

Summary of Stage 1 Observations:

Observations received from leaseholders and Recognised Tenants Associations in relation to Camden's Notice of Intention, dated 25th April 2014, and Camden's responses to these, are summarised in the enclosed document 'Appendix 1: Summary of Stage 1 Observations'.

Right to Inspect Camden's Proposals:

You are invited to inspect all relevant documents on 17th March 2015, between the hours of 16:30 and 19:30 at **Committee Room 2, Camden Town Hall, Judd Street, London, WC1H 9AU.**

Observations:

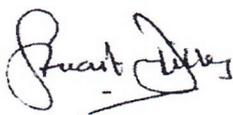
We now invite you to make written observations in relation to this proposal by sending them to **Mike Edmunds, Leaseholder Services, London Borough of Camden, Town Hall, Judd Street, London, WC1H 9JE**

Or email; capitalservices@camden.gov.uk quoting **14/004** and

Observations should be made within the consultation period of 30 days from the date of this notice. The consultation period will remain open until **9th April 2015** and all observations should be received by this date.

Please also read the Frequently Asked Questions pages at the end of this letter as this may address any queries that you have.

Yours sincerely,



Stuart Dilley
Assistant Director HASC

Enclosed:

1. 39x Individual Consultancy Services Proposals
2. Summary of observations received after the stage 1 Notice of Intention
3. Observation Form
4. Frequently Asked Questions

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5780 SOUTH CAMPUS DRIVE
CHICAGO, ILLINOIS 60637

RECEIVED

DATE: 10/10/78
TIME: 10:10 AM
FROM: [illegible]
TO: [illegible]
SUBJECT: [illegible]

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Observations received in relation to Notice of Intention for Consultancy Services dated 25th April 2014

Appendix 1: Summary of Stage 1 Observations:

The table below is a summary of the most common observations received from leaseholders and Recognised Tenants Associations in relation to Camden's Notice of Intention. Camden's response to these observations is shown adjacent:

Observation	Response	Number like this
CONTRACT		
Importance of tendering	The proposed framework will be tendered in accordance Camden's procurement processes and is compliant with EU regulation. Successful consultants to the framework will still be expected to submit prices per job as part of the mini-competition process which will be managed by Camden directly.	3
Long term contract are impossible to break and very inflexible.	This is a framework not a long term contract. For each specialty there will be more than one supplier and each time a commission is needed those able to do the works will bid for the assignment. We will not be restricted to the Framework, but by using it procurement costs will be lower.	5
How will the council measure the performance (savings in money, time, resources) of the long term contract?	As stated above, this is not a long term contract it is a Framework which will result in multiple assignments carried out by multiple suppliers. We shall be adopting a series of key performance indicators (KPIs) to monitor the performance of suppliers on individual assignments and should they fall short they will be rested or removed from the Framework	4
What are the criteria for the performance measurement? How often will you take that performance measurement (i.e. every year)?	A series of quality measures will be set depending upon the specific nature of the assignment. The frequency of performance reviews will depend upon the length of the assignment.	3
Will the residents be able to see those performance statistics? If not, how will you make sure that there is transparency?	Yes, on request or as part of wider performance reports. Where a leaseholder is charged for a service they will be provided with the details of that service.	1
Who will assess those performance criteria and what terms if any (breaking clauses and penalties) will the contract have that will allow the council to protect its residents and interests?	Managers in Housing and Adult Social Care will be the Client responsible for the contract, overseen by the Head of Commissioning and QA. The contract will be the NEC3 form of contract which contains provisions for arbitration and disallowing of sums should the parties be in dispute.	6
Your letter suggests that money will be saved by assigning a contract to a private contractor	By reducing the amount of tendering and opening the works to competition costs will be kept to a minimum. The need for these consultants is short term and in	5

