



**NOTICE OF MEETING**  
**\*PLEASE NOTE STARTING TIME**

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## Cabinet Procurement Committee

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TUESDAY, 16TH FEBRUARY, 2010 at \*18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Bob Harris (Chair), Bevan, Kober and Reith

### **AGENDA**

**1. APOLOGIES FOR ABSENCE**

**2. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 17 below. New items of exempt business will be dealt with at item 30 below.

**3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. MINUTES (PAGES 1 - 4)**

To confirm and sign the minutes of the meeting of the Procurement Committee held on 12 January 2010.

**5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

To consider any requests received in accordance with Standing Orders.

**6. BUILDING SCHOOLS FOR THE FUTURE: BSF PROGRAMME COST MANAGER AND QUANTITY SURVEYORS (PAGES 5 - 12)**

(Report of the Director of the Children and Young Peoples Service): To seek approval to the payment of additional fees for Quantity Surveying Services for the Building Schools for the Future Programme.

**7. PROPOSED NOMINATION AGREEMENTS RELATING TO THE SUPPLY OF PROPERTIES PROCURED UNDER A HALS FOR USE AS TEMPORARY ACCOMMODATION (PAGES 13 - 20)**

(Report of the Director of Urban Environment): To seek approval to enter into nomination agreements with up to five providers of Housing Association Leased Scheme (HALS) accommodation on completion of a successful competitive tender process.

**8. AWARD OF GAS CONTRACT FOR PRIVATE SECTOR LEASING AND HOSTEL ACCOMMODATION**

(Report of the Director of Urban Environment): To seek approval to the award of the gas safety and maintenance contract for properties used for temporary accommodation and as hostels to a single contractor following a competitive tender exercise. **NOT AVAILABLE AT TIME OF COLLATION**

**9. HORNSEY DECENT HOMES PROGRAMME 2010/11 PHASE HO12 (PAGES 21 - 32)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract to various properties in the Hornsey area known as HO12 within the delivery of the Decent Homes Programme.

**10. HORNSEY DECENT HOMES PROGRAMME 2010/11 - PHASE HO13 (PAGES 33 - 44)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties in the Hornsey area known as HO13 within the Decent Homes Programme.

**11. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT13 (PAGES 45 - 56)**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the North Tottenham Area known as NT13 within the Decent Homes Programme.

**12. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT14 (PAGES 57 - 64)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works in the North Tottenham area known as NT14 within the delivery of the Decent Homes Programme.

**13. SOUTH TOTTENHAM (BROADWATER FARM) FIRE PREVENTION WORKS (INTERNAL) (PAGES 65 - 74)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties on the Broadwater Farm Estate.

**14. WOOD GREEN DECENT HOMES PROGRAMME 2010/11 - PHASE WG 17 (PAGES 75 - 82)**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the Wood Green Area known as WG17 within the delivery of the Decent Homes Programme.

**15. HOMES FOR HARINGEY DECENT HOMES SHELTERED HOUSING (INTERNAL AND EXTERNAL WORKS) AND THE DE-CONVERSION OF PARKLANDS HOSTEL**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a package of works to the Homes for Haringey Sheltered Decent Homes programme and the de-conversion of the Parklands Hostel. **NOT AVAILABLE AT TIME OF COLLATION**

**16. FRAMEWORK AGREEMENT FOR MAJOR BUILDING CONSTRUCTION WORKS (PAGES 83 - 88)**

(Report of the Director of Corporate Resources): To seek approval to award framework agreements for the provision of major building construction works for buildings owned or managed by the Council and Homes for Haringey.

**17. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 2 above.

**18. 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 19 - 29 allow for consideration of exempt information in relation to items 6 and 16 which appear earlier on this agenda.

**19. BUILDING SCHOOLS FOR THE FUTURE: BSF PROGRAMME COST MANAGER AND QUANTITY SURVEYORS (PAGES 89 - 90)**

(Report of the Director of the Children and Young Peoples Service): To seek approval to the payment of additional fees for Quantity Surveying Services for the Building Schools for the Future Programme.

**20. PROPOSED NOMINATION AGREEMENTS RELATING TO THE SUPPLY OF PROPERTIES PROCURED UNDER A HALS FOR USE AS TEMPORARY ACCOMMODATION (PAGES 91 - 92)**

(Report of the Director of Urban Environment): To seek approval to enter into nomination agreements with up to five providers of Housing Association Leased Scheme (HALS) accommodation on completion of a successful competitive tender process.

**21. AWARD OF GAS CONTRACT FOR PRIVATE SECTOR LEASING AND HOSTEL ACCOMMODATION**

(Report of the Director of Urban Environment): To seek approval to the award of the gas safety and maintenance contract for properties used for temporary accommodation and as hostels to a single contractor following a competitive tender exercise. **NOT AVAILABLE AT TIME OF COLLATION**

**22. HORNSEY DECENT HOMES PROGRAMME 2010/11 - PHASE HO12 (PAGES 93 - 96)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract to various properties in the Hornsey area known as HO12 within the delivery of the Decent Homes Programme.

