



## **Asset Delivery Partner contract, frequently asked questions**

**February 2023**

Below is a set of frequently asked questions and answers to provide you with further information on the proposed Asset Delivery Partner contract.

### **Do I need to pay towards this contract?**

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. 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?**

No. If your property is due major works, then you will be written to separately to advise of this. This is a boroughwide consultation and we are consulting with all leaseholders.

### **How long will the proposed agreement last?**

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).

### **Why have you chosen 3 years with the option of a further 1 year + 1 year?**

The contract term of 3 years was chosen to provide enough certainty in the market to attract operationally robust and financially competitive bids from providers with a strong public sector background.

The option to extend for two additional one-year periods provides contractual and financial certainty and continuity to the Council, its residents, and stakeholders; and will be exercised (at the absolute discretion of the Council) where technical support (in addition to the Council's in-house resource) is required to deliver the Council's investment strategy.

### **Have you created a no-fault termination provision?**

Yes, no-fault termination provisions are effective after the second year.

### **How many suppliers put forward a bid?**

At the close of the Standard Selection Questionnaire stage, 6 (six) submissions were received. All six suppliers were invited to final stage. At the close of final stage, four suppliers submitted their final tenders.

### **Who were the other suppliers?**

This is commercially sensitive information and cannot be disclosed.

### **Why are there different rates between the South and the North?**

Bidders were asked to price against a fixed set of financial parameters; the financial submissions varied across the bidders as such the rates are different for the South and the North.

### **Who was on the Evaluation Panel, were any residents involved?**

The Evaluation Panel consisted of senior London Borough of Lambeth Council Officers. Residents were not on the evaluation panel; however, the Resident Procurement panel was instrumental in the design of the management and delivery solution and the associated procurement process.

### **How do the consultancy rates compare with other similar sized boroughs?**

Sector benchmarking has identified that the rates are competitive but sustainable.

### **Where can I view this contract on the 'Find a Tender' service?**

The procurement opportunity is located here: <https://www.find-tender.service.gov.uk/Notice/028963-2021>

### **What documents are available to view on request?**

- Volume 1 Invitation to Tender – Tender for Asset Delivery partners
- Volume 2 (part 1) General Preliminaries
- Volume 2 (part 2) Specification
- Volume 3 Draft Principal Agreement
- Volume 3 Schedule 3, Order Form and Order Terms and Conditions
- Volume 4 Response Document

### **How has the rate been calculated?**

Suppliers were asked to provide:

- a sliding scale percentage fee for managing projects within bandings of spend (by project) to cover the full range of multi-disciplinary services:

Architectural Services (AS)
- Quantity Surveyors (QS)
- Contract Administrators (CA)
- Principal Designers (PD)
- Contract Design Management Compliance (CDMC) Consultants
- Building Surveyors (BS)

- in addition, a pre-determined % variable fee will be payable only on the achievement of specific Performance Standards, focused on the supplier delivering quality and predictability (cost and time)

### **Will the rates increase?**

The rates are fixed for the Contract Period.

### **When does Lambeth expect to provide these services in-house?**

The Council expects that some (or all) of these services will be provided in-house at the end of the optimum contract period (after 3 years).

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

The contract scrutiny and cost management team will ensure that suppliers:

- are focused on robust budget control to allow the Council to effectively deliver its asset management obligations
- provide estimates to service charge payers that are accurate and variances between service charge estimates and final demands for payment are kept to a minimum
- provide a monthly detailed, transparent, and auditable breakdown of consultant time across all disciplines (the breakdown will be by both individual and project). Transparent and auditable systems and processes must be deployed to this end. This will facilitate more effective cost management of suppliers

### **What are the key performance indicators (KPIs) for this contract?**

Please view item at Appendix A.

## **Has the council created the contract scrutiny and cost management team to assess payment applications?**

The Council's Commercial Services Team is already set up and maintains oversight of service expenditure against agreed budgets. The team scrutinises applications for payment along with supporting documentation submitted by suppliers, to ensure all claims are fully substantiated and contractual before payments are processed.

In terms of contract scrutiny, performance of the Asset Delivery Partners (ADP) will be monitored continuously by the council, using the specified key performance indicators of the contract. Contract and performance review meetings will be held monthly, strategic quarterly review meetings as well as annual performance reviews. Additional to the main review meetings, operational meetings will take place to discuss day to day issues, capturing lessons learned from escalated issues.

## **How will you be applying lessons learnt?**

The annual performance review(s) will ensure that lessons learnt are applied to future years. The review will include a report which outlines some key judgements on the Services in the preceding year and the impact of any service improvement actions that were put in place. There will be a review of the suitability and effectiveness of the KPI and performance regime. There will be a review of the Consultant's delivery model, the commercial model and the overheads used to deliver the Services. This will be assessed against agreed priorities for the forthcoming year to ensure the performance, commercial and delivery model remains fit for purpose to maintain delivery against service priorities. There will be a review against social value commitments and agreements if further commitment will be added for the following year. Specifically, the report will cover:

- Annual summary of quarterly reports and performance against the KPIs.
- Summary of all Orders placed with the Supplier both current and closed matters.
- Value for money report including details of any financial savings that improvements to working practices have delivered – including, but not limited to, compliance, legal disrepair, responsive repairs, planned maintenance and major works.
- Improved efficiency of service delivery and any improvements in the quality of service that customers and/or staff experience.
- Social value report including summary of actions delivered, impacts and future commitments.
- Health and Safety report, including any actions to address any identified trends.
- Progress against Lambeth environmental commitments and carbon reduction in line with ISO 140001

## **How will you ensure the contract is robustly managed?**

The contract outlines that performance against the KPIs will be monitored continuously by the council in accordance with Schedule 5 (contract management) of the contract. Performance reports will be published monthly and reviewed by the Director for Housing Services' Senior Management Team. Contract and performance review meetings will be held monthly, quarterly, and annually. The annual performance review(s) will ensure that lessons learnt are applied to future years. In addition to the main review meetings, the contract requires that operational meetings, will be held between the council's service/contract managers and the equivalent consultants' staff to discuss day to day issues; problems, resolutions, and lessons learned from escalated issues.

