

# Questions and Answers

## *Procurement 2010 Onwards*

### Seminar 16 January 2009

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- Q1** Would resident board members be open to visiting potential contractors head office, site and site set ups – if so, we have three sites we could offer as best practice.
- A** Hackney Homes will create a panel which will include resident representatives who will consider the tender bids. It is normal practice for us to visit the head offices of companies and for us to visit their site setups.
- Q2** In terms of diversity what are Hackney Homes' expectations?
- A** Hackney Homes has an Equality and Diversity Strategy details of which can be found on our Hackney Homes' website. We have a range of expectations which are set out in the policy document.
- Q3** Who is the appointed agency or officer who will be taking forward Regeneration & Housing Plus and is there a named Provider for "Local Labour & Training?"
- A** "Regeneration & Estate Plus" is being managed by Hackney Council's directorate, Neighbourhoods & Regeneration. The Corporate Director is currently Fiona Fletcher-Smith. There is not a named provider for local labour and training but the Council does work closely with the Department for Works & Pensions and has established with the Council an office in Dalston called "On Site" where building workers may find opportunities for working on Decent Homes projects. Our own internal Direct Labour Force (DLO) offers apprenticeships as do some of our current supply chain members.
- Q4** What is the back-up plan if Hackney Homes does not get the "star" rating? How will that affect the budget?
- A** Hackney Homes has received the 2 star accreditation together with the ALMO credits. The decision was published on 5 February 2009.
- Q5** What is the capital budget if a 2 star service not achieved in 12 months?
- A** See answer to question 4 above.
- Q6** No mention of Community Development Initiatives – how will this be evaluated?
- A** If you have experience of Community Development Initiatives from working with previous clients, we would be very interested to learn of them. The degree to which this will be considered in the final evaluation will be determined by an evaluation matrix which will be published during the tender process.
- Q7** How many freeholders, if any, may be affected by the works?
- A** Of the approximately 33,400 council properties, there are approximately 8,500 classed as leasehold properties. This category includes a small proportion of freehold properties (circa 200).

- Q8** What are your current Asset Management & Housing Management systems?
- A** The Asset Management database uses 'Codeman 4' within which the asbestos register uses 'PSI' software. The Housing Management system is currently 'Saffron' but we are in the process of moving to 'Universal Housing'.
- Q9** What is the current status of your stock condition information?
- A** A Stock Condition Survey was carried out in 2003 but it has been continuously updated since that point. This information is contained within the Asset Management Strategy which forms 'Appendix A' to the Prospectus on the Hackney Homes' webpage "*Procurement 2010 onwards*".
- Q10** We are a small to medium contractor, i.e. annual turnover in the region of £25m. Will there be opportunities for SME contractors with Hackney Homes or will you insist on a minimum annual turnover. We are currently working on frameworks with other boroughs and HAs and feel that SME contractors have a lot to offer in relation to resident satisfaction, value for money, quality of workmanship, etc.
- A** The scale of the procurement will require bidders to have significant financial and other capabilities. Your best route into this work is as a supply chain member once the main contract is let in/around June 2010. The composition of the supply chain will then be decided.
- Q11** Please confirm the geographical locations.
- A** We have made no decisions about how the areas of work are to be divided up under this procurement. Please see Hackney Homes' webpage "*Procurement 2010 onwards*" for the current geographical locations.
- Q12** Would the successful contractor/project manager be required to enter into direct contracts with the suppliers (e.g. employ them themselves)?
- A** Yes.
- Q13** Would we represent a project management consultancy? Would we be required to set up a temporary site accommodation for the duration of the works, or could we operate out of our office?
- A** You would be the contractor providing project management services and managing the supply chain. Please see the Prospectus - Part 3 Response Form - item 3 which sets out a major works scenario on our webpage "*Procurement 2010 onwards*".
- Q14** Am I correct in assuming this Prospectus is not an Invitation to Tender, and that the purpose of this exercise is to provide Hackney Homes with ideas to go forward to the next stage.
- A** Yes. Please see section II.A.(4) of the PIN which states: "This notice is not an invitation to tender."
- Q15** If our ideas are of benefit to Hackney Homes, I assume we would not have an advantage over our fellow contractors when the tendering stage is entered into?
- A** Yes, your assumption is correct. None of the information provided to us in the Soft Market Test will provide any advantage to any participant in the procurement

competition (which has not yet commenced) and you should recognise that any proposals, suggestions or ideas which you submit may be used by Hackney Homes in its strategic deliberations.