**23. HORNSEY DECENT HOMES PROGRAMME 2010/11 - PHASE HO13 (PAGES 97 - 100)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties in the Hornsey area known as HO13 within the Decent Homes Programme.

**24. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT13 (PAGES 101 - 104)**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the North Tottenham Area known as NT13 within the Decent Homes Programme.

**25. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT14 (PAGES 105 - 108)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works in the North Tottenham area known as NT14 within the delivery of the Decent Homes Programme.

**26. SOUTH TOTTENHAM BROADWATER FARM FIRE PREVENTION WORKS (INTERNAL) (PAGES 109 - 110)**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties on the Broadwater Farm Estate.

**27. WOOD GREEN DECENT HOMES PROGRAMME 2010/11 - PHASE WG17 (PAGES 111 - 114)**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the Wood Green Area known as WG17 within the delivery of the Decent Homes Programme.

**28. HOMES FOR HARINGEY DECENT HOMES SHELTERED HOUSING (INTERNAL AND EXTERNAL WORKS) AND THE DE-CONVERSION OF PARKLANDS HOSTEL**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a package of works to the Homes for Haringey Sheltered Decent Homes programme and the de-conversion of the Parklands Hostel. **NOT AVAILABLE AT TIME OF COLLATION**

**29. FRAMEWORK AGREEMENT FOR MAJOR BUILDING CONSTRUCTION WORKS (PAGES 115 - 120)**

(Report of the Director of Corporate Resources): To seek approval to award framework agreements for the provision of major building construction works for buildings owned or managed by the Council and Homes for Haringey.

**30. NEW ITEMS OF EXEMPT URGENT BUSINESS**

To consider any items admitted at item 2 above.

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and Member Services  
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8 February 2010

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE  
TUESDAY, 12 JANUARY 2010**

Councillors \*Bob Harris (Chair), \*Bevan, \*Kober and \*Reith

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC64.	<p><b>MINUTES</b> (Agenda Item 4)</p> <p>We noted that with regard to minute PROC.59 Councillor Bevan still had not yet been supplied with a copy of the report on the possible issue of Homes for Haringey parking permits as part of the contract with Civica and we asked that expedite a response.</p> <p><b>RESOLVED</b></p> <p>That the minutes of the meeting held on 22 December 2009 be approved and signed.</p>	<p>DUE</p> <p>HLDMS</p>
PROC65.	<p><b>PROCUREMENT OF THE WASTE MANAGEMENT CONTRACT</b> (Report of the Director of Urban Environment - Agenda Item 6)</p> <p>We noted that the report was the second in a series of quarterly information reports designed to update us on the progress of the procurement of the new contract for the Councils Collection of Waste and Recycling, Street Cleansing and other Environmental Services. We also noted that the procurement was being undertaken under OJEU Competitive Dialogue regulations and was expected to result in an Award of Contract recommendation to our Committee in Autumn 2010.</p> <p>It having been reported that on-going dialogue would continue with the three short listed bidders until the submission of their detailed solutions in February following which bids would be evaluated with a view to identifying the final two bidders, clarification was sought of whether it might be more advisable to continue working with all three potential suppliers throughout the remaining phases of the dialogue. Officers indicated that the option of working with all three suppliers could be reviewed when the bids were evaluated in February.</p> <p>Arising from consideration of the report reference was made to the waste collection arrangements on Homes for Haringey estates and, in particular, to the need for provision to be made for more collections and for collections to be programmed for when Estate Service Officers were present to ensure that they were properly supervised.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>1. That the procurement procedure currently underway and the progress made to date as outlined in the interleaved report be noted.</li> <li>2. That it be noted that this was the second of a number of reports to be presented and scheduled at key stages of the procurement to keep the Committee informed of progress.</li> </ol>	