however you did not provide any evidence to support that.	response to peaks of work or work of a specialist nature that is not always required by the Council. It would not be economic to employ people under these circumstances. We presently spot purchase for such work. The Framework approach will reduce procurement costs and achieve competitive rates. (Further evidence also provided as part of response)	
How many contractors will be responsible for the £8,000,000 "jackpot" framework deal	There are nine lots and we will be appointing a minimum of 2 firms to each lot and a maximum of three. Of course a specific firm may be successful in more than one lot.	3
What are the criteria for choosing the contractor?	60% of scores will be awarded on the basis of price 40% on the basis of quality of their bid.	2
Will past performances of contractors be taken into consideration? For instance Lakehouse and Apollo	We shall be taking up references. It should be noted that this Framework is for Consultants, not construction work. Lakehouse and Apollo are construction firms, although they may of course bid as may any firm in the EU.	2
Will the contractors provide actual proof that shows that they have experience with contracts like that as well as evidence about the amount of money they saved for the council? If yes, please let me know when I can have that information.	We shall be taking up references which will be used in the evaluation. We will not automatically make them available.	
Will other council participate in that framework? If yes, which councils? How much will be Camden council's contribution?	No other councils will be participating in this framework	1
What will be the procedure for residents to complain if something goes wrong during the contract?	Information regarding Camden's complaints procedure can be found at: http://www.camden.gov.uk/complaints As a Leaseholder you may also take a complaint to the Leaseholder Valuation Tribunal. Information on the Leaseholder Valuation Tribunal can be found at: http://www.justice.gov.uk/tribunals/residential-property	1
QLTA should not be a route to getting "Major Works" done as these should be tendered for appropriately.	Qualifying Long Term Agreements are used for a variety of services and works that a Landlord may need in order to maintain its housing stock. This is the purpose of the legislation.	
Who holds this QLTA at the moment? Please provide the name of the current contractor and	At this time we do not have an existing agreement for consultancy services for construction works. Services are procured as and when required.	2

how much they charged per year during their tenure?		
What are the duties/jobs covered by the specific QLTA that you are writing to us about?	The expected duties are outlined in Annex1 of the notice	1
Outline of works covered by the agreement. You state that "this will relate to but not be limited to" the categories listed. What other categories are envisaged. Why aren't they listed?	The Lots are being refined following this consultation but will cover the same areas. The final version of the Lots will be provided at the next stage in consultation.	1
Could you please provide a list of all potential works that are "on the slate" as it were, to be carried out by the new contractor you are hoping to appoint.	No specific works have been allocated	2
What are the maximum number of works you can authorise in any one 12 month period?	There is no maximum number	1
How will the framework agreement benefit leaseholders?	As a leaseholder, you are required to contribute towards the costs which Camden incurs as a result of providing any service. Therefore, if Camden makes savings as a result of the agreement, leaseholders will benefit from these savings. You will only be required to contribute if work is carried out at your property which requires any of the consultancy services described in the notice.	4
If Camden spend all their time managing the suppliers, then leaseholders will be spending more to achieve the same result.	The proposed set-up is not too dissimilar to the existing practice. The Council still utilise expert consultants to advise on various contracts, however a framework will allow better price certainty, reduced procurement costs and timescales, as well as a better working relationship with a handful of carefully selected suppliers as opposed to new random suppliers associated with each contract. The Council have agreed to step-up its current Better Homes programme, which bring with it the need for additional capacity to deliver the contract.	1
Has the council any other criteria to judge the success or not of this agreement in comparison to the current methods of procurement.	The Council will also adopt a range of quality measures, a consultant performing below the acceptable threshold will not be permitted to bid for further work on the framework. These quality measures will be provided at the next stage in the consultation.	4
Why can't council staff carry out these duties (rather than using contract staff)?	Whilst Camden does employ certain specialist staff directly, including building and quantity surveyors, the reasons for using contract staff, rather than employees, are	5

