

R.H Environmental Limited

**REDACTED**

Attn. **REDACTED**

Email: **REDACTED**

Thursday 10<sup>th</sup> January 2019

Procurement ref: CCZZ18A47

Dear **REDACTED**

**Award of contract for the Provision of Scoping Review of the Housing  
Health and Safety Rating System (HHSRS) 'Phase 1'**

Further to your submission of a Tender/Proposal for the above Procurement, on behalf of the Ministry of Housing, Communities and Local Government (the "Authority"), I am writing to advise that the procurement is now complete.

I am pleased to inform you that your company ranked first in our evaluation with an overall score of 80.00% and therefore we would like to award the contract to you.

The attached appendix provides detailed feedback on your submitted proposal.

The call-off contract shall commence on the 16<sup>th</sup> day of January 2019 and will operate for:

A period of fourteen weeks until the 24<sup>th</sup> day of April 2019. There shall be no further option to extend this contractual provision beyond this date.

The total contract value shall be £57,385.00 (excluding VAT).

This procurement activity was a further competition under Dynamic Purchasing System (DPS) RM6018 Research Marketplace and the DPS Terms and Conditions shall apply. A copy of the contract is provided with this Award Letter and includes those DPS terms and conditions.

Please print and sign a copy and forward to the Procurement Lead electronically via the e-Sourcing Suites' messaging service. They in turn will manage its ratification and return a copy for your records.

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Please ensure that the signed copy of the contract is submitted via the e-sourcing suite by 17:00 hours on Tuesday 15<sup>th</sup> January 2019.

Should you have any queries regarding this or any other matter please do not hesitate to contact me.

Yours Sincerely,

**REDACTED**



**REDACTED**

**REDACTED**

Signed for and on behalf of Ministry of Housing, Communities and Local Government

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Order Number:	CCZZ18A47
From:	Ministry of Housing, Communities and Local Government ("the Authority")
To:	R.H Environmental Limited ("the Supplier")

Effective Date:	Wednesday 16th January 2019
Expiry Date:	Wednesday 24 <sup>th</sup> April 2019  NB: There shall no provision to extend this contractual requirement beyond this date.

Services required:	Set out in: Annex A – Authority’s Project Scope. Annex B – Supplier’s Response. Both of which form part of this document.
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Key Individuals:	On behalf of the Authority: <b>REDACTED</b>  On behalf of R.H Environmental Limited  <b>REDACTED</b>
Guarantor(s)	Not Applicable

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<p>Contract Charges (including any applicable discount(s), but excluding VAT):</p>	<p>£57,385.00</p>
<p>Insurance Requirements</p>	<p>Employers Liability Insurance of at least five million pounds Professional Liability Insurance of at least two million pounds</p> <p>Neither Party excludes or limits its liability for:</p> <ul style="list-style-type: none"> <li>• death or personal injury caused by its negligence, or that of its employees, agents or Sub-Contractors (as applicable);</li> <li>• bribery or Fraud by it or its employees;</li> <li>• statutory obligations stated within the Consumer Rights Act 2015;</li> <li>• any liability in respect of a breach of duty or obligation under the Financial Services &amp; Markets Act 2000 (as amended from time to time); or</li> <li>• any liability to the extent it cannot be excluded or limited by Law.</li> </ul> <p>The Supplier does not exclude or limit its liability in respect of the indemnity in Clauses 28 (Staff Transfer) and clause 33 (IPR) and in each case whether before or after the making of a demand pursuant to the indemnity therein.</p>
<p>Authority's billing address for invoicing:</p>	<p>The Authority's billing address shall be as follows: <b>REDACTED</b></p>
<p>Alternative and/or additional provisions (including Schedule 6 (Additional clauses)):</p>	<p>Not applicable</p>

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### **FORMATION OF CONTRACT**

**BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Authority to provide the Services in accordance with the terms of this letter and the Contract Terms.**

**The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.**

**The Parties hereby acknowledge and agree that this Contract shall be formed when the Authority acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt.**

<b>For and on behalf of the Supplier:</b>	<b>For and on behalf of the Authority:</b>
Name and Job Title: <b>REDACTED</b>	Name and Job Title: <b>REDACTED</b>
Signature: <b>REDACTED</b>	Signature: <b>REDACTED</b>
Date: Thursday 10 <sup>th</sup> January 2019	Date: Friday 11 <sup>th</sup> January 2019

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## Annex A

### Authority's Project Specification

#### 1. PURPOSE

The Ministry of Housing, Communities and Local Government (MHCLG) (hereafter referred to as The Authority) wishes to commission a study to identify the extent to which the Housing Health and Safety Rating System (HHSRS) needs to be updated and revised, including exploring the scope for setting minimum standards as part of the HHSRS framework. Information on the framework can be found at <https://www.gov.uk/government/collections/housing-health-and-safety-rating-system-hhsrs-guidance>.