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	<p>3. That it be noted that the procurement would eventually lead to approval being sought as a key decision to award the contract for an Integrated Waste Management Contract with a total contract value per annum of up to £20 million for a 14 year term with a possible extension for a further period of up to 7 years.</p>	
<p><b>PROC66.</b></p>	<p><b>TOTTENHAM HIGH ROAD - PARTNERSHIP SCHEMES IN CONSERVATION AREAS (PSICA): AWARD OF CONTRACT</b> (Report of the Director of Urban Environment - Agenda Item 7)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought approval to award a building contract in respect of Nos. 467-477 (except No. 471) and 482-488 Tottenham High Road which was part of the Tottenham 'Partnership Schemes in Conservation Areas' (PSiCA) which was match funded by English Heritage.</p> <p>In response to a question about the lowest tender bid received it was confirmed that this reflected the current economic conditions and that a Clerk of Works was to be appointed to closely monitor workmanship and the overall project. Clarification was also sought as to why the contractor had included a list of three domestic sub-contractors that they proposed to use but was yet to confirm a full list for approval. We were informed that the scheme architect wished to further discuss with the contractor the specialist works required before the list was finalised and we asked officers to ensure that the final list was passed to the Head of Procurement to ensure that all necessary checks were carried out.</p> <p>With regard to the individual grant agreements between the Council and property owners, further clarification was sought of the monitoring arrangements with respect to the maintenance of external decorations. Having been informed that these would be the responsibility of the Regeneration and Conservation Officer in conjunction with the Planning and Enforcement Services, we asked that wording of the agreements be changed to reflect that if the property was disposed of within three years of completion of the works the funding <u>would</u> be recovered.</p> <p>We also asked to be supplied with more details of the services to be provided by the Conservation Planning Consultant including the working arrangements proposed.</p> <p><b>RESOLVED</b></p> <p>1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for building works to Nos. 467-477 (except No. 471) and 482-488 Tottenham High Road to Mulalley &amp; Co. Ltd. on the terms and conditions set out in the Appendix to the interleaved report.</p>	<p>DUE</p> <p>DUE</p> <p>DUE</p> <p>DUE</p>



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	<p>2. That it be noted that the contract period was 31 weeks.</p>	
<p><b>PROC67.</b></p>	<p><b>PREPARATION FOR PERSONALISATION - CARERS' CONTRACTS – WAIVER</b> (Report of the Director of Adult, Culture and Community Services - Agenda Item 8)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought our approval to a waiver of the Contract Standing Order requirement to tender in order to allow the Director of Adult Culture and Community Services to award carers contracts funded through the Area Based Grant to 3 named organisations.</p> <p>In response to a question about the quality of the services provided by the 3 organisations in question we were informed that because the funding for these services came from the Area Based Grant they would have been the subject of robust performance management arrangements. Each of the 3 existing suppliers was reported to be performing well and providing much needed services.</p> <p>Whilst it was accepted that the three organisations provided a valuable service further clarification was sought of what analysis had been made of the needs of the communities which they served and of the needs of other minority groups. We were informed that the Government's Personalisation Agenda would radically change the way in which these services were provided after March 2011 and that as part of the process there would be a refreshed Equalities Impact Assessment which it was anticipated would include communities and groups for whom provision was not currently made. However, what was now being sought was an endorsement of the Well Being Partnership Board's recommendation that each of the current organisations have their funding agreed through steady state until 31 March 2011.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>1. That in accordance with Contract Standing Order 7.02 approval be granted to a waiver of the requirement to tender in respect of the three care contracts set out in the interleaved report on the grounds that it was in the Council's overall interest.</li> <li>2. That in accordance with Contract Standing Order 11.02 the Director of Adult Culture and Community Services be authorised to award contracts of 14 months duration to the following 3 organisations on the terms and conditions set out in the interleaved report and the appendix thereto – <ul style="list-style-type: none"> <li>• The Black and Minority Ethnic Carers Support Services (BMECSS)</li> </ul> </li> </ol>	<p>DACCS</p> <p>DACCS</p>

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	<ul style="list-style-type: none"><li>• The Asian Carers Support Group (ACSG)</li><li>• The Mental Health Carers Support Association (MHCSA)</li></ul> <p>3. That it be noted that an update report would be submitted in December 2010.</p>	
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The meeting ended at 18.20 hours.

BOB HARRIS  
Chair

[No.]

Agenda item

PROCUREMENT COMMITTEE		On 16 <sup>th</sup> February 2010
Report Title		
<b>Building Schools for the Future: BSF Programme Cost Manager and Quantity Surveyors</b>		
Report authorised by : <b>Director of the Children &amp; Young People's Service</b>		
Signature :		
Contact Officer : <b>Jon McGrath</b>		
<b>020 8489 1818</b>		
<b>jon.mcgrath@haringey.gov.uk</b>		
Wards(s) affected: <b>Various</b>	Report for: <b>Key Decision</b>	
<b>1. Purpose of the report</b>		
1.1 To seek approval for the additional resources required to deliver the Programme Cost Manager and Quantity Surveyor role associated with completion of the BSF programme.		
<b>2. Introduction by Cabinet Member</b>		
2.1 In relation to the 12 projects in the BSF programme it is clear that the complexity and volume of work involved has been greater than originally anticipated when the contract was let for Programme Cost Management and Quantity Surveyor services. Although this report does not propose to change the rates being paid, it does recognise the greater amount of work required to properly resource the BSF programme. This does represent an increase in spend with the incumbent provider, but the BSF Board has considered this in some detail and supports the recommendations as the additional costs can be met from within the BSF budget. I am therefore supporting the recommendation in the report.		