**Q16** When is the Invitation to Tender stage likely to commence?

**A** The OJEU Contract Notice is provisionally planned for publication in June 2009.

**Q17** You require an indicative fee proposal, is this to be expressed as a percentage of the works or as a lump sum?

**A** At this stage either will enable us to evaluate the cost and benefits of the approaches we are considering. However Section 3.2.5 of the Response Form requires cost per week for site staff.

**Q18** Is our fee to include for the disciplines described in 3.2.5?

**A** See answer to question 17 above.

**Q19** In addition to maintenance delivery currently, is it considered that TUPE will factor into the procurement of these services areas in the future?

**A** TUPE may apply with some options, but at this early strategic stage of the evaluation no definite position has been reached. It is too early to say whether there will be any TUPE implications.

**Q20** How do Hackney Homes consider the involvement of SME businesses within the new procurement strategy – will be maximised or embraced as part of the companies and their selection?

**A** See answer to question 10 above.

**Q21** What are the current IT systems in use by the Maintenance Services and what are their capabilities for expansion and use across other areas?

**A** See answer to question 8 above for our current systems. The Maintenance Services currently use Saffron but will be using Universal Housing which is an Integrated Housing Management System. The contractor/s appointed in 2010 will share the software which will be fully integrated into our Housing Management System as closely as possible.

**Q22** The PIN notice made reference to Joint Venture arrangements which we know from experience, if structured correctly, can yield immense financial value for clients, in addition to helping clients establish flagship status. What is the level of interest within HH (Hackney Homes) and LBH (London Borough of Hackney) to pursue such an innovative model?

**A** At this stage, evaluating all options and the appetite for any of those options will be established once the report is presented to Cabinet.

**Q23** Has HH considered the profit sharing benefits arising through joint venture arrangements which can allow stock re-investment and provide very significant VFM?

**A** We have not precluded profit sharing benefits, although our current contracts are carried out on the basis of 'savings' being put back into our works.

- Q24** What are the implications for the capital investment and procurement schedule going forwards if 2 stars result is not achieved from the most recent Audit Commission inspection?
- A** See answer to question 4.
- Q25** The CEO expressed her view in respect of audience diversity which we were very encouraged by. To what degree will this form a key part of scrutiny, say against cost?
- A** The evaluation matrix will be published during the tender process.
- Q26** What were the changes that were made in respect of up to 20% streamlining the former DLO into the new Property Services division?
- A** We can see no reference to this in the Prospectus or the presentations. We do not think it is relevant to the PIN.
- Q27** Is it the case that responsive and planned maintenance work will not be available at the end of the Procurement Timetable until such a time that:
1. The position and future of the DLO has been considered, separately to the procurement strategy; and
  2. Existing incumbent arrangements end in October 2011 (extendable to Oct 2012)?
- A** No, it is not the case. The situation is that we have made no decisions on this matter as yet. The outcome of the appraisal we are currently undertaking will outline the conclusion.
- Q28** Part 3 of the Prospectus refers to five geographical areas, each with an annual construction budget of £15m which totals circa £75m annual spend, The PIN refers to spend circa £120m annually, please could you clarify?
- A** The figures provided in Part 3 of the Prospectus provide a hypothetical illustration of the scope of works that might be included in a package simply in order that you can provide the estimated costs shown in 3.2.5.
- Q29** What is the estimated split in annual spend (circa £120m) between HH housing stock and LBH assets (buildings).
- A** The annual estimated value of works to Hackney's housing stock is shown in the PIN at £120 million (Section II.A:II.4). The PIN notice relates only to the Council's housing stocks and not any other assets.
- Q30** At the seminar on Friday, the Procurement Assistant Director invited interested parties to come and talk to HH, the Divisional Head of Asset Management declared if we know or have experience of what HH are proposing not having worked, to tell HH – What protocols should we follow in respect of making contact with HH to that effect?
- A** It is in Part 3 of the Prospectus – Response Form where we invite you to explain the reasons why we should consider your views, showing your experience including lessons learned (both positive and negative) and business development.

- Q31** What would HH's view be on a proposal from a partner which included asset investment?
- A** As stated above, we are interested in the views of potential partners and this includes opportunities which may represent modernising our service.
- Q32** Have HH considered the benefits of a single partner for delivery of all services within scope?
- A** We have reached no conclusion on this matter, but in deciding such a proposal as part of our appraisal, we would want to take advantage of lessons learned elsewhere.
- Q33** Would HH want a dedicated team or would they consider working with neighbouring boroughs towards a consistent service for their customers?
- A** Yes. We would want a dedicated team to deliver all of our building works projects.
- Q34** As we help you achieve 2/3 star rating, would additional funding be out through the 'partnership' or procured through an alternative route?
- A** The 'soft market test' we are conducting at the moment relates to a proposal to tender all our building works under one common model from mid-2010.