

**Matter being dealt with by**

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14 September 2010

To: All Members of the Cabinet Procurement Committee  
c.c. All other recipients of Cabinet Procurement Committee papers

Dear Member,

Cabinet Procurement Committee - Thursday, 16th September, 2010

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

**10. BROADWATER FARM LIFT IMPROVEMENTS**

(Report of the Director of Urban Environment): To seek Member's approval to award the contract for lift replacement works at Broadwater Farm Estate.

**17. REPORT ON THE IMPLEMENTATION OF CONSRUCTIONLINE**

(Report of the Director of Corporate Resources): To seek approval of the proposal to implement pre-qualified lists of specialist works contractors to be managed by Constructionline and the Council's Construction Procurement Group.

**19. EXCLUSION OF THE PRESS AND PUBLIC**

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

Items 20 and 26 allow for consideration of exempt information in relation to items 10 and 17 where appropriate which appear earlier on this agenda.

**20. BROADWATER FARM LIFT IMPROVEMENTS**

(Report of the Director of Urban Environment): To seek Member's approval to award the contract for lift replacement works at Broadwater Farm Estate.

**26. REPORT ON THE IMPLEMENTATION OF CONSTRUCTIONLINE**

(Report of the Director of Corporate Resources): To seek approval of the proposal to implement pre-qualified lists of specialist works contractors to be managed by Constructionline and the Council's Construction Procurement Group.

Committee Members are advised that item 11 and item 21 which relate to Muswell Hill Low Carbon Zone Home Energy Retrofit Scheme have been withdrawn as both contractors on the London Homes Consortium framework declined to tender.

Yours sincerely,

Richard Burbidge  
Cabinet Committees Manager



Haringey Council

Agenda item:

Procurement Committee

on 16<sup>th</sup> September 2010

Report Title:	Broadwater Farm Estate – Lift Replacement Scheme	
Report authorised by	Niall Bolger, Director of Urban Environment <i>N Bolger</i> . 10M Sept . 2010 .	
Contact Officer :	Allan Wing - Project Manager, Contact Tel: 020 8489 1008, email: <a href="mailto:allan.wing@homesforharingey.org">allan.wing@homesforharingey.org</a>	
Wards(s) affected:	<b>West Green</b>	Report for: <b>Key Decision</b>
<p><b>1. Purpose of the report (That is, the decision required)</b></p> <p>1.1 To seek Member's approval to waive CSO 8.04 to enable a tender process to take place without advertising but by inviting bids from a selection of contractors from Constructionline (a Government managed UK register of pre-qualified construction services) who were invited to tender for the works.</p> <p>1.2 To seek Member's agreement to award the contract for Lift Replacement works at Broadwater Farm Estate to the contractor as stated in Appendix A paragraph 2.1.</p>		
<p><b>2. Introduction by Cabinet Member</b></p> <p>2.1 This report makes timely recommendations for planned asset management by the replacement of ageing lifts at 10 blocks of council owned housing.</p> <p>2.2 It is to be noted that Housing managers will have to pay close attention to the management of client expectations in the delivery of this project as each block has two lifts within it and enough time has to be allowed for ensuring not only that no two lifts are out of operation at the same time but also that tenants with any mobility problems are given adequate opportunity to contact their Housing Manager in advance to register any special issues that need to be taken on board during the new installation.</p>		

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

**3.1 Sustainable comment**

The replacement of the lifts will improve the reliability and make the operation of the lifts more efficient for residents and visitors to these blocks.

**3.2 Environmental Improvement**

The lift replacement programme forms part of the overall asset management strategy and the 5 year capital programme that delivers the strategy. The 5 year capital programme report has been agreed with Homes for Haringey board members and Haringey council officers.

**3.3 Conservation Area**

Not applicable

**4. Recommendations**

4.1 That Members approve a waiver of CSO 8.04.

4.2 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11.01(a).

4.3 That the total estimated cost excluding fees as detailed in Para 2.1 of Appendix A be noted.

**5. Reason for recommendation(s)**

5.1 Homes for Haringey invited tenders from the Constructionline tender list in accordance with the Council's procurement procedures. It is intended that the contract is awarded to the lowest priced technically feasible tender.