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

#### **3.1 Council Priorities**

##### **3.1.1 Making Haringey one of London's Greenest Boroughs**

3.1.1.1. The Council's Programme Cost Manager and Quantity Surveyors will support the Building Schools for the Future programme in exhibiting a number of sustainability features. They play a key role in ensuring that the appointed Construction Partners are working in accordance with the Council's policies and the Council's Requirements for each individual project, and that the projects achieve their BREEAM and renewables targets.

##### **3.1.2 Creating a Better Haringey: Cleaner, Greener and Safer**

3.1.2.1. The Programme Cost Manager and Quantity Surveyors are closely involved in ensuring the Construction partners conform to sustainable greener methods of working.

##### **3.1.3 Encouraging Lifetime Well Being, at Home, Work, Play and Learning**

3.1.3.1. The Programme Cost Manager and Quantity Surveyors work closely with the BSF Transformation stream in contributing towards providing schemes which will transform outcomes for young people in Haringey by improving the learning environment, providing anywhere/anytime access to ICT, increasing inclusion and providing a wider range of pathways of study.

3.1.3.2. The BSF programme will improve access to extended services in and around schools and contribute to improving community cohesion. Examples include access to out of hours study support for children and families, sports and the arts. This project is proposing a new hall which could potentially be used for community use out of hours.

##### **3.1.4 Promoting independent living while supporting adults and children when needed**

3.1.4.1. The Programme Cost Manager and Quantity Surveyors support the BSF Programme in ensuring the Construction Partners implement, wherever possible, the Council's policies on local labour employment, and creating apprenticeships for local people.

##### **3.1.5 Delivering Excellent, Customer Focussed, Cost Effective Services**

3.1.5.1. Key to the success of the BSF programme is high quality finished school spaces to improve standards within schools. The Programme Cost Manager and Quantity Surveyors role play a role in ensuring that work carried out by the Construction Partners is consistent with the standards expected by the Council.

#### **3.2 Council Strategies**

##### **3.2.1 Safer for All**

3.2.1.1. In all our work we will pay particular attention to:

- Young people and crime
- Mental health issues
- Support for victims and witnesses of crime
- Working with and through communities (Community Engagement Resources)

### **3.2.2 Value for Money**

3.2.2.1. Discussions have been carried out within the terms and cost rates of the original framework contract. This has been overseen by the Council's Central Procurement group and achieved reductions from the proposals made by the supplier.

### **3.2.3 Engagement of the Community**

3.2.3.1. The designs of the projects have been made available prior to the construction stage. These initiatives will continue through the construction period.

### **3.2.4 Risk Management**

3.2.4.1. Risks are managed within the governance of the BSF programme. This includes Stream Lead meetings and reporting to the Programme Board. The projects are managed within Prince 2 methodology and Managing Successful Programmes. Procurements are managed to European Legislation and advice is taken from legal advisers to ensure compliance. BSF Project Management Assurance Audits (undertaken by Deloitte & Touche Public Sector Internal Audit Limited) completed in January and October 2009 and gave an overall programme rating of 'Substantial Assurance'.

## **4. Recommendations**

4.1 It is recommended that the Procurement Committee:

- Approve the variation of the scope and terms of the BSF Programme Cost Manager and Quantity Surveyor services to the extent set out in Appendix 1 paragraph 16 for the remaining phase of the BSF programme under the terms of CSO 13.02.

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

5.1 The BSF Programme has commenced work on all twelve schemes with significant ongoing work required to ensure that projects are managed within the cost, time and quality parameters agreed when construction contracts were let.

5.2 The focus has moved from planning and procurement to scheme management, closure and handover, including ensuring underlying benefits are realised.

5.3 Recent months have been used to review the work undertaken by main suppliers to the BSF programme under earlier procurements, assess the risks for the coming phases and to seek to secure resources, within those procurements, to mitigate those

risks. The Procurement Committee received and approved a proposal in July 2009 concerning negotiations with the BSF Project Managers on project management and construction lead services. Negotiations have continued over a protracted period with the BSF Programme Cost Manager and Quantity Surveyors on their services. In particular, the programme cost management services have proved to require significantly more time input to support the ongoing programme delivery than had originally been anticipated. Negotiations have been carried out in close consultation with the Corporate Procurement Unit and within the fee rates, terms and conditions of the framework procurements completed at the outset of the BSF programme. This report does not propose changes to those rates and discounts.

5.4 This report deals with the BSF Programme Cost Manager and Quantity Surveyors contract. The main topics were ensuring the level and scope of service required to complete the BSF Programme successfully.

5.5 The contracts originally entered into were secured through a framework exercise. The contract was not for a fixed rate, as the programme was at an early stage and there was no template for how such a programme would develop in Haringey's circumstances. In the event there has been a great deal more work entailed than could have been forecast, especially in the complexity of cost management of 12 projects concurrently to let and maintain projects within acceptable budgetary limits. Relevant examples include:

- Project re-design required by Partnership for Schools
- Comprehensive cost variation control across 12 projects
- Support for the creation of detailed spend profiles for each of the 12 BSF projects
- Programme level monitoring to adhere to the Council's agreed budget profile
- Close management of contingency budgets, leading to the present available surpluses

Programme Cost Manager and Quantity Surveyors have been central to addressing and overcoming these challenges to date and will remain so over the life of the BSF Programme.

