

Date: 25th April 2014
Your Reference:
Our Reference: 14/004
Enquiries to: Mike Edmunds



Leaseholder Services
London Borough of Camden
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London
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Tel: 020 7974 4444

The Leaseholder Leaseholder

Camden Street
London
NW1

NOTICE OF INTENTION TO ENTER INTO A QUALIFYING LONG TERM AGREEMENT (Section 20 of the Landlord and Tenant Act 1985 (as amended) and Schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003).

Dear Leaseholder,

Qualifying Long Term Agreement relating to the appointment of consultancy services for construction works.

I am writing to inform you that the London Borough of Camden ('The Council'), as your landlord, proposes to enter into a long term agreement, details of which are given below.

1. Description of the agreement.

The Council is planning to enter into what the Act calls a "qualifying long term agreement". This is an agreement which lasts for more than 12 months and concerns services to be carried out in relation to the building or estate in which you are a leaseholder.

When delivering repairs and maintenance schemes, the Council sometimes requires specialist input, for example to design heating systems or prepare specifications. The Council also appoints service providers to carry out works such as fire risk assessments, structural monitoring, project management, quantity surveying, employer's agent and other roles.

These appointments are currently made on an *ad hoc* basis and this can be labour intensive. The Council intends, therefore, to establish a framework for consultancy services that meets the Council's requirements and has been subject to leasehold consultation. The aim of the proposed framework is to make it easier and cheaper for the Council to secure specialist services when these are required.

Where services relate to your property you will be liable to pay a proportion of the cost by way of a service charge. This will relate to, but not be limited to, the following categories called 'Lots':

Lot 1 – Small Commissions

This is for small commissions and can cover services in any of the lots described below, to a maximum value of £100,000 per commission. This is to help small to medium size enterprises access the framework.

Lot 2 – Design Services

- Design of construction works
- Design and surveying of mechanical and electrical services
- Mechanical and electrical engineers
- Condition and scoping surveys

Lot 3 – Structural Engineering

- Design and surveying of structural elements
- Structural engineers
- Geotechnical surveys

Lot 4 – Architectural Services

This lot would be used for small site developments, conversions and new build housing.

Lot 5 – Cost, Advisory and Commercial Services

- Commercial advice
- Price list composition
- Quantity surveyors
- Cost management
- Contract advice (e.g. facilitation, dispute resolution)

Lot 6 – Surveying, Project Management and Employer's Agents

- Employer's agent
- Project management
- Building surveying and inspection
- Planning advice and applications
- Consultation on works
- Lead consultants
- Contract administration
- Clerk of Works

Lot 7 – Compliance and Specialist Services

- Construction Design & Management (CDM) co-ordinator
- Risk assessments
- Asbestos surveys
- Logistics management

More details on the lots can be found at Annex 1.

2. Duration of the agreement.

The agreement is planned to run from November 2014 for a period of four years.

3. Value of the agreement.

The total cost of provision of all services across the Council is envisaged to be approximately £8 million.

4. Reasons why the agreement is necessary.

The proposed agreement is necessary so that the Council can comply with its contractual and statutory obligations to tenants and leaseholders, without excessive delays in obtaining the services outlined above and in Annex 1.

The services obtained through the framework will help the Council to design and specify works and monitor cost and quality when works are on site.

The framework agreement will reduce procurement costs for the Council and should secure savings from suppliers.

5. Observations.

You are invited to make any written observations regarding the proposals contained in this notice. If you wish to do this, you must send them to this office in writing to be received within 30 days from the date of this notice. All observations must be received by the **26 May 2014**. Observations should be sent to the following address:

Mike Edmunds, Head of Leaseholder Services,
London Borough of Camden,
Leaseholder Services,
Bidborough House,
38-50 Bidborough Street,
London WC1H 9DB

Or: Email capitalservices@camden.gov.uk and include the contract reference **14/004** and your property address and reference number in the email subject field.

6. Reason why the Council is not inviting nominations from leaseholders.

In the case of the proposed agreement the European Union requires the Council as a public authority to advertise the agreement by way of a public notice in the Official Journal of the European Union because of the estimated value of the services. Where it is necessary to issue such a public notice (as in this case), the right of leaseholders to nominate a consultant does not apply.

