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24 July 2008

To: All Members of the Procurement Committee  
c.c. All Other Persons Receiving Procurement Committee agenda

Dear Member,

Cabinet Procurement Committee - Tuesday, 29th July, 2008

I attach an amended copy of the following reports for the above-mentioned meeting. Please substitute them for the copies circulated with the agenda.

Members are also asked to note that item numbers 12 and 21 on the agenda which were marked 'Not Available at Time of Collation' have now been withdrawn.

**10. WOOD GREEN DECENT HOMES - PHASE WG4**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for the Decent Homes Programme for Granville Road N22.

**EXEMPT ITEM**

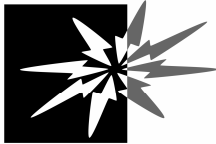
The following item allow for consideration of exempt information (if required) in relation to items 10 above.

**19. WOOD GREEN DECENT HOMES WORKS PHASE WG4 (PAGES 1 - 2)**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for the Decent Homes Programme for Granville Road N22.

Yours sincerely,

Richard Burbidge  
Cabinet Committees Manager



**Haringey** Council

## REPORT TEMPLATE

Agenda item:

**(No.)**

**Procurement Committee**

**On 29th July 2008**

Report Title: **Wood Green Decent Homes Works Phase WG4.**

Forward Plan reference number (if applicable):

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected:

Report for: **Key Decision**

### **1. Purpose**

1.1 To inform Members that the Decent Homes Programme for Granville Road to commence on the 4<sup>th</sup> August 2008.

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

2.1 In accordance with our commitment to achieve Decent Homes standards to our homes, properties within this phase have been surveyed and works will include, where required on an individual basis to achieve Decent Homes Standards, replacement double Glazed windows, front entrance doors, roof replacement internal rewires, kitchen and bathroom refurbishment, roof repair/renewal, smoke detectors, asbestos removal, digital satellite installation and external redecoration.

### **3.0 Recommendations**

3.1 That Members agree to award the contract for the above Project to the contractor named in Appendix A2.1, as allowed under Contract Standing Order (CSO) 11.03.

3.2 That the total Agreed Maximum Price excluding fees as detailed in Para 2.2 of Appendix A be

noted

Report Authorised by: **Niall Bolger, Director of Urban Environment**

Contact Officer: **Pauline Hinds**  
**Strategic Client Representative**  
**Homes for Harlingey, River Park House (6<sup>th</sup> Floor)**  
**225 High Road. London N22 4HQ**  
**Tel no: 020 8489 1134, e.mail: Pauline.hinds@homesforharingey.org**

#### **4.0 Chief Finance Officer Comments**

- 4.1 It should be noted that on 13<sup>th</sup> Feb 2007, this committee approved framework agreements to Decent Homes contractors and 4 compliance teams, to cover 4 areas. This report details the specific works needed to the 21 properties in the WG area, priced in accordance with the framework agreement.
- 4.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £23m has been approved for 2008-09. This scheme is included in the schedule for 2008-09, thus will be funded from this budget

#### **5.0 Head of Legal Services Comments**

- 5.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 21 properties in the Wood Green area (*details of which are set out in Paragraph 15.2, below*), to the contractor recommended in paragraph 3 of this report.
- 5.2 Cabinet Procurement committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.
- 5.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 5.4 The contractor recommended in Paragraph 3 of this report was awarded the Framework Agreement in respect of the Wood Green area.
- 5.5 As the value of the contract is above the Council's Key Decision threshold of

£500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.

5.6 As the value of the proposed contract exceeds £250,000 the award must be agreed by the Procurement Committee in accordance with CSO 11.3.

5.7 The Head of Legal Services confirms a decision in principle by the Procurement Committee to approve the recommendations in this report will not invalidate the statutory consultation process providing the Council does not execute any agreement or issue any works instructions and works do not commence before the statutory consultation period has expired and proper consideration is given to any further leaseholder observations received before the deadline 26th<sup>th</sup> July 2008). Subject to that proviso, that there are no legal reasons preventing Members from approving in principle the recommendation as to the award, as set out in paragraph 3 of this report.

#### **6.0 Head of Procurement Comments**

6.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

6.2 The Client needs ensure that a risk register is in place for the works and are monitored on a regular basis

6.3 An agreed Maximum price has been agreed by the parties prior to start on site in accordance with the process allowed under the form of contract.

6.4 The Head of Procurement therefore state that the recommendations in this report offer best value for the Council.

#### **7.0 Local Government (Access to Information) Act 1985**

7.1 The background papers relating to this project are:

- 'The Award of Framework Agreements to four Decent Homes Constructors Partners'.
- Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.
- Short List Report dated October 2006
- Invitation to Tender Document dated October 2006
- Tender Reports dated February 2007
- 

These can be obtained from Larry Ainsworth – Strategic Client Representative on 020 8489 1134.

7.2 This report contains exempt and non exempt information. Exempt information is

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):

- 7.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **8.0 Strategic Implications**

- 8.1 The works within this phase form part of the overall Decent Homes Programme.  
This phase is part of our commitment to commence decent homes works in May 2008.

## **9.0 Financial Implications**

- 9.1 This scheme is estimated to cost the amount set out in paragraph 2.3 of Appendix A.  
9.2 Provision for this exists within the Decent Homes Budget for 2008/2009.

## **10. Legal Implications**

- 10.1 See section 5 above.

## **11. Equalities Implications**

- 11.1 The works will ensure that all tenants and leaseholders living throughout the borough will reside in a decent home by the end of this programme of work.  
11.2 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.

