the meeting of the 07 July. The item will be required to be exempt as the initial notification to award process to the successful supplier (subject to approval) will be within the 10-day standstill period.
10. On the basis of the tenders received, we anticipate, subject to cabinet approval, to issue the official award after the call-in period in order for the contract to start 01 September 2021.

Consultation

11. No consultation process is required.

Implications

Financial and Resources

12. The cost of the work is expected to amount to £500,000 per annum. Once the value of the purchase order has been spent, another purchase order will be raised for the same value. Therefore, over a four-year period, the anticipated spend will be £2,000,000.
13. The works will be funded from both the capital and revenue budgets which were approved by Cabinet and Council in February 2021. Capital costs for works associated with maintaining the structural integrity of a property will be from the structural upgrade budget within the HRA capital programme whilst revenue costs resulting from minor repairs which do not maintain or add value to our asset (such as sink holes in gardens or minor structural remedial works to boundary walls etc.) will be funded from the HRA revenue structural repairs budget.
14. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget.
15. There are no proposals in this report that would reduce or increase resources.

Legal

16. The contract will be subject to a JCT intermediate contract 2016 and CDM Regulations 2015 together with the Terms and Conditions for data controller to data processor contracts of Norwich City Council.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	Council's Standard policy included as part of tender package.
Health, Social and Economic Impact	
Crime and Disorder	
Children and Adults Safeguarding	Council's Safeguarding Policy statement. Included as part of tender package
Environmental Impact	Supplier will be required to consider design proposals which have an environmental benefit

Risk Management

Risk	Consequence	Controls Required
Failure to have a suitable contract in place and suitable level of annual budget allocated will expose the Council to the risks associated with not having an effective process to manage unforeseen structural defects and incidents such as fire, flood, lightning etc in it's housing portfolio.	Inability to manage, make safe and repair housing stock in an effective and timely manner. This has the potential to present health and safety risks to tenants, residents and the general public.	High level of risk if request to delegate award is not approved at Cabinet.

Other Options Considered

17. Do nothing: If not resolved the implications are that a property could fall into further disrepair resulting in health and safety issues, decants of residents, loss of revenue income and depreciation of market value. There are also tenant's safeguarding and mental health related concerns. In addition to this we would receive increased tenant and councillor enquiries, complaints and possible press enquiries which would have a negative impact on the council.

18. In house provision: Norwich City Council does not have any existing in-house resources.
19. Joint venture provision: the service cannot be provided by any of the Councils current joint ventures or partnerships at this current time.
20. Identify a single supplier to award the contract to without competition: This route would be contrary to Contract Procedures as the value is potentially £2m over the four years.
21. Utilise an existing framework: These are highly specific works and knowledge of the market suggests that there are limited local suppliers who are not represented on existing frameworks.
22. Establish competitively tendered contract with one supplier: Run a competitive procurement exercise looking for a single supplier to meet the council's requirements. Following this route has ensured the opportunity was made available to the competitive market, promoting value for money, yet reaching SMEs and local suppliers and is likely to achieve a better value for money outcome. Timescales allowed for the requirement to be fulfilled by this method.

Reasons for the decision/recommendation

23. To ensure timely establishment of a contract enabling the delivery, by a single supplier, of all types of specialist structural repairs.

Background papers:

Recommendation to award a contract report. Project NRW/HCS/10087/P
Author: Sara Crowley, Contracts Officer Date: June 2021

Appendices: An exempt appendix will be brought to cabinet on 07 July 2021.

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