	<p>twofold. Firstly, recruiting such specialist professionals has proven difficult. Secondly, these types of works tend to vary over time. In particular the current capital programme peaks in 2018. Employing additional staff and then making them redundant after two years is not the most effective way to manage peaks and troughs. For example, we may want to employ a specialist M&E consultant to design a lift solution; the volume of such work would not justify recruiting and employing such specialist and expensive resources on a full-time basis.</p>	
COSTS/ PRICES		
Has the council estimated any costs to monitor these agreements over their four year period.	The total spent on consultancy fees for construction and engineering services in 2012/13 was approximately £740,000	1
Please confirm the cost of procurement for the last two years.	The Council centralised its procurement function in 2010. The total cost of the procurement hub for all 'Capital and FM' contracts is approximately £347,000 per annum. This covers all building related procurement, such as works to schools, Council offices, Council housing, repairs contracts, regeneration projects, cleaning contracts, consultancy services and servicing of equipment	1
Please confirm that for the period of this long term agreement that the costs will be no greater than those figures referred to above.	<p>The proposed framework will not increase the costs referred to in 2 above and will reduce officer time within Repairs and Improvements taken up by <i>ad hoc</i> procurement. The profile of expenditure through the framework will depend entirely on the level of programme activity each year, for example the number of heating schemes being commissioned, the amount of structural works requiring assessment.</p> <p>In the absence of a framework the Repairs and Improvements Division is currently required to tender consultancy commissions on an <i>ad hoc</i> basis.</p> <p>The proposed framework will remove the duplication with regards development of tender documentation, scoring submissions etc. and mean that this is done just once for consultancy services for a four year period.</p>	1
What is the maximum amount you can charge in any one 12 month period, regardless of how many works are carried out?	There is no maximum amount	1

Lot 1	.	1
Under Camden's objective of achieving "Value for Money" a contract of £100,000 should go to Tender to ensure that the Council are getting best value for money.	A reduction in the procurement costs, we only have to go through a full procurement once; and there is an expectation that Consultants will bid at lower prices to be on our Framework than their standard "Spot Prices", experience shows that this can be between 10 and 30% - depending upon the prevailing demand in the economy.	2
You state that it can't exceed £100,000 per commission but you don't explain how this is broken down. Is this £100,000 across the entire borough? or per estate (regardless of how many flats are on the estate? or is there another unit you calculate this by?	The anticipated total estimated spend is around £6.3 million, split across Housing and Adult Social Care (HASC) Repairs and Improvements (£5.5 million) and Children Schools and Families, Corporate Services (£0.8 million)	4
Lot 2		
The description implies that the freeholder has not established the process and does not have the specialists in place	This is not the case. The Council has various contracts and procurement process in place to deliver these services currently	1
It is difficult to see why current residents have to pay for concept, feasibility and scheme design studies of newly built properties.	It is anticipated that the proposed framework will be used by various departments throughout the Council. These include, but are not limited to, Housing; Children Schools & Families; Regeneration and Parks & Open Spaces. As a result, there will be instances where services are called off and are not rechargeable to Leaseholders. Moreover where properties are wholly occupied by tenants, empty or the consultants are used with respect to new build or indeed on any property that is not occupied by leaseholders there will be no charge for that work. In summary, leaseholders are only required to contribute to works / services that affect their property, in accordance with their lease and will not be charged for services outside of their property/block/estate.	1
Advising on conservation sites is a responsibility of the building control	'Building Control' relates to guidance, advice and enforcement of the Building Regulations which are enacted by Parliament to ensure the health and safety of people in and around buildings and help promote energy conservation, ease of accessibility and efficient use of water within buildings. Camden's Housing Services, as an owner of property, are subject to Building Control regulations as is every owner or manager of property. Therefore, the cost of Building Control is the same to Camden as a Landlord as it would be to any other private landlord in the Borough deciding to use the Council's service.	1

Lot 3		
Structural survey and analysis of the building is a function of in-house building control department which is financed by taxpayers. It is not clear why a duplicate service/structure should be established	'Building Control' relates to guidance, advice and enforcement of the Building Regulations which are enacted by Parliament to ensure the health and safety of people in and around buildings and help promote energy conservation, ease of accessibility and efficient use of water within buildings. Camden's Housing Services, as an owner of property, are subject to Building Control regulations as is every owner or manager of property. Therefore, the cost of Building Control is the same to Camden as a Landlord as it would be to any other private landlord in the Borough deciding to use the Council's service.	1
Lot 4		
Architectural services are rendered and paid for by private constructors/homebuilders	The purpose of the framework is not to duplicate roles or add additional levels of management, but simply to supplement the existing roles, as the level of work will rise to a peak in 2017.	1
Lot 5		1
These services are already covered by the management fee charged by the council.	'Building Control' relates to guidance, advice and enforcement of the Building Regulations which are enacted by Parliament to ensure the health and safety of people in and around buildings and help promote energy conservation, ease of accessibility and efficient use of water within buildings. Camden's Housing Services, as an owner of property, are subject to Building Control regulations as is every owner or manager of property. Therefore, the cost of Building Control is the same to Camden as a Landlord as it would be to any other private landlord in the Borough deciding to use the Council's service.	1
Lot 6		
Is there duplication of roles in having 2 sets of project managers; consultants as project managers, and the Major Works Team as project managers supervising the consultant project managers?	It is anticipated that the proposed framework will be used by various departments throughout the Council. These include, but are not limited to, Housing; Children Schools & Families; Regeneration and Parks & Open Spaces. As a result, there will be instances where services are called off and are not rechargeable to Leaseholders. Moreover where properties are wholly occupied by tenants, empty or the consultants are used with respect to new build or indeed on any property that is not occupied by leaseholders there will be no charge for that work. In summary, leaseholders are only required to contribute to works / services that affect their property, in accordance with their lease and will not be charged for services outside of their property / block / estate.	1
Carrying out consultations required by law is the	We can charge for the cost of Leaseholder consultation. There is no direct charge	1