The public notice must give details and invite tenders from suitable consultants in respect of the proposed agreement. In view of this requirement, the Regulations state that it is not possible for leaseholders themselves to propose a person or consultant to tender for the contract, as would otherwise be the case. The Regulations also state that leaseholders must be informed of this fact.

Once observations have been considered and the consultation period has closed, the Council intends to place a public notice in the Official Journal of the European Union to invite expressions of interest in the framework.

7. Further consultation – Notification of Landlord’s Proposal.

It is anticipated that once this initial consultation has concluded and upon receipt of the tenders/estimates, we will send you a further notice regarding the Council’s detailed proposal in accordance with the Service Charge Regulations 2003. This will inform you of the proposed consultants and provide you with a further opportunity to be consulted about the proposed agreement.

8. Cost of the services.

As a leaseholder you will only be liable for a proportionate part of any costs incurred in relation to your building or estate under the agreement.

Yours sincerely

Mike Edmunds
Head of Leaseholder Services

Annex One: Outline of works to be covered by the Framework

Outline of works to be covered by the Framework:

Lot 1 – Small Commissions	
Covers works with a value of less than £100,000	This lot covers each of the below specialisms and will be made up of one supplier per specialism with up to two reserves.
Lot 2 – Design Services	
<p>Design of refurbishment works and new build construction.</p> <p>Design and surveying of mechanical and electrical installations and services</p> <p>Condition and scoping surveys</p>	<p>This work relates to the survey and analysis of buildings, mechanical and electrical installations and services. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Carrying out concept, feasibility and scheme design studies of properties and sites, including new build construction or other buildings • Advising on conservation sites, historic and listed building matters with regards to properties and their setting • Site due diligence including flood risk, geotechnical reports and utility assessments • Inspection and assessment of existing structures • Preparation of preliminary schemes and specifications • Mechanical and electrical (M&E) detail design and working drawings • Option appraisals for M&E equipment such as heating systems, door entry, gas mains and lifts • Value engineering and value management studies • External and internal photographic surveys to identify and record wants of repair • Materials science and analysis • Ground condition surveys including contaminated land • Scoping and condition surveys • Acoustic engineering
Lot 3 – Structural Engineering	
Design and surveying of structural elements.	<p>This work relates to the structural survey and analysis of buildings. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Inspection and assessment of existing structures • Provision of structural engineers and monitoring • Geotechnical surveys • Structural civil engineering
Lot 4 – Architectural Services	

Architectural services	<p>This work relates to architectural services. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Architectural consultancy services • Right to light surveys
Lot 5 – Cost, Advisory & Commercial Services	
Commercial advice, quantity surveyors and contract advice	<p>Under this lot the Council would be able to procure specialists to cost works, analyse contractor pricing and advise on the commercial management of contracts. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Develop priced options appraisals • Provide an estimated cost plan for the works once determined and update as required • Provide procurement advice • Agree cost of non-standard works not included in original costs • Undertake assessments of projected final cost at regular intervals as agreed with Camden • Carry out open book, business case and price build up reviews • Agree format of valuations and produce valuations • Determine final accounts • Provision of contract management advice, facilitation and dispute resolution services • Residential sales valuations
Lot 6 – Surveying, Project Management and Employers Agents	
Employer's agent and project management services	<p>Under this lot the Council would be able to procure employer's agents or project managers to manage works. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Responsibility for the successful delivery of the programme or project activities • Responsibility for development of the project brief once design has been finalised • Receive site information, visit site, appraise constraints and identify any surveys required. If instructed carry out or arrange and supervise agreed surveys • Carry out consultation with leaseholders and other stakeholders regarding the design of the solution • Submit planning applications and liaise with English Heritage as required • Tendering of work packages in line with the Council's Standing Orders for Contracts and authorisation limits for decisions • Report on progress to resident meetings or other forums as required