#### **5.6 How the Proposal Mitigates Risk**

5.6.1 The discussions with the BSF Programme Cost Manager and Quantity Surveyors has focused on minimising risks to the Council and to the BSF Programme's success by ensuring continuity of the appropriate level of service over the programme life to support delivery of projects within budget, and to work with others on the identification and resolution of project issues as they arise. The Council has set the clear objective for the BSF Programme to be delivered on budget – failure to secure effective and full BSF Programme Cost Manager and Quantity Surveyor services runs counter to this objective:

5.6.2 This agreement secures the necessary level of staff resource until the end of each project, which in turn ensures that the Programme Cost Manager and Quantity Surveyors roles will be delivered in full. Failure to do so would place the Council at considerable risk.

5.6.3 Continuity of service of a supplier with full knowledge of the BSF programme is essential to ensuring translation of design and development issues into the management of the construction phase. The existing Programme Cost Manager and Quantity Surveyors have delivered their respective functions since early in 2007, and transfer to another provider is judged to be highly detrimental to the effective delivery of the construction phase, because the key interface relationship between stakeholders would be lost. The programme team considered whether an alternative provider could overcome these difficulties at significantly less cost and concluded that the level of risk associated with a change of provider at this stage of the BSF programme is unreasonably high, and so the BSF Programme did not consider alternative options for securing these services,

5.6.4 Full post-contract support and final account preparation over the defect period after practical completion. Maintaining the engagement of the Programme Cost Manager and Quantity Surveyors during the final account preparation and defect management phase is judged to improve the likelihood of successfully rejecting contractor claims.

5.6.5 Review of the costs from a percentage fee basis shows that capping the charge is planned to reduce the total cost over the BSF programme life. Section 16.1 of this report sets out the detailed costs associated with this item.

## 5.7 The Outcome

5.7.1 This proposal delivers solutions which meet the agreed objectives, representing a 24.8% increase on the currently budgeted cost (compared to the increased base allowing for previously approved costs associated with re-tendering the Heartlands construction contract). Section 16.1 of this report sets out the detailed costs associated with this additional cost.

5.7.2 This settlement includes the capping of fee level to allow for application of BSF contingency budgets over the life of the programme.

5.7.3 Financial provision for the negotiation was made in the financial planning for BSF. The BSF Board has considered and endorsed the outcome of the negotiations.

## 6. Other options considered

6.1 Not Applicable

## 7. Summary

7.1 The BSF programme will benefit from the negotiations by:

- Ensuring sufficient resources are available to manage the risks which emerge
- Capping the Council's exposure to fees
- Resolving areas of dispute or potential dispute

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

8.1 The proposals in this report may be separated into two discrete elements:

- An extension to the scope of the work; and
- A proposal for a 'Fee Cap'.

8.2 Paragraph 5.7.1 identifies an overall 24.8% increase compared to the latest budgeted cost. However, in order to consider whether Value for Money is being achieved it is also relevant to consider the extent to which fees have increased from those originally approved as well as reviewing the extent to which fees comprise the total of the BSF programme costs. As various fee contracts have been increased over the lifetime of the programme it may be beneficial to bring a separate report to a future meeting of the Procurement Committee to review the current position on fees.

8.3 The fee rates used are consistent with those negotiated as part of the original framework agreement and the increased cost associated with Programme Cost Management arises entirely from an increased in scope attributable to the reasons described in paragraph 5.5, some of which would appear to be outside of the Council's control (e.g. project redesign required by PfS).

8.4 The purpose of the 'Fee Cap' is to give certainty against future fee demands arising from the utilisation of the various BSF contingency sums; the comparison at paragraph 16.1 identifies the potential benefits from this approach. It is important that where approaches such as this are considered to give better value they are incorporated into the original specification when a competitive situation exists.

8.5 Notwithstanding the issues referred to above it is clear that the need for continuity of provider as described in paragraph 5.6.3 means that it is likely to be in the Council's best interest to agree this proposal.

## **9. Head of Legal Services Comments**

9.1 The Procurement Committee has power under CSO 13.02 to approve the variation to the contract, provided that to do so is consistent with the provisions of the Council's Financial Regulations and the Public Contracts Regulations 2006.

9.2 The existing contract to which this variation relates was procured off a framework established in accordance with the Public Contract Regulations 2006 and the Council's Contracts Standing Orders and approved by Members on 23 March 2004. As such the variation of the contract would only be permissible by use of the negotiated procedure without prior publication of a contract notice to other parties under Public Contract Regulations 2006 regulation 14(d)(i).

