



Asset Delivery Partner contract, frequently asked questions

14 May 2021

Below is a set of frequently asked questions and answers to provide you with further information on the proposed contract. Any updates to this document will be dated within.

Why have I received this Notice?

The London Borough of Lambeth is seeking to introduce a contract to oversee its new model of major/planned works services to its tenants, leaseholders, and homeowners. You have received this notice because you are a London Borough of Lambeth leaseholder or homeowner. The services covered by this notice are rechargeable to leaseholders and homeowners.

Please do take the time to watch a short (5 minute) film which explains what a Section 20 notice is and what this means for you: https://youtu.be/Q_Md5aWBU84

What work will an asset delivery partner undertake?

An asset delivery partner will carry out the following tasks and then tender Capital, Bespoke Capital, and Planned works across a range of contractors large and small. The functions will include but are not limited to.

- procurement of works
- lead consultant
- building surveying
- cost consultancy
- quantity surveying
- act on behalf of the council as the 'employer's agent' in all respects of works
- principal designers
- construction design management (CDM)
- health and safety consultancy
- party wall surveyors
- condition surveys
- structural engineering
- clerk of works, project management, expert witness, building information modelling (BIM)

How does the procurement of an asset delivery partner affect me?

If your property is due to benefit from major works in the years 2022/23, 2023/24, 2024/25, 2025/26 or 2026/27 then the likelihood is the proposed asset delivery partner will be involved in the delivery of the major works scheme. We will be notifying you in due course if your property is due such works.

As a result of this, your property will incur an apportioned element of the cost for this service, and this will be recharged to you through your service charge account. **You will only be charged if you receive such works.**

Any information relating to the Lambeth Housing Standard programme of works can be found here: <https://beta.lambeth.gov.uk/housing/housing-repairs/lambeth-housing-standard-programme-works>.

My property has already undergone major works, does this mean more are needed?

This is a boroughwide consultation and we are consulting with all leaseholders.

Why are you proposing to enter into a qualifying long-term agreement?

A qualifying long-term agreement will provide an opportunity to continually improve services by delivering services in a consistent manner; increase cost certainty; and avoid repeated procurement exercises and the associated costs and delays these incur. Long-term contracts also create pricing economies by virtue of their scale and longevity and instil a heightened willingness for contractors to invest in the borough. The council does however intend to build flexibility into the long-term contract, for example, by making no-fault termination provisions to ensure that it can deliver services in an alternative way should it so wish in the future.

Can I nominate an asset delivery partner?

Under the consultation regulations, you do not have the opportunity to propose the name of a person or company from whom we should try to obtain services as public procurement legislation states that contracts over a certain value must be published via the Find A Tender Service (FTS).

What is the Find A Tender Service (FTS)?

The Find A Tender Service (FTS) is the new UK e-notification service that replaced the requirement to publish procurement notices in the Official Journal of the European Union (OJEU) at the end of the transition period at 23:00 on 31 December 2020.

Contracting Authorities such as the London Borough of Lambeth have legal obligations under the Public Contracts Regulations 2015 to publish certain notices in relation to public procurements. For procurements launched after 23:00 on 31 December 2020, Lambeth will be required to publish notices relating to those procurements on FTS instead of the Official Journal of the European Union (OJEU).

A procurement notice is required to be published by Lambeth Council when the value of a public sector contract is equal to or exceeds one of the following current thresholds net of VAT:

| | |
|--|------------|
| Works Contracts | £4,733,252 |
| Supply and Service Contracts (sub-central authorities) | £189,330 |
| Light Touch Regime for health/social services | £663,540 |

As the proposed Asset Delivery Partner contract is classed as a 'Supply and Services Contract (sub-central authorities)' the threshold above which we must carry out a public notice is £189,330.

What does this change mean for you?

Suppliers who wish to access public sector contract opportunities in the EU or find information about procurements launched by UK Contracting Authorities (including GCC) before 23:00 on 31 December 2020, may continue to do so via OJEU.

Suppliers wishing to access public sector contract opportunities in the UK where the procurement is launched after 23:00 on 31 December 2020 will need to access FTS.

Suppliers and data consumers who make use of OJEU data outputs will be able to access publicly available data outputs for FTS. The URL of the new UK e-notification service, Find a Tender, is <https://www.find-tender.service.gov.uk>.

In either circumstance this means that you are unable to nominate a contractor as part of the consultation process.

How will you be selecting the provider?

When the consultation period has closed and all Observations have been answered with due regard, the council will be able to start designing the long-term agreement. As the proposed contract is above U.K thresholds for a Public Notice to be required, it will be advertised on the Find a Tender Portal.