responsibility of the council. Residents cannot be deemed liable for a third party (in this case the Council) performing its statutory duties.	but leaseholders pay a yearly management charge which may incorporate some element of consultation where it is undertaken by existing staff. Where there are major works we charge the direct costs relating to major works.	
Lot 7		
Establishing and enforcement of the health and safety regulations is part of the general responsibilities of the council stipulated in the legislation as well as the council's bylaws. Thus, such services are already covered by the council tax as well as subsidies from the central government.	This is not correct	1

Better Homes Procurement Strategy

Camden Construction Consultancy Framework

Frequently Asked Questions

1. Why is the framework required

From time to time the Council requires the services of specialist providers and consultants. This could be for services such as fire risk assessments or structural surveys. The Council also uses consultants to specify complex work packages and design infrastructure such as communal heating systems. A report to the Council's Cabinet which sets out the requirement for the framework can be found below:

<http://democracy.camden.gov.uk/documents/s32648/Item%2016%20-%20Better%20Homes%20Programme%20Consultancy%20Framework .pdf>

2. How were the consultants selected?

The first stage of the selection process involved the Pre-Qualification Questionnaire (PQQ). During this stage, the details of our requirements were advertised and a set of pre-defined quality questions and company requirements were issued to those suppliers that expressed an interest. The quality questions were set to establish the applicants' experience, qualifications and suitability for the specific services within each lot. Company information such as financial standing, insurances, environmental and health & safety policies were also requested.

We evaluated all submissions and a short list of the five highest scoring applicants for each lot was compiled and they were invited to tender (ITT)

The second stage of the selection process is known as the "Invitation to Tender" (ITT).

During this stage the shortlists of applicants provided prices for the services and responses to a series of questions designed to evaluate the quality of their offer.

The tenders received were then evaluated by evaluation panels. Scores were awarded using a weighted scoring system of 60% price 40% quality. In each of the Lots the three bidders that achieved the highest overall score were recommended for appointment.

3. Why are there so many proposed consultants?

To make sure the Council and its residents get the best value possible, it was decided that 3 consultants would be appointed to each of the lots within the framework. By having 3 consultants in each lot, the Council can ensure that there is competition and alternative providers in case of poor performance.

4. How will consultants be allocated work?

Whenever the services of a specific lot are required, a package of work will be created and a mini-competition held between the three consultants in the lot. Consultants will then bid for the work, using the day rate or percentage fees they provided as part of the ITT process as a cap. This mini-competition process ensures that the best value for money, with quality already assessed at the PQQ and ITT stage.

5. What do the day rate figures mean for me?

The day rates provided by each consultant are the maximum rates that consultant can charge for any piece of work covered by the framework, and will provide the consultants cap during the mini-competition process described in question 3 above.

6. What do the percentage fee figures mean for me?

The percentage fees provided by each consultant are the maximum rates that consultant can charge for any piece of work covered by the framework and charged as a percentage of the works cost. They can be adjusted downwards during the mini-competition process described in question 3 above.

7. How will Camden ensure performance and quality criteria are met?

The Council will rate the performance of each consultant for each package of work it undertakes. Poorly performing consultants can be 'rested' and excluded from mini-competition processes until they can demonstrate that they have taken steps to improve performance.