**6. Other options considered**

6.1 Not applicable

**7.0 Summary**

7.1 The works set out in this report forms part of the overall delivery of the Housing Capital Programme for 2010/11.

**7.2 Background**

7.2.1 The lift systems at these sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of the lifts more efficient.

### 7.3 Contract Details

- 7.3.1 Total estimated construction cost (excluding fees) refer to **para 2.1 Appendix A**  
 Anticipated contract start on site 4<sup>th</sup> April 2011  
 Anticipated contract completion 25<sup>th</sup> November 2011  
 Contract duration 60 weeks  
 (27 weeks off site fabrication and 33 weeks on site installation)

### 7.4 Properties Within Project

- 7.4.1 There are 845 dwellings in this project that will benefit from the works described in this report and they are listed below:

Block	Property numbers	No. of floor levels
Croydon	1-74	4
Debden	1-104	4
Hawkinge	1-70	4
Hornchurch	1-80	4
Lympne	1-80	4
Manston	1-56	4
Martlesham	1-96	4
Rochford	1-80	4
Stapleford	1-89	4
Tangmere	13-24 & 25-128	7

### 7.5 Schedule of Works

- 7.5.1 The scope of improvement works within this project includes the replacement of the lift cars, doors and steel architraves to each landing. The lift motor room equipment will be replaced along with the associated wiring. Each lift shaft will be painted, rewired and will include new shaft lighting
- 7.5.2 Each block is served by two lifts. The works will be carried out in two phases with the replacement of one lift to each block in Phase 1, followed by Phase 2 with the replacement of the remaining lifts. This will help to ensure that there would be one lift in operation in each block at all times.
- 7.5.3 The two lifts in each block serve all floors, so there will be no need for residents to ascend or descend their floor in order to reach the lift.
- 7.5.4 Life Cycle Costings summary  
Not applicable
- 7.5.5 Digital Satellite Provision  
Not applicable
- 7.5.6 **Sustainability Implications**
- 7.5.7 The modernisation of the lifts is pre-emptive as some of the equipment is redundant. The replacement of the lifts will reduce the likelihood of the lifts being

totally inoperable in the event of a breakdown which may require the replacement of parts that are obsolete. The new lifts will be more reliable and efficient which will bring enormous improvements to residents, especially the elderly, disabled and parents with young children.

7.5.8 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products. The new lifts will fit in the existing lift shafts thus minimising reconstruction. The new lifts will have simple and standard replacement parts to reduce the repair time when maintaining the equipment.

7.5.9 All of the new equipment is designed to be more efficient and usually smaller. The reduced size contributes to less energy use, less lubrication, less noise, reduced maintenance of components and repairs.

7.5.10 All replacement equipment is broken into constituent parts for recycling and disposed of through specialist organisations, this includes all of the metallic components such as stainless steel cars, entrances, steel ropes, bronze tracks and lift motors.

## 7.6 Conservation Areas

7.6.1 For the purposes of this project, the properties are not located in a conservation area.

## 7.7 Planning

Not applicable

## 8. Chief Financial Officer Comments

8.1 The expected cost of this project including fees is £1,916,375.

8.2 Within the existing 2010-11 capital budget for the Housing Revenue Account there is £434,000 available for this project. This would be sufficient to fund projected expenditure in 2010-11, although the bulk of the expenditure for the project is expected to occur in 2011-12.

8.3 The 2011-12 capital budget for the Housing Revenue Account has not been formally agreed yet, but the draft budget includes provision for a further £2,000,000 for lift works. Only if the draft budget for 2011-12 is agreed does there exist sufficient budget to fund these works.

8.4 It should be noted that the Housing Revenue Account capital budget is under extreme pressure in later years, with existing commitments presently significantly exceeding secured funding.

## 9. Head of Legal Services Comments

9.1 The value of the contract which this report relates to is below the current EU

threshold for works contracts. Therefore it has not been necessary to comply with the requirements of the Public Contract Regulations 2006.

9.2 In accordance with CSO 6.05 tenders were invited from Contractors on the Constructionline tender list.

9.3 Under CSO 11.01(a) contracts can be awarded on the basis of lowest price.

9.4 As the value of the contract exceeds £250,000 it may only be awarded by Members in accordance with CSO 11.03.

9.5 Leaseholders have been issued with Section 20 Notices in accordance with the Landlord and Tenant Act 1985 and no observations were received from leaseholders.

9.5 This is a key decision and Homes for Haringey have confirmed that it has been included in the Forward Plan;

9.6 This is a key decision and Homes for Haringey have confirmed that it has been included in the Forward Plan.

9.7 Members are also asked to approve a waiver of the tendering procedures set out in CSO 8.04 . Under CSO 7.02(a) Members have the power to waiver the requirements of CSO 8.04.

9.8 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of this report.

## **10. Head of Procurement Comments**

10.1 The contractors have been selected from the government UK register Constructionline as part of the Haringey trial of this pre qualification database.