9.3 Under the Public Contract Regulations 2006, this may be done where the additional services have become necessary and cannot for technical or economic reasons be provided separately from those under the original contract or are strictly necessary to the later stages of the performance of that contract, and the value of the additional works do not exceed 50% of the original contract value. Paragraph 5.6.3 above



highlights why the additional services for which approval is sought are strictly necessary to completion of the contract services. The total value of the fees for additional services is far less than 50% of the original contract value as shown in Appendix A at paragraph 16.1.

9.4 The Head of Legal Services confirms there are no legal reasons preventing the recommendations contained in this report being accepted.

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

10.1 The additional fees as noted in Appendix 1 are for services outside the scope of the original delivery requirements for the Cost Consultant as referenced in section 5 of this report and the agreed fee covers any future planned future work.

10.2 The Cost Consultants fees overall are now capped (subject to any significant variations) and will help financial control of the programme

10.3 The Head of Procurement therefore acknowledges the need for additional fees as recommended by the Client on this project.

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

11.1 Detailed Equalities Impact Assessments (EIAs) have been carried out for each of the BSF projects. Each has been approved by the Director of CYPS prior to Procurement Committee approval of contracts.

#### **12. Consultation**

12.1 Internal consultations have been undertaken to ensure that the necessary steps to procure the BSF Programme Cost Manager and Quantity Surveyor services have been followed.

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

13.1 Appendix 1 presents the costs of extending the BSF Programme Cost Manager and Quantity Surveyors contract to support additional work already undertaken and required to balance the delivery risks associated with completing the BSF programme. This table confirms the additional costs and savings associated with the proposals

13.2 Section 16.1.1 confirms that the budget provision available for this cost item is equal to the projected costs, so it is confirmed that budget provision exists for the extension of the BSF Programme Cost Manager and Quantity Surveyors contract set out in this report and detailed in section 16.1.

13.3 DCSF issued a revised promissory letter on Monday 24th November 2008 confirming the BSF programme Final Business Case had successfully been signed off, and the total grant funding payable to the council. As defined in the DCSF Funding

Protocol, the date of this promissory letter defines the moment of financial close for funding purposes. This was confirmed by the discussion and minute of the 21st October 2008 BSF Programme Board.

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

##### **14.1 Budget Profile (16.1)**

##### **14.2 Summary of Additional Costs (16.2)**

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

15.1 The following documents were used in the compilation of this report:

- The Council's Standing Orders
- Appendix 1 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

Agenda item:

**[No.]**

Procurement Committee

On 16<sup>th</sup> February 2010

**Report Title:** Proposed Nomination Agreements relating to the supply of properties procured under a Housing Association Leasing Scheme for use as Temporary Accommodation

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

**Signed :**

*N Bolger for Director 5/2/2010*

**Contact Officer :** Zulfiqar Mulak – Head of Housing Needs & Lettings

Tel: 020 849 4890

**Wards(s) affected:**

ALL

**Report for:**

Non-Key Decision

**1. Purpose of the report**

- 1.1 To seek approval for the Council to enter into Nomination Agreements with up to three providers of Housing Association Leased Scheme (HALS) accommodation.

**2. Introduction by Cabinet Member**

- 2.1 It is essential that, as the Council reduces its use of temporary accommodation, we improve the quality and suitability of the homes we procure and that, in doing so, we achieve value for money and seek to minimise the financial impact of the proposed changes to the subsidy arrangements relating to temporary accommodation.

2.2 The procurement of temporary accommodation under the Housing Association Leasing Scheme supports the Council's efforts to reduce the number of households living in Emergency Accommodation to just 200. It will also enable the Council to hand back leased properties that are not up to standard through its own in-house leasing scheme. All properties used for temporary accommodation under the Housing Association Leasing Scheme will be fully inspected and will meet the standards that the Council requires before they are procured, ensuring that residents occupy good quality temporary accommodation.

### 3. Recommendations

3.1 It is recommended that the Procurement Committee approves the Council entering into Nomination Agreements with three Housing Association providers of HALS properties listed in Appendix 1.

### 4. Reason for recommendation(s)

4.1 In April 2010, a new housing subsidy system will come into effect, changing the formula used to assess the amount of money that councils can claim towards the cost of providing homeless people with Temporary Accommodation (TA).

4.2 For Haringey Council, the financial implications of these subsidy changes are extremely serious, not just because of the high number of households living in TA (currently 3,700) but also because of its reliance on expensive, nightly-charged Emergency Accommodation (EA).

4.3 If the Council's use of Emergency Accommodation (and the unit cost of procuring TA) is not reduced significantly, the adverse impact of the subsidy changes on the 2010/11 General Fund TA budget is expected to be in the region of £7 million.

4.4 An Emergency Accommodation Reduction Project has been established in order to reduce the number of households in EA from 1700 to 200.

4.5 Although it is anticipated that the Council will discharge its housing duty towards many of these households in EA by providing them with access to private rented accommodation, financial savings can also be achieved by converting EA to leased accommodation or moving households from EA to alternative, less expensive TA.