	<ul style="list-style-type: none"> • Inspect works in progress and instruct the contractor as required to achieve compliance with the project brief • Certify completion of works and produce periodic valuations • Carry out all project management duties and responsibility for making sure programmes adhered to
Lot 7 – Compliance and Specialist Services	
Compliance and specialist services	<p>Under this lot the Council would be able to procure service providers who can advise on compliance issues and carry out specialist surveys such as Fire Risk Assessments. Activities will involve but are not restricted to:</p> <ul style="list-style-type: none"> • Health and safety advice and CDM co-ordination including construction phase health and safety plan, health and safety file, risk assessment, method statement and health and safety audits. Also conduct audits and reviews, provide advice on the application of legislation. Provide the full range of duties required as CDM co-ordinator where this has been specified as a requirement. • Asbestos surveys; testing and reporting; conduct asbestos risk assessment and asbestos testing following the guidelines set out in HSG264. Providers to have UKAS accreditation. • Fire Risk Assessments, carried out at premises, properties and sites as required by The Regulatory Reform (Fire Safety) Order 2005 and any other legislation. • Facilities Management; advise on the working environment, non-core support services and their combined impact on the individual and the organisation. Assist with the management of facilities. • Party wall consultants; provide advice and management of matters relating to the Party Wall Act etc. 1996 and all other relevant party wall guidance, good practice and policy. • Logistics management including construction traffic management for existing sites and new buildings. • Energy assessment services including energy performance assessments or thermographic surveys on existing elements as well as the works to be delivered.

Annex Two: Frequently asked questions

The following text is to assist you in understanding the purpose of this notice. It does not add to or detract from the legal notice above.

What am I being consulted on?

We are consulting with you about our plans to tender for a framework of construction specialists. We plan to use these specialists in connection with works on Camden's properties, but as yet we are not consulting you on the exact nature and scope of any works. We believe that a framework will save you and the Council money. Moreover we are required to tender for works by EU legislation.

Can I propose some works to be carried out at my property?

If works are needed at your property please report this to our repairs team via 020 7974 4444. This notice relates to establishing a list of consultancy firms which may be required for various future repairs and maintenance projects. It is not specific to any particular repair job at this stage.

I recently had a lot of work done on my property, are you going to do more?

We only intend to carry out repairs and maintenance when it is necessary, so if you have had recent repairs we are unlikely to be carrying out more soon. However we are required to consult all leaseholders who may be affected when we let this contract. Many of Camden's properties are old and reactive maintenance may be needed at any time and cannot always be predicted.

What work and services must I be consulted about?

As your landlord, the Council must consult you before it does the following:

- ✓ *carry out **work** which will cost any one leaseholder more than £250. This covers repairs, maintenance and improvements to your building and estate;*
- ✓ *enter into **long-term agreements** (for more than 12 months) with outside contractors for work, supplies or services (or all three) where the cost to any one leaseholder will be more than £100 a year. Examples include agreements for supplying goods or services (such as cleaning) and agreements for maintenance work (such as day-to-day repairs); and*
- ✓ *carry out **work under a long-term agreement** where the work will cost any one leaseholder more than £250.*

How can I take part in the consultation?

You have the right to send us your observations in writing during the consultation period. The Council must carefully consider any observations or suggestions about the work or long-term agreement received in writing during the consultation period. Where major work is planned to be carried out, the project manager in charge of the scheme will usually organise a meeting with all residents to give you an opportunity to ask questions and give your views.

What is an OJEU notice?

This is a notice which must be published in the Official Journal of the European Union (OJEU). It is needed where the total amount of a proposed contract, whether for work or long-term agreements, is at a level where the European Union procurement rules apply. These rules cover all large contracts let by public and government organisations. Public notices are currently needed for:

- supply/service contracts awarded by contracting authorities (Camden is a “contracting authority) over £173,934; and
- works contracts (e.g. building refurbishment) over £4,348,350.

If a public notice is needed, you do not have the right to nominate a contractor to tender for the work or long-term agreement. But, the council must still carefully consider any observations you make about the proposals.

I don't agree with this proposal, can I opt out?

No. Camden, as landlord, has the final say on how its buildings are managed. This proposal can, and should, be shaped and amended in relation to your observations, but there is no obligation on Camden to allow leaseholders or individual properties to opt out of the agreement.