10.2 The tender has been prepared and tendered on lowest price.

10.3 The Head of Procurement recommends the award as stated in Part B paragraph 2.14 in Appendix A.

10.4 See further Head of Procurement comments in exempt information paragraph 4.3.

## **11. Equalities and Community Cohesion Comments**

11.1 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 to those with push chairs and residents who are elderly or with poor mobility.

**12. Consultation****12.1 Internal**

Homes for Haringey have carried out detailed consultation on this project by detailed newsletters to council officers and Ward Members.

**12.2 External**

Homes for Haringey have carried out details consultation on this project through detailed newsletters and a meeting with residents.

12.3 Upon appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and HfH Project Team so that any concerns can be addressed.

**12.4 Leaseholder Implications**

12.5 There are 93 leasehold properties within this project and these are as follows:-

<b>Block</b>	<b>Leaseholders</b>	<b>Total</b>
Croydon	2, 21, 25, 42, 59, 64, 69	7
Debden	4, 5, 18, 41, 43, 53, 60, 103	8
Hawkinge	16, 35, 44, 50, 57	5
Hornchurch	1, 26, 29, 30, 70, 71, 76, 80	8
Lympne	8, 9, 26, 28, 34, 35, 62, 71	8
Manston	9, 12, 25, 27, 29, 30, 41, 54	8
Martlesham	2, 8, 15, 24, 32, 44, 57, 60, 68, 71, 75, 82, 89	13
Rochford	7, 8, 10, 11, 17, 18, 27, 33, 35, 37, 41, 42, 77, 78	14
Stapleford	5, 12, 14, 24, 31, 41, 48, 53, 68, 79, 80	11
Tangmere	13-24, 27, 29, 39, 43, 44, 53, 61, 67, 81, 126	11
<b>TOTAL</b>		<b>93</b>

12.6 As a result of applications made under the Right to Buy legislation, there are 93 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

12.7 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.

12.8 In accordance with the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices and subject to the Procurement Committee's agreement the council will award this contract to the lowest priced technically feasible tender.

12.9 The Housing Service issued the following Section 20 Notices to the leaseholders:

- Notice of intention issued on 05/02/09 and expired on 06/03/09.



- A second Section 20 Notice (Notice of Estimates) was issued on 23/7/10 and expired on 23/8/10.

12.10 The notice gave a description of the proposed works and provided details of two estimates for the costs of the works. The Council is obliged to have regard to any observations from leaseholders on either the first or second notice. The Home Ownership Team has confirmed that no observations were received from leaseholders.

12.11 The total amount estimated to be recovered from 93 leaseholders is £224,178.91.

12.12 Leaseholders within the 5 year Section 125 period total estimated recoverable charges would be £2,655.00 which equates to an average of £221.25 per leaseholder.

12.13 Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges are £221,523.91 which equates to an average of £2,734.86 per leaseholder.

12.14 The charges to all 93 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included within the annual Certificate of Actual Services Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

### **13. Service Financial Comments**

13.1 The project cost estimate is detailed in the exempt information Appendix A (attached) and will be funded from the Housing Capital Lifts Improvements Budget.

### **14. Use of appendices /Tables and photographs**

14.1 Appendix A – separate attachment

### **15. Local Government (Access to Information) Act 1985**

15.1 The background papers relating to this project are:

- Tender analysis report dated 7<sup>th</sup> July 2010  
These can be obtained from Allan Wing – Project Manager on 0208 489 1008.

15.2 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 category (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).

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Agenda item:

**[No.]****Cabinet Procurement Committee****On 16/09/10**

Report Title. Report on the implementation of Constructionline

Report of **Director of Corporate Resources**

Signed :

Contact Officer : David Mulford, 020 8489 1037

Wards(s) affected: **All**Report for: **Key Decision****1. Purpose of the report (That is, the decision required)**

- 1.1. To seek Cabinet Procurement Committee approval of the proposal to implement pre-qualified lists of specialist works contractors to be managed by Constructionline and the Council's Construction Procurement Group.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. I concur and support the recommendations.

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. The Council's Category Management strategy has identified a number of specialist construction categories where an opportunity exists to provide value for money through the adoption of pre-qualified lists of contractors to achieve economies of scale and enable quicker project initiation

**4. Recommendations**

4.1. That the proposed implementation of pre-qualified lists for specialist works contractors be approved.

**5. Reason for recommendation(s)**

5.1. Specialist construction works contractors are procured for works that cannot easily be carried out directly by a general build construction contractor.

