




Haringey Council

Report for:	Cabinet on 14th October 2014	Item number	
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Title:	Housing Lift Modernisation Programme 2014-15
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Report authorised by :	Tracie Evans, Interim Chief Operating Officer
	Signed:  Date: 3/10/14

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Wards affected: St Ann's, Bounds Green, Noel Park, Northumberland Park, Wood Green,	Report for: Key Decision
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1. Describe the issue under consideration

- 1.1 This report seeks approval of the contract award, to the successful tenderer, for the Housing Lift Modernisation Programme 2014-15 which is proposed to take place in 5 wards.

2. Cabinet Member Introduction

- 2.1 Improving the Council's housing stock is a high priority and it is important that the lift modernisation works continues to replace the ageing ones.



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2.2 I welcome and support these improvement works which will be of immense benefit to the residents affected.

3. Recommendations

3.1 It is **recommended** that the Cabinet:

- (a) Approves the award of the contract for lift replacement works to Express Lifts Alliance (in the wards of St Ann's, Bounds Green, Noel Park, Northumberland Park, Wood Green) for the tender sum of £1,388,954.64 in accordance with Contract Standing Order (CSO) 9.06.1. c);
- (b) Approves the issue of a Letter of Intent for up to 10% of the contract value to enable pre-construction processes to take place in accordance with CSO 9.07.03.

4. Alternative options considered

4.1 The alternative option to full replacement is to refurbish the lifts. However, this option has been rejected on the grounds that it could lead to increasing maintenance costs, increased risk of breakdowns, and health and safety concerns in relation to the lifts being out of service for long periods.

5. Background information

- 5.1 To ensure that its assets are in good working order, the Council has an annual capital programme of lift renewals. In recent years, investment has been increased in order to reduce the backlog of lifts awaiting replacement and to keep pace with the life cycle replacement programme.
- 5.2 The life expectancy of lifts in social rented housing blocks is 15– 25 years, depending on their usage and location. The lifts that are due to be replaced as part of the 2014-15 Housing Lift Modernisation Programme have exceeded their expected life and it is now becoming increasingly difficult to obtain replacement parts. The modernisation works will improve the reliability and efficiency of the lifts and reduce the risk of breakdowns.
- 5.3 The scope of works will include the replacement of the lift cars, doors and steel architraves to each landing. In addition, the lift motor room equipment will be replaced along with the associated wiring, and each lift shaft will be painted, rewired and installed with new lighting.



Procurement Process

- 5.4 Competitive tenders were invited from 4 contractors – randomly selected from the Construction Procurement Group's 'Constructionline', a government managed UK register of pre-qualified construction services – to tender for the work on the basis of a fixed price contract for a period of 36.5 weeks. Three of these 4 contractors submitted a tender and selection of the successful tenderer was carried out in line with the Council's procurement policy and guidelines.
- 5.5 Tender documents included Evaluation Criteria and Methodology for Quality Assessment to establish a Quality score for each of the Tenderer. The tenders were assessed on quality (60%) and price (40%). A quality and price assessment was conducted by an evaluation panel.

The contractors were required to submit a written qualitative delivery proposal submission to meet all the criteria in the Qualitative Delivery Proposals as set out below against which the evaluation took place:

<u>CRITERIA</u>	<u>Criteria Weighting</u>
1 – Contract Management	<u>40%</u>
2 – Supply Chain Management Proposals	<u>10%</u>
3 – Stakeholder Engagement	<u>10%</u>
4 – Health and Safety	<u>20%</u>
5 – Quality management	<u>10%</u>
Compliance with quality of work specified	
6 – Site Waste Management Plan	<u>10%</u>

The panel for the quality evaluation was made up of three officers, one from Homes from Haringey, Frankham Consultancy Group, and Stace Quality Surveying Consultancy. The panel assessed the responses to questions that were sent with the tender documents.

- 5.6 Each of the Quality Delivery Proposals was marked separately by members of the Evaluation Panel. The score was computed and transferred onto the Quality Evaluation Matrix, an average score was ascertained and weighted in order to arrive at a final score.
- 5.7 The total weighted final score is the sum of the scores for each Qualitative Delivery Proposal and this is expressed as a percentage of the maximum score of 100. This procedure establishes the adjusted quality score for each Tenderer.



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5.8 The composite evaluation calculations were then calculated by the 60% weighting for Quality score.

5.9 For the contract, the pricing document comprised of three parts, which incorporated the following elements:

1. Preliminaries
2. Main works, and
3. Contingencies and day works

5.10 Tender documents included Evaluation Criteria and Methodology for Price Assessment to establish a Price score for each of the tenderers as follows:

The tenderer with the lowest Price is given the maximum price score of 100 and prices of the other Tenderers proportionally lower namely

$$\frac{\text{Lowest price}}{\text{Tenderer's price}} \times 100$$

5.11 The composite evaluation calculations assess the 40% for Price score.

5.12 The following table summarises the evaluation process.

Tenderer	Price Points Awarded* 40%	Quality Points Awarded 60%	Total Points Awarded (out of 100)
Express Lifts Alliance	40.00	45.08	85.08
Supplier B	32.92	0.00	32.92
Supplier C	33.62	35.00	68.70

5.13 The full results of the evaluation of both the quality and price submissions are contained within detailed data analysis spreadsheets and a summary of that analysis is shown for all contractors within Table 1 of the exempt part of the report.

5.14 It is anticipated that the contractors will start on site 2 February 2015 and that the duration of the contract will be 36.5 weeks, that is, 10 weeks of site fabrication and 26.5 weeks on site installation. The contract is due to be completed by 21 December 2015.