A revision is necessary because the HHSRS was developed in the 1990s, and has been in place for over 12 years, and in that time building technology and knowledge about risks and hazards in buildings has developed considerably.

This proposal relates to phase 1 of the project which is concerned with scoping out the scale and extent of any review of the HHSRS. The outputs from this phase will be used to develop a specification for the actual review of the HHSRS.

#### 2. BACKGROUND TO THE CONTRACTING AUTHORITY

The Authority is a ministerial department, supported by 12 agencies and public bodies.

The Authority's job is to create great places to live and work and give more power to local people to shape what happens in their local area. Key responsibilities include driving up housing supply; increasing home ownership; devolving powers and budget to boost local growth in England; and supporting strong communities with excellent public services.

This commission links to the Authority's key aim to make the vision of a place to call home a reality.

#### 3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

The HHSRS was introduced by the Housing Act 2004 and has been in place since 2006. Though not in itself a standard, the HHSRS was introduced as a replacement

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for the Housing Fitness Standard found in section 604 of the Housing Act 1985. The HHSRS is an integral part of the Decent Homes Standard (DHS). One of the four criteria of the DHS is that a property is free from a category 1 hazard.

The original guidance documents produced by the Authority's predecessor, the Office of the Deputy Prime Minister (ODPM), can be found at <https://www.gov.uk/government/collections/housing-health-and-safety-rating-system-hhsrs-guidance>.

The HHSRS was developed over a period of several years by experts in environmental health. It is a standardised risk assessment methodology which involves the objective assessment of a range of potential hazards in a property, such as damp, excess cold and electrical faults as well as fire and falls. Where a hazard is identified, an assessment is made of the likelihood of the occupier suffering a harmful outcome as a result.

Hazards are classified as either Category 1 (serious) or Category 2 (other). Local authorities have discretion to decide what action should be taken where they discover Category 2 hazards. If Category 1 hazards are present, local authorities have a duty to take appropriate action. This could include issuing an improvement notice requiring the owner to make improvements to the property, or banning the use of the whole or part of a dwelling or restricting the number of people living there.

The HHSRS has been in place for over 12 years and the underpinning methodology was developed in the 1990s. There are several key reasons for taking forward a review of the HHSRS framework now:

The Housing, Communities and Local Government Select Committee recommended that the HHSRS should be revised and updated. It also suggested that consideration should be given to introducing minimum standards. This could be in the form of a hybrid system of risk assessment and standards such as minimum bedroom sizes, mains-powered smoke alarms as standard, continuous supplies of hot and cold running water, heating and level of insulation specifications;

Following the Grenfell tragedy, local housing authorities reported that they had insufficient guidance on assessing risks associated with fire hazards, and hazards more generally in High Risk Residential Buildings and multi-occupied buildings. Houses in multiple occupation, as defined by the Housing Act 2004, are also of a higher risk and pose different challenges. Without that more detailed guidance, local authorities lack the information necessary to accurately assess the level of risk in a building, and determine what remedial measures need to be put in place. Interim guidance on assessing fire safety hazards in High Risk Residential Buildings is being developed to address this issue. However, the fact that it is necessary to do so

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suggests there is a need to review the whole HHSRS framework to ensure that it remains fit for purpose;

Building technology, and knowledge about risks and hazards in buildings, has developed considerably since the HHSRS was developed and it is important to ensure that the framework is up to date and takes account of those developments;

Unanimous feedback from a broad range of local authorities at this summer's Private Rented Sector (PRS) roadshows that the HHSRS was out of date and needed to be revised. There was less agreement on how extensive an update was needed and this would need to be explored as part of the proposed scoping review.