5.2. The Council's Category Management strategy has identified a number of specialist construction categories that could benefit through the implementation of various procurement mechanisms (i.e. contracts/framework agreements/pre-qualified lists). The implementation of such mechanisms would provide value for money through economies of scale and would also to maintain the standards set out by the Council for its suppliers.

**6. Other options considered**

6.1. The large number of contractors that are required for specialist works across the Council means the tender process that would be needed to procure contracts/framework agreements for the specialist works categories would be resource and time intensive. The option to use pre-qualified lists was therefore piloted on a limited basis, with Constructionline assisting the process of pre-qualification, as well as managing the lists following their selection. This also reduced time that would otherwise be spent by CPG in managing the lists, allowing CPG officers to spend more time assisting Council clients on procurement matters and managing contracts

6.2. Other agencies that could provide pre-qualification evaluation services for contractors were also examined, but such organizations charge for the use of their service and also do not provide the same level of detail in their evaluation process; therefore Constructionline is the chosen option over these alternatives.

**7. Summary**

7.1. The Council currently uses pre-qualified lists that are set-up and managed by the Construction Procurement Group to procure specialist contractors.

7.2. These existing pre-qualified lists have now become outdated through changes in status of the pre-qualified firms, e.g. financial status, CHAS (health and safety) accreditation, etc.

7.3. Constructionline is the UK's register of local and national pre-qualified construction services. Owned by the BIS Department and managed by Capita, it offers commercial gains to public and private sector procurers and the construction industry as a whole, by improving efficiency, streamlining

procedures, and supplying clients with centrally maintained data about firms that is used at the start of the procurement process. A number of London boroughs and public sector authorities use Constructionline for the provision of construction services (see Appendix A, point 1).

7.4. Following the successful trial, it is proposed that Constructionline is used by the Council to generate tender lists for projects requiring specialist contractors from the contractors on their database such as mechanical and electrical works. A number of specialist categories that are frequently used by the Council have been identified for which discrete pre-qualified lists of between 3 and 10 companies will be selected for use by Haringey (see Appendix A, point 2).

7.5. These lists will be advertised by Constructionline in trade press and evaluated by Haringey and Constructionline to create a short list of contractors. Once the lists have been finalised they will be managed by Constructionline. This will involve monitoring core information on the companies by keeping up-to-date records for accounts, insurance, health & safety and all relevant policy and procedure documents requested as part of the pre-qualification process. Constructionline will pay for the adverts in trade press that will advertise the pre-qualification process. These adverts would typically cost approximately £3,000. This is therefore a saving seen through the use of Constructionline.

7.6. In order to be included on the pre-qualified lists contractors will need to be members of Constructionline. In order to become a Constructionline member, contractors are required to pay a membership fee. Therefore any contractors that apply to the pre-qualified lists who are not existing members of Constructionline will be required to pay a membership fee. However, these fees are not Haringey specific but enable contractors to access tender opportunities across the full UK spectrum of public and private sector buying organizations (see Appendix B, part 1).

7.7. It is intended that these lists will be set for four years. CPG will then manage the selection process for each tender carrying out checks as current i.e. financial and insurances via the Constructionline online database. Subsequent contracts will be awarded by way of a mini-tender using the pre-qualified contractor lists.

7.8. The pre-qualified lists will be used for projects of value below the EU threshold for works (£3,927,260). Where the value of work to be carried out is greater than this value an EU tender process must be followed. In practice it is unlikely that specialist works contractors would be required for works over the EU threshold.

## **8. Chief Financial Officer Comments**

8.1. The Chief Financial Officer has been consulted over the contents of this report and notes that Procurement officers have confirmed that there is no cost to Haringey for using Constructionline. Furthermore it is a vehicle already used by a number of other London Boroughs and should enable the delivery of efficiencies

in procurement activity.

**9. Head of Legal Services Comments**

- 9.1. The pre-qualified lists would be used for projects below the EU threshold for works. Therefore it would not be necessary to comply with the Public Contract Regulations 2006.
- 9.2. Tenders conducted using the pre-qualified lists would need to comply with the Council's Contract Standing Orders.
- 9.3. As the total value of contracts to be awarded from the pre-qualified lists is likely to exceed £250,000 the recommendation in paragraph 4 of the report may only be approved by Members pursuant to CSO 11.03.
- 9.4. This is a key decision and the Construction Procurement Group has confirmed that it has been included in the Forward Plan.
- 9.5. Please see additional legal comments in Appendix B, part 2.