These meetings are to ensure that the service progresses and is delivered efficiently and effectively, in line with the contract specification and targets.

Service managers will be accountable to an independent to a core group which will be set up to oversee performance of the contracts. The proposed membership will consist of the Assistant Director: Housing Capital & Asset Management, Head of Capital Programmes, residents, and a cost manager. The Board will be independent of the day-to-day operational running of the service. It will meet quarterly to review performance, expenditure, budgets, health and safety, culture, social and environmental commitments and make strategic decisions as necessary

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

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

## **How do I complain if I am unhappy with the asset delivery partner's service?**

If for any reason you are unhappy with the service from the Asset Delivery Partners, you can get in touch in one of the following ways.

You can log a complaint by emailing [complaints@lambeth.gov.uk](mailto:complaints@lambeth.gov.uk) or writing to London Borough of Lambeth, PO Box 734, Winchester, SO23 5DG.

The Council's full complaints process can be found on the website using the following link:

<https://www.lambeth.gov.uk/about-council/contact-us/make-complaint/making-complaint>

## **What are the next steps?**

We value your feedback during this consultation process. Upon completion of this formal consultation, the council would seek to formally recommend the award of the asset delivery partner contracts. The report recommending its award will be published with intention to mobilise the asset delivery partners.

## Key Performance Indicators

KPI	Name	Description	Measurement	Required Performance Level (Target)	Minimum Level of Acceptable Performance (MLAP) below which is a Performance Failure	Measurement Period
KPI1	Client Satisfaction	To determine the overall level of the Client satisfaction with the service received from the Consultant with particular reference to the delivered programmes and outcomes on all Orders achieving Practical Completion in the Monitoring Period.	<p>A percentage score will be calculated for each Order based on the principles of Order Performance Standard 1.</p> <p>The average percentage score for OPS1 for all Orders which have achieved Practical Completion in the relevant Monitoring Period will be calculated.</p>	90%	70%	Quarterly
KPI2	Resident Satisfaction	Resident satisfaction with programmes, projects and schemes and outcomes on all Orders achieving Practical Completion in the Monitoring Period.	<p>A percentage score will be calculated for each Order based on the principles of Order Performance Standard 2.</p> <p>The average percentage score for OPS2 for all Orders which have achieved Practical Completion in the relevant Monitoring Period will be calculated.</p>	90%	80%	Quarterly
KPI3	Operational Scheme Management	Undertake routine and ad-hoc site inspections and provide inspection reports that include for example (but not limited to) compliance, quality and health and safety on all Orders achieving Practical Completion in the Monitoring Period.	<p>A percentage score will be calculated for each Order based on the principles of Order Performance Standard 3.</p> <p>The average percentage score for OPS3 for all Orders which have achieved Practical Completion in the relevant Monitoring Period will be calculated.</p>	100%	95%	Quarterly
KPI 4	Defects	<p>The Project/Scheme at the end of the Defects Liability Period is inspected and has no defects or all defects have previously been made-good during the Defects Liability Period on all Orders which have reached the end of the Defects Liability Period in the Monitoring Period.</p> <p>If there are any defects outstanding then these must be completed within 31-Calendar-Days of the End of the Project-Scheme Defects Liability Period</p>	<p>For each Order which has reached the end of the Defects Liability Period in the Monitoring Period the average number of days it takes to complete any outstanding defects after the end of the Defects Liability Period will be calculated. If there are no Defects the number of days is 0.</p>	0 days	More than 31 Days from the end of the Defects Liability Period.	Quarterly

KPI	Name	Description	Measurement	Required Performance Level (Target)	Minimum Level of Acceptable Performance (MLAP) below which is a Performance Failure	Measurement Period
KPI5	Predictability: Cost	For all Orders which reached Practical Completion in the Monitoring Period, the Project / Scheme Final Account is in accordance with the Cost Plan as measured under OPS 5 on all Orders.	<p>A percentage of cost overrun will be calculated for each Order based on the principles of Order Performance Standard 5.</p> <p>The average percentage final cost overrun for all Orders which have achieved Practical Completion in the relevant Monitoring Period will be calculated.</p>	Less than or equal to the 0% cost overrun	Overrun is greater than 10%	Quarterly
KPI6	Predictability: Time	For all Orders which reached Practical Completion in the Monitoring Period, the Project / Scheme Practical Completion is in accordance with Programme Timelines measured under OPS 6 on all Orders	For each Order which has achieved Practical Completion in the Monitoring Period the average number of days over the agreed Programme Timeline (subject to extensions of time as approved by the Client).. If the project finished on time or was early then the number of days is 0.	0 days	More than 31 Days over the planned date for PC	Quarterly
KPI7	Health and Safety	Fully compliant with requirements of CDMC and PD as measured per project under OPS 7.	The number of breaches will be reviewed for all Orders which have achieved Practical Completion in the relevant Monitoring Period.	No events or regulatory breaches	Any H&S breach	Quarterly
KPI 8	Environmental impact	Deliver carbon saving as agreed with Client	<p>A percentage score will be calculated for each Order based on the principles of Order Performance Standard 8.</p> <p>The average percentage score for OPS8 for all Orders which have achieved Practical Completion in the relevant Monitoring Period will be calculated.</p>	100%	80%	Quarterly