Properties within the Project

5.15 There are 644 dwellings in this project that will benefit from the works described in this report and they are listed below:



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Block	Property numbers	No of floor levels	No of units	No of Lifts
Alfred Findley	1-20	2	20	1
Albany Close		2	89	2
Culross Close		2	69	2
Elizabeth Blackwell	1-84	13	84	2
Finsbury House	1-85	9	85	2
George Lansbury House	1-84	13	84	2
John Keats House	1-85	13	85	2
Kenneth Robinson House	1-128	15	128	2
Total number of units			644	15

Resident communication and consultation

- 5.16 Homes for Haringey sent out detailed newsletters to residents, Council Officers and Ward Members in May 2014.
- 5.17 When the contractor is appointed, a further newsletter with a feedback sheet will be sent out with the full contact details of the company, their operatives and Homes for Haringey's Project Team.

Leaseholder Implications

- 5.18 In accordance with the Service Charges (Consultation Requirements) (England) Regulations 2003, the Notifications of Estimates (second consultation notices) have been issued to leaseholders by the Homes for Haringey's Home Ownership Team.
- 5.19 The second consultation notices described the proposed works, provided leaseholders with two estimates for the cost of the proposed works and invited leaseholders to make observations on the estimates.
- 5.20 The statutory consultation period under the second notices ended on 4th October 2014. The total amount estimated to be recovered from 128 leaseholders is £234,771.73.



6. Comments of the Chief Financial Officer and Financial Implications

- 6.1 If the award of the contract is approved, the cost of the contract will be £1,388,954.64 plus fees which are detailed in the exempt part of this report. The phasing of the works will be £385,000 in 2014/15 and £1,142,839 in 2015/16. There is financial provision for these costs in the Mechanical and Electrical budgets for 2014/15 and 2015/16 within the HRA Capital Programme.
- 6.2 There are 128 leaseholders within these blocks and the recoverable sum will be £234,771.73. Recovered sums will be available to fund future HRA programmes.

7. Comments of the Assistant Director of Corporate Governance and Legal Implications

- 7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 7.2 The value of the contract referred to in paragraph 3 is below the EU threshold for works. Therefore it has not been necessary to undertake an OJEU tendering process in accordance with the Public Contracts Regulations 2006 (as amended).
- 7.3 In accordance with CSO 7.01. c), the contract has been procured by inviting tenders from 4 contractors who were randomly selected from Constructionline.
- 7.4 Because of the value of the contract, the award may only be made by Cabinet in accordance with CSO 9.06.1. d).
- 7.5 Leaseholder statutory consultation conducted to date has been carried out in accordance with the requirements of the relevant Regulations.
- 7.6 Please see additional legal comments in the exempt part of the report.

8. Equalities and Community Cohesion Comments

- 8.1 Homes for Haringey's Asset Management Strategy, 2010-17, covers all investment in the Council's housing stock, including lifts improvement.
- 8.2 In compliance with the Council's public sector equality duty, an Equality Impact Assessment was undertaken as part of drawing up the Strategy.
- 8.3 The findings have been incorporated into Homes for Haringey's planning processes for delivering improvement programmes. This includes ensuring that all residents receive the standard of work that is consistent with the



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lifts improvement policy, and that consideration of specific language and other needs are identified and addressed when drawing up the programmes of work.

- 8.4 The proposed works will benefit all residents living in these dwellings and visitors to the blocks. It will allow easy access to the upper floors of the block, particularly for parents with young children, wheelchair users and residents who are elderly or have poor mobility. The tender process used to award the contract was in line with the Council's procurement policy and guidelines, which have equalities considerations at all the key stages.

9. Head of Procurement Comments

- 9.1 The contractors have been selected from Constructionline, (a government managed UK register of pre-qualified construction services database). Exempt Legal comments should be noted.
- 9.2 The tender has been prepared and tendered on a Quality (60%) price (40%) basis for this award.
- 9.3 The preferred bidder should be expected to provide a performance bond since no Parent Company Guarantee undertaking has been received.
- 9.4 The Head of Procurement recommends the award as stated in paragraph 3.1a as value for money.

10. Policy Implications

- 10.1 Homes for Haringey has in place an Asset Management Strategy 2010-17 which provides a strategic framework for the delivery of the Housing Lift Modernisation programme.
- 10.2 The objectives of these strategies are closely linked to the Council's Corporate Plan 2013-15.
- 10.3 These improvement programmes will contribute to the achievement of the Council's Corporate Plan:
- Ensuring that everyone has a decent place to live by managing and maintaining the Council's housing stock by way of a 30 year business plan;
 - Developing and implementing a comprehensive strategy for housing investment and estate renewal, underpinned by a 30 year Housing Revenue Account (HRA) financial plan.
 - Striving for excellent value for money.



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11. Reasons for Decision

- 11.1 A decision is required to enable the approval of the contract for the replacement of 15 lifts, serving 644 homes in the wards of St Ann's, Bounds Green, Noel Park, Northumberland Park and Wood Green.
- 11.2 The lifts that are due to be replaced as part of the Housing Lift Modernisation Programme 2014-15 have exceeded their expected life and it is now becoming increasingly difficult to obtain replacement parts. The modernisation works will improve the reliability and efficiency of the lifts.
- 11.3 The proposal is to award the project to the highest scoring most economically advantageous tenderer that is available to deliver this project as set out in Appendix A (the tender evaluation) in the exempt part of the report.

12. Use of Appendices

Appendix A is the exempt tender evaluation report.

13. Local Government (Access to Information) Act 1985

- 13.1 This report contains exempt and non exempt information. Exempt information is contained in Appendix A of this report and is NOT FOR PUBLICATION. The exempt information is under the following categories (identified in the amended Schedule 12A of the Local Government Act 1972): Information relating to the financial or business affairs of any particular person (including the authority holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.