**10. Head of Procurement Comments – [Required for Procurement Committee]**

- 10.1. The establishment of the recommended pre-qualified lists in conjunction with Constructionline has been generated from the continual review of the category Construction and Facilities Management within the Councils category management strategy.
- 10.2. These specialist lists will create efficiency savings in the selection process, by them being managed by Constructionline thus enabling Council procurement officers' time to be better utilised directly on projects regarding procurement and contractual matters. The cost of the tender notices will be absorbed by Constructionline.
- 10.3. These specialist lists are only for works below the EU threshold and therefore the full EU procurement regime does not apply.
- 10.4. Please see additional procurement comments in Appendix B, part 3.

**11. Equalities & Community Cohesion Comments**

- 11.1. The use of Constructionline to provide contractors for specialist construction works will be available across all directorates and all Haringey wards.
- 11.2. Companies' equalities policies will be evaluated as part of the pre-qualification process to be carried out by the Council, and the ongoing management of the lists by Constructionline.

## **12. Consultation**

12.1. The Construction Procurement Group has consulted with officers in the Construction and Facilities Management core group from across Council directorates as part of the Council's Category Management scheme. Key clients have also been consulted with to agree the specialist categories for which discrete lists are to be generated.

## **13. Service Financial Comments**

13.1. The construction costs of projects for which constructors are provided by Constructionline may be funded externally, or through the relevant directorate's revenue or capital budgets.

13.2. The use of Constructionline to the Council is free.

## **14. Use of appendices /Tables and photographs**

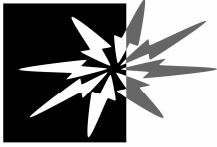
14.1. Appendix A – additional information

14.2. Appendix B – exempt information

## **15. Local Government (Access to Information) Act 1985**

15.1. Appendix B of this report contains exempt information and is **not for publication**. The exempt information is under the following category (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) (Ground 3).*



**Haringey** Council

## **Appendix A – Additional information**

### 1. London boroughs and authorities using Constructionline:

- London Borough Of Barking & Dagenham
- London Borough Of Barking & Dagenham (Regeneration Department)
- London Borough Of Barnet, Central Purchasing Unit
- London Borough Of Bexley
- London Borough Of Brent
- London Borough Of Camden
- London Borough Of Croydon (Programmed Works)
- London Borough Of Croydon, Property Services
- London Borough Of Ealing (Strategic Procurement)
- London Borough Of Greenwich
- London Borough Of Hackney, Corporate Procurement Services
- London Borough of Hammersmith & Fulham, Building Technical Services
- London Borough Of Havering, Asb Unit
- London Borough Of Hillingdon
- London Borough Of Hillingdon, Private Sector Housing
- London Borough Of Hounslow, Procurement
- London Borough Of Lewisham, Procurement Team
- London Borough Of Merton (Audit Section)
- London Borough Of Merton (Mitcham District Housing Office)
- London Borough Of Merton (Wimbledon District Housing Office)
- London Borough Of Merton, Environmental Services Department
- London Borough Of Merton, Morden District Housing Office
- London Borough Of Merton, Serco Property & Design
- London Borough Of Sutton (Construction & Property Services)
- London Borough Of Tower Hamlets, Central Procurement
- London Borough Of Waltham Forest, Enviromental Services
- London Borough Of Wandsworth (Childrens Services Department)
- London Borough Of Wandsworth (Leisure & Amenity Services Department)
- London Borough Of Wandsworth (Opms)
- London Borough Of Wandsworth (Policy Unit)
- London Fire And Emergency Planning Authority
- London Procurement Programme
- London School Of Economics & Political Science
- London Thames Gateway Development Corporation

### 2. Specialist construction categories for which pre-qualified lists will be generated:

- Catering Equipment Installation – up to £74,999
- Catering Equipment Installation – £75,000 and above
- Catering Equipment Maintenance
- Civil Engineering – up to £250,000
- Concrete Repairs & Masonry Repairs – up to £500,000
- Demolition – up to £1,500,000
- Door Entry Installation Works – up to £499,999



- Door Entry Installation Works – £500,000 to £1,000,000
- Electrical Works – up to £74,999
- Electrical Works – £75,000 and above
- Fencing – up to £250,000
- Flooring – up to £24,999
- Flooring – £25,000 and above
- Landscaping – up to £74,999
- Landscaping – £75,000 and above
- Lift Installation – up to £124,999
- Lift Installation – £125,000 and above
- Mechanical Services – up to £74,999
- Mechanical Services – £75,000 and above
- Steel & Metalwork – up to £100,000
- Swimming Pool Equipment

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