4.6 The Nomination Agreements for HALS properties will help the Council to reduce its use of Emergency Accommodation and procure a better quality, less expensive alternative to nightly-charged EA.

4.7 At the end of January 2010, approximately 900 homeless households were living in temporary accommodation provided under Haringey's existing HALs scheme. It is proposed to increase this number by up to 300 over the next six months.

**5. Other options considered**

5.1 Consideration has been given to the possibility of expanding the Council's in-house private sector leasing scheme and increasing the amount of temporary accommodation leased by private sector suppliers.

5.2 Although it is envisaged that the Council will continue to manage a large stock of private sector leased accommodation for the foreseeable future, the Council has only limited capacity to increase the amount of accommodation it procures between now and when the new subsidy arrangements come into effect.

5.3 Whilst it is in the Council's interests to increase the number of properties that are leased by private sector suppliers (because, under the agreement reached with the private sector suppliers, the Council is not liable for tenancy matters, maintenance or dilapidations) the private sector suppliers alone are unlikely to be able to procure the number of leased properties required to meet the Council's needs.

5.4 Given the urgency of procuring a plentiful supply of good quality leased accommodation, it is recommended that the Council procures a stock of HALS accommodation. This will enable the Council to manage risks better over a mixed property portfolio.

**6. Summary**

6.1 Although the number of homeless households living in Haringey's Temporary Accommodation (TA) has reduced by approximately 1,700 since April 2008, the Council's use of expensive nightly-purchased Emergency Accommodation (EA) has increased steadily in recent years and now accounts for almost one third of all the temporary accommodation used by the Council.

6.2 Even though EA was only ever intended for use as 'first stage' accommodation while a homelessness decision is reached and plans are made (where appropriate) to move households on to more suitable accommodation, more than half of the households now living in EA have been there for at least 2 years, and more than one in ten have lived in EA for at least 6 years.

6.3 Of the EA used by Haringey, three quarters has one or two bedrooms and more than two thirds is provided by just eight housing suppliers.

6.4 The cost of Emergency Accommodation in 2009/10 is budgeted at £19 million.

- 6.5 Unless further progress is made to alter the size and profile of Haringey's TA stock, the proposed changes to the housing subsidy arrangements will have an adverse impact on the General Fund.
- 6.6 As part of its Temporary Accommodation Strategy, the Council will continue to procure properties for its in-house private sector leasing scheme and encourage housing associations to expand their private sector leasing schemes. However, the required reduction in the Council's use of Emergency Accommodation is dependent upon the procurement of a plentiful supply of HALs accommodation.
- 6.7 HALS is used by Haringey and a number of London boroughs and involves the housing supplier taking on the responsibility for the procurement and day-to-day management of the properties (including repairs, voids and dilapidations), leaving the Council responsible for referring prospective tenants and collecting rent, monitoring the contract .
- 6.8 Following detailed discussions between Strategic & Community Housing Services and the Council's Legal Services and Procurement teams, tender documentation was prepared and an advert was placed on the Council's website, inviting expressions of interest and tenders from suitably qualified Housing Associations.
- 6.9 The tender documentation set out very clearly the responsibilities of the Housing Association and the Council. One of the priorities was to ensure that the Council has no liability for on-going maintenance or dilapidations. Care is also being taken to ensure that a sound mechanism is in place to tailor the procurement of properties to meet the constantly changing needs of families requiring Emergency Accommodation.
- 6.10 A total of 3 tenders were received and, using the Council's procurement framework, Officers then evaluated all of the tenders. The results of this evaluation are attached to this report as Appendix 1.
- 6.11 It is recommended that all three Housing Association are contracted to procure HALS accommodation on a three year contract and that the Nomination Schemes are reviewed after 12 months to establish its cost-effectiveness in comparison with the Council's in-house leasing scheme and the Supplier Managed Private Sector Leasing scheme.
- 6.12 One of the successful tenders is less competitive in terms of pricing. It is recommended that the cheaper two tenders are prioritised.
- 6.13 Regular minuted monthly performance management meetings will take place with all suppliers and quarterly contract review meetings will be held.

- 6.14 The formal contract will commence once all the appropriate approval mechanisms are complied with, including any call in periods.
- 6.15. It is estimated that, by replacing up to 300 units of Emergency Accommodation with the same number of HALS properties, the Council will achieve savings in the region of £500k per annum.

**7. Chief Financial Officer Comments**

- 7.1 The recommendations with this report will help the Council achieve its objective to reduce the cost of emergency and temporary accommodation. Forthcoming changes to the housing subsidy system will substantially increase the cost to the General Fund of households in temporary accommodation and thus alternative methods of provision are required to mitigate this risk. HALS properties will cost the Council less than those currently placed in Emergency Accommodation as they are outside the scope of the Housing subsidy changes.