This study is being commissioned in order to help fulfil the Authority's public commitments to considering whether the HHSRS needs to be reviewed and exploring the extent to which it would be appropriate to introduce minimum standards

#### 4. DEFINITIONS

Expression or Acronym	Definition
MHCLG	Ministry of Housing, Communities and Local Government
HHSRS	Housing Health and Safety Rating System
Hazard	Any risk to the health and safety to an occupier of a property
Category 1 Hazard	A hazard assessed as more serious under the HHSRS. Local Authorities have a duty to take action on identifying a Category 1 hazard
Category 2 Hazard	A hazard assessed as less serious under the HHSRS. Local Authorities have a power to take action on identifying a Category 2 hazard
Minimum standards	Standards below which a house would be deemed to be unsuitable
GDPR	General Data Protection Regulation 2018
PRS	Private Rented Sector
CCS	Crown Commercial Service
KPI	Key Performance Indicator
SLA	Service Level Agreement

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## 5. SCOPE OF REQUIREMENT

The objectives for the project are to determine whether the HHSRS needs to be updated and, if it does, the scale and scope of any such update.

The Authority wants to ascertain whether the HHSRS methodology is still appropriate and can produce robust and accurate results, and if not, what changes might be required as well as the scope for subjectivity when carrying out an assessment and the extent to which it is necessary to generate hazard scores for each identified hazard.

This includes the usefulness of the current Category 1 and Category 2 hazards, potential occupiers and the scope for a sampling and cloning approach. Also to be considered are the scope for reducing the number of hazards considered as part of an inspection, the possibility of simplifying the inspection and calculation process, and the need for additional worked examples.

Engagement with key stakeholders such as local authorities, housing associations, landlord and tenant groups and charities is vital during the review.

The Authority does not wish to restrict the approach to the assessment, but requires the Supplier to work with the network of stakeholders who have been using and reviewing the HHSRS for the past 12 years.

## 6. THE REQUIREMENT

The HHSRS is an evidence based risk assessment methodology, so this evidence must be analysed using desktop research, case studies and fieldwork. To use the HHSRS, local government officers undergo formal training, so the effectiveness and content of this training must be ascertained.

The view of stakeholders using the HHSRS is that the evidence base is out of date. The review would need to encompass the evidence and methodology used when the HHSRS was developed and introduced and include technical and policy developments since then.

The human aspect of HHSRS enforcement needs to be established by engaging with stakeholders including local government officers, landlords, tenants and any others, which will mean working with focus groups and liaising with local authorities and other organisations.

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The risk assessment methodology itself should be thoroughly explored and tested, along with the existing body of worked examples and other evidence, which will call for testing desktop and real-world scenarios.

The list of methods outlined above is not meant to be conclusive, and the successful bidder will be expected to establish a thorough testing process.

The project will enable the Department to determine whether the HHSRS needs to undergo a thorough and detailed overhaul or whether a more modest refresh would be more appropriate. That in turn will ensure that the Authority delivers a HHSRS framework which is up to date and takes account of developments in building technology and performance. In order to achieve that outcome, phase 1 of the review will:

- identify which parts of the HHSRS are out of date and need to be revised;
- demonstrate whether there would be scope for introducing a sampling and cloning approach;
- indicate whether the current penalties for non-compliance are appropriate and proportionate;
- show whether there is a need for additional worked examples in the guidance;
- help establish the feasibility of using digital technology to develop an app for the HHSRS and;
- consider whether minimum standards should be included in the framework;

The Authority does not have a set view on how to approach the research questions and is open to innovative approaches on how to address these within the provided budget. For each of the knowledge gaps outlined above, the Supplier shall identify where any data already exists and which stakeholder groups are already engaged.

The Supplier will be responsible for producing a plan which addresses the two objectives identified in paragraph 5.1, outlining the project plan, time scales for participant engagement, fieldwork, analysis and outputs to share with the Authority.

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## 7. KEY MILESTONES

The key project milestones are as follows.

The Supplier should note the following project milestones that the Authority will measure the quality of delivery against:

Milestone	Description	Timeframe
1	Inception meeting	Within week 1 of Contract Award
2	Work commences	Within week 2 of Contract Award
3	Updates on progress from the Supplier to the Authority's representatives	Weekly
4	Interim progress report	Within week 3 of Contract Award
5	Draft report outlining key findings	Within week 8 – 10 weeks of Contract Award
6	Presentation of draft report to project board	Within week 12 of Contract Award
7	Final report	Within week 14 of Contract Award

## 8. AUTHORITY'S RESPONSIBILITIES

The Authority will ensure all contractual obligations are adhered to and managed accordingly. A key contact will be identified within the Authority as the Contract Manager to oversee the project. Any Supplier queries will be addressed and responded to within 3 working days by the Contract Manager. The Authority will provide suitably qualified persons to attend and chair supplier meetings when required to do so.

The Authority will assist the Supplier in sharing data where possible, including working closely with the Supplier to identify links with stakeholders.