Following the pre-qualification and shortlisting stage, the tender process will commence. Submitted tenders will be evaluated based on the evaluation criteria set out in the invitation to tender that will include both cost and quality criteria. Robust evaluation of cost and quality elements will be undertaken by an Evaluation Panel and there will be resident representation on the quality evaluation panel. After the evaluation process and when a winning tender is identified, the second and final part of the consultation process will commence. A Notice of Proposal will be sent advising of the proposed asset delivery partner. For more information on what a Notice of Proposal is please do take the time to watch a short (5 minute) film which explains what this means for you: https://youtu.be/Q_Md5aWBU84.

Why doesn't Lambeth provide these services in-house and employ officers to carry out these duties?

The council intends to design and use the long-term contract for purchasing services that do not typically lend themselves to direct delivery by Lambeth employees. These highly include specialist services which cannot guarantee regular and consistent work volumes, and where moving to direct delivery would adversely affect service costs or lead to a prolonged period of service disruption. An evaluation of the options for delivering the service determined that bringing the service in-house would be a higher risk option in terms of service delivery and cost.

During the period of this contract the council intends to upskill its officers and will review the necessity of a contractor at the end of the intended contract.

How will the council ensure costs are kept to a minimum?

In addition to the economies of scale Lambeth Council will be able to achieve, the council will be creating clear specifications and tender documentation to ensure pricing is accurate. The council will also adopt straight forward pricing arrangements that are auditable and offer transparency to service charge payers.

The asset delivery partner will be required to work to a series of key performance indicators (KPIs), developed with residents, to reflect service priorities that will be linked to profit payments.

The council is building a contract scrutiny and cost management team to assess payment applications and apply a governance structure across all contracts. We are also continuing with the rollout of handheld mobile working technology to streamline physical inspections of work.

Will you be applying lessons learnt?

Whilst the current contracting arrangements have mostly delivered the required volume of work, there have been several lessons which the council has learnt. The council will apply this learning to the new long-term delivery arrangements in the following ways:

- more straightforward forms of contract
- embed contract scrutiny and governance oversight across all new delivery arrangements
- financially incentivised KPIs that focus on the most important aspects of service delivery
- create flexibility through clearly set out no-fault termination provisions
- avoid geographical exclusivity and guarantees of work where possible
- the council to have a say in the appointment of contractor who will carry out the physical works
- involve residents in service design, and the evaluation and monitoring of the contract.

How long are you proposing the agreement last?

The council is provisionally considering three years as the optimum period, with no-fault termination provisions effective after the second year, and with the right to extend for two additional one-year periods where performance remains strong (3 years + optional 1 years + optional 1 years).

How will you ensure the contract is robustly managed?

The council recognises the need for strong contract management and is expanding a contract scrutiny and cost management team to forensically assess payment applications and apply a governance structure across all contracts. The Council is confident that this team and governance structure, together with embedding a performance management framework and financially linked KPIs, will allow it robustly manage the intended long-term contract.

Will the council be getting independent advice and support?

The council has employed specialised consultants to design and procure the intended long-term agreement.

The services provided by the consultants include;

- Service design
- Specification development
- Procurement advice
- Mobilisation
- Training and recruitment

How does the procurement of new service contracts affect the services I currently receive?

There will be no impact to the services you're currently receiving.

What happens next?

The key next step for the council is to consult with you of our intention and to respond to any queries that you may have about this procurement. Once the consultation period is closed and all observations have been given due regard and responded to, Lambeth will seek to publish a notice on the Find a Tender Service.

Can I take part in the procurement process?

If you are interested in taking part in the procurement process, please sign up to the Lambeth 500+, ensuring to state your interest in the housing services procurement process. A council representative will be in contact when any relevant opportunities for involvement arise. You can sign up using the addresses below:

<https://beta.lambeth.gov.uk/housing/council-tenants/get-involved/join-lambeth-500>

Have resident views been considered?

Yes. We originally consulted with residents on the replacement of major works contracts in August 2019 when the Council advised it would seek to replace the current major works contracts on a like for like basis. Following extensive feedback from residents, they felt large and exclusive contracts did not provide the best delivery method or value for money. The Council also carried out extensive market research to identify ways in which works could be offered to multiple contractors both large and small. The results of this research were to implement a Dynamic Purchasing System where multiple contractors could apply to carry out works via a Dynamic Frameworks agreement; it is this method that the Asset Delivery Partner will manage and oversee.