## **12. Consultation**

- 12.1 Homes for Haringey have carried out detailed consultation on this project by a resident meeting and detailed newsletters.  
12.2 Statutory consultation with leaseholders is dealt with at paragraphs 17/18 below.

## **13. Background**

- 13.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003. The objective of the Decent Homes Standard is that every tenanted home should be

decent in accordance with the guidelines of the ODPM (now DCLG) by December 2010.

- 13.2 The Decent Homes Programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 13.3 Managing and delivering the Decent Homes programme to cost, time and to the expectation of the tenants and residents of Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other Local Authorities/ALMOs.
- 13.4 On 13<sup>th</sup> Feb 2007, this committee approved the framework agreements to four Decent Homes contractors and 4 compliance teams, to cover 4 areas. This report details the specific works needed to the 21 properties in the Wood Green area, priced in accordance with the framework agreement.
- 13.5 The procurement and delivery of the Decent Homes Constructors has been managed by Homes for Haringey under the terms of its management agreement with the Council.

Number of dwellings in project	
21	
Total estimated construction cost (excluding fees)	para 2.1 Appendix A
Anticipated Contract start on site	4 <sup>th</sup> August 2008
Anticipated Contract completion	03 <sup>rd</sup> November 2008
Contract duration	13 weeks
Contractor	para 2.2 Appendix A

#### **14. Agreed Maximum Price**

- 14.1 The Agreed maximum price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.
- 14.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the PPC2000 (Project Partnering Contract) form of contract. The PPC2000 form of contract was formed from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.
- 14.3 It is designed to allow for a multi party approach by the client, constructor, consultants and specialists to provide a consistent approach to working within a partnering ethos.
- 14.4 PPC2000 provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

**15.0 Proposed Work**

15.1 The works will include, where required on an individual basis to achieve Decent Homes Standards, replacement Double Glazed windows, Front entrance doors, internal rewires/upgrades, kitchen and bathroom refurbishment, digital satellite installation and roof repair/renewal.

15.2 The roof of block 2-12 is to be replaced with a new flat roof covering. A pitch roof is not proposed due to the complexity of the roof shape and roof top plant room projections.

Type of Dwellings	No. of Units
Low-medium rise blocks	20
Houses	1

15.2 The properties in this project are located at:

Granville Road, 2-12, 141-145a, 28-38, 70/a

**16.0 Leasehold Information**

16.1 There are 10 leaseholders in this phase of works and they are as follows:

Granville Road 2,4,6,8,10,34,141,141A,143A, & 145A

**17.0 Leasehold Consultation**

17.1 Homes for Haringey is conducting formal consultation with every leaseholder in the Borough in order to fulfil the Council’s obligations under The Service Charges (Consultation Requirements) (England) Regulations 2003 (‘the Regulations’). A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21<sup>st</sup> of July 2006. The form and content of the Notice was approved by Mr Jonathan Brock, a leading property law Queen’s Counsel, before it was issued. In March last year the LVT awarded the dispensation in respect of the appointment of the Constructor Partners.

**18.0 Leasehold Implications**

18.1 As a result of applications made under the Right to Buy legislation, there are 10 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

18.2 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.

- 18.3 In accordance with The Service Charges Regulations 2003, under schedule 3, notice was issued on the 26<sup>th</sup> June 2008 to expire on the 26<sup>th</sup> July 2008.
- 18.4 The notice gave a description of the proposed works and provided details for the costs of the works. The statutory consultation period ended on 26<sup>th</sup> July 2008. All leaseholder observations received by 26<sup>th</sup> July will be tabled at the meeting. The Legal Service is satisfied that leaseholder consultation has been carried out to date in accordance with the relevant legal requirements.
- 18.5 The total amount estimated to be recovered from the 10 leaseholders is  
£125,687.40
- 18.6 The charges to all 10 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included with the annual Certificate of Actual Service 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%.
- 18.7 No works will commence on site until completion of the notice period or if there is an outstanding leasehold enquiry as a result of the notice.
- 18.8 No observations have been received for this project.

### **19.0 Sustainability**

- 19.1 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products.
- 19.2 Existing flat roofs that have received numerous repairs in the past and cannot be economically repaired further will be replaced with a new roof, which will carry a 20 year warranty.
- 19.3 The new wiring contains an element of copper, a material that can be recycled at the end of its useful life.
- 19.4 The new wiring will reduce the need for maintenance as testing of the electrical system will only need to be carried out after ten years for dwellings and five

years for the landlord's services.

19.5 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings.

19.7 The selected kitchen, Premiere, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.

19.8 Providing an integrated satellite reception system reduces the quantity of satellite dishes fixed to the property, resultant damage to the building fabric and gives lower income families access to increased TV viewing choice.

19.9 The contractor is registered and comply with the Considerate Constructors Scheme.

19.10 The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

## **20.0 Project Management**

20.1 Homes for Haringey, managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

20.2 The key members of the project team are as follows:

Pauline Hinds Haringey	Strategic Client Representative – Homes for
Peter Docherty Bucknall	Compliance Team – Rider Levett
Corina Thomas Officer	Tenancy Management

## **21.0 Health and Safety Implications**

21.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

21.2 The Construction (Design and Management) Regulations 2007 apply to this project and the contractor's Construction Phase Health and

Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

**22. Conclusion**

22.1 That the procurement committee accept the recommendations outlined in section 3 above.

**23. Use of Appendices/Tables/Photographs**

**Appendices A** Exempt information

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