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## 9. REPORTING

The Supplier will be required to provide all outputs in Microsoft Word, in plain English and for these to be quality assured and proof read by the Supplier before submission to the Authority. Reporting is to be delivered in a format agreed by the Authority in line with the Supplier's proposed approach/methodology.

The Authority will require weekly updates on progress and the Supplier will flag any issues that need the attention of the project board. The board would also maintain a risks and issues register to identify any potential barriers to delivery and take appropriate mitigating action.

The Supplier will provide:

An interim report, summarising initial findings of the approach, and providing details on progress made from evidence gathering, analysis and outstanding work required to complete the project.

A draft report analysing and summarising the following:

Whether the HHSRS needs to be updated;

If it does, the scale and scope of any such update;

Whether it would be appropriate to introduce minimum standards for some or all of the hazards.

The draft report will be required by week 10 of the contract.

A presentation of the draft report to the project board, to be held in week 12 of the Contract.

A final report, building on the draft report and providing a more detailed analysis of the investigation as specified with point 5.1 of this document.

## 10. STAFF AND CUSTOMER SERVICE

The Authority will work with the Supplier to produce a full risk register following award. The risk register will be updated throughout the life of the project and will be included along with regular progress updates.

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## 11. SERVICE LEVELS AND PERFORMANCE

The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Communication	Brief progress reports by email against agreed work milestones circulated by the Supplier no later than one working day before progress meetings. Regular discussions via telephone as required.	100%
2	Project management	All action points from progress meetings circulated and agreed within two days of meeting.	100%
3	Completion of objectives	Draft Report to be submitted to the Authority by the agreed deadline.	100%
4	Completion of objectives	Document describing and confirming the approach proposed to be submitted to agreed deadline and accepted and approved by the Authority.	100%

The Authority will maintain a record of the Supplier's adherence to the agreed service level and performance timelines. Any non-adherence will result in performance review meetings between the Authority and the Supplier, to provide a full debrief and explanation as to why the service level agreement was not met. Improvement plans will also be established here. Performance Management will be in accordance with Terms and Conditions as set out in Appendix C – Terms and Conditions.

Where the Supplier fails to provide a Service Improvement Plan or fails to deliver the agreed Service Improvement Plan to the required standard, the Authority reserves the right to seek early termination of the contract in accordance with the procedures set out within the contract Terms and Conditions.

For the purposes of Exit Management, this will include the transfer of knowledge to the Authority at the end of the contract that informed the development of the report and any subsequent works delivered.

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The Supplier is to note that all material for this procurement and the subsequent Contract are not to be shared with any third parties without first obtaining written permission from the Authority.

## **12. SECURITY REQUIREMENTS**

The Supplier will be required to securely store data, which may include personal data, in accordance with the General Data Protection Regulation 2018 (GDPR) statutory requirements. The Supplier must follow the appropriate requirements for this as set in Schedule 6 of Appendix C – Terms and Conditions.

The Supplier will be required to provide assurance to the Authority that all data will be destroyed within a reasonable timeframe from completion of the project.

## **13. INTELLECTUAL PROPERTY RIGHTS (IPR)**

The Authority will retain full Intellectual Property Rights for the work completed. This is in accordance with the Special Terms added into Appendix C – Terms and Conditions.

## **14. LOCATION**

The location of the Services will be carried out at the Supplier's premises, with meetings held at the Authority's premises as required.

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## **Annex B**

### **Supplier Proposal**

The following information provided is details of R.H Environmental Limited's proposal. R.H Environmental Limited's proposal describes the services that R.H Environmental Limited shall provide under this contractual agreement:

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**ANNEX C – Part 1**  
**Call Off Contract Charges**

The below table sets out the maximum charges for the entire contract term:

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## RATE CARD

The below table reflects the above pricing table and specifies the rates that the Authority will be charged for each of roles specified below:

**REDACTED**

## **ANNEX C – Part 2**

### **Payment Terms**

The Authority shall pay the Supplier within thirty working days following receipt of a correctly submitted invoice as specified above.

Payment will be made in milestones dependent upon key stages in the fieldwork being completed and final versions of research outputs being agreed.

Payment schedules will be agreed and finalised in the contract, however final payment will only be paid upon completion and sign-off of the final report.

Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

Payment will be made within thirty working days following receipt of a correctly submitted invoice as specified above.

All invoices must include the appropriate purchase order number and shall be sent to the following address:

Invoices must be sent to the following address:

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Call-Off Contract Charges are included with Annex C – Part 1 Call Off Contract Charges.

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