**8. Head of Legal Services Comment**

- 8.1. The Council has a statutory duty to provide suitable accommodations to those who are homeless in accordance with Part VII of the Housing Act 1996. The Council may discharge this housing function in various ways. It may do so by securing that suitable accommodation is available for the applicant, by securing that the applicant obtains suitable accommodation from some other person or by giving the applicant such advice and assistance as will secure that suitable accommodation is available from some other person.
- 8.2 This is the second scheme that the project team has procured in order to reduce the number of people in Emergency Accommodation, the other being the supplier managed scheme. In entering into the Nominations Agreements the Council will have the ability to nominate potential tenants for the accommodations acquired by the Housing Association.
- 8.3 Under the Nominations Agreements the Council will be guaranteeing certain rent levels and void payments, this will be a form of financial assistance under s 24 of the Local Government Act 1988, however the Council can rely on the General Consents given by the Secretary of State provided the lease or management agreement between the RSL and the property owner does not exceed 10 years. Therefore the nominations agreements with each of the three RSL must not be for a period in excess of 10 years.
- 8.4 The services to which this report relates are Part B services for the purposes of the Public Contract Regulations 2006. Therefore it has not been necessary to advertise this contract in the Official Journal of the European Union (OJEU). Accordingly a domestic tender process was undertaken in accordance with the CSOs.

- 8.5 Tenders have been evaluated on the basis of most economically advantageous tender in accordance with CSO 11.01 b)
- 8.5 As the value of this contract is likely to exceed £250,000 it may only be awarded by Members in accordance with CSO 11.03.
- 8.6 The client has confirmed the value of this contract will not exceed £500,000 and therefore this is not a key decision.
- 8.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 3 of the report.

**9. Head of Procurement Comments**

- 9.1 Corporate procurement have been working closely with Temporary accommodation team on this procurement and the recommendation is in line with the Procurement Code of Practice.
- 9.2 The recommendation has been arrived at by using a competitive tendering process and a most economically advantageous tender (MEAT) evaluation criteria representing Value for Money to the council.
- 9.3 Monthly and quarterly monitoring of the suppliers has been put in place to ensure contract compliance and to minimise the risk of any poor performance.
- 9.4 The recommendation minimises the risk of the council not meeting its emergency accommodation reduction targets and thus not facing the adverse impact of the subsidy changes on the 2010/11 General Fund TA budget.

**10. Equalities & Community Cohesion Comments**

- 10.1 A high proportion of households living in temporary accommodation are vulnerable and from Black and Minority Ethnic (BME) communities.
- 10.2 For those households living in Emergency Accommodation, they are unable to plan their lives given the uncertainty and short term nature of this type of accommodation .In additions there is a high rate of pupil mobility which is means that the duration and location of temporary accommodation has an impact on other council services such education and social services. It is envisaged that with more long term arrangements in place under the Nomination Agreements along with good quality accommodation will enable families to plan their lives more and lead to a degree of stability.



10.3 In order to reduce the extent of pupil mobility within Haringey's schools – and to assist those households that include someone who has special medical, educational or support needs – all of the TA that is procured (including leased properties that are approved for renewal) will be located in Haringey or within 1½ miles of it. The only exceptions to this will be where it is in the best interests of the service user (because of domestic violence, hate crime or threats to kill, for example) that TA is provided much further away from the borough.

**11. Consultation**

11.1 As part of Haringey's multi-agency Homelessness Strategy and its implementation plan, the Council has consulted service users living in temporary accommodation.

11.2 When we have consulted with residents of Emergency Accommodation, they have expressed concern about the quality of some of the accommodation, confusion over who to contact to report the need for repairs or pest control treatment, and the length of time it takes some housing suppliers to organise repairs and treatment.

11.3 Residents of EA have also told us about the inconvenience they are caused (especially if they have children and/or are living with someone who has special medical, educational or support needs that can best be met by remaining in the borough) when the Council places them in homes a long way from Haringey.

11.4 They have told us, also, about the disruption they are caused by the frequency with which they move and the fact that they are often asked to move at very short notice. Uncertainty as to when and where they will move makes it extremely difficult to make important decisions and choices about schools, doctors and employment.

11.5 Many residents feel that the Council does not provide them with enough support while they are living in Emergency Accommodation, especially if they are living in accommodation that is situated a long way from Haringey.

11.6 Properties procured under the Nomination Agreements will address the above concerns by having robust policies and procedures in place with the suppliers of manage private sector leased which will be monitored by officers.

**12. Service Financial Comments**

12.1 The Changes in the Housing Benefit Subsidy Regime affecting temporary accommodation are due to be introduced on the 1st April 2010. The new regime will make placing homeless households in nightly rated accommodation very expensive. The procurement costs will only be cost neutral if the cost can be maintained at or below the level of Local Housing Allowance (LHA) less 10%. The

re-tendering of the Housing Association Leasing contract may provide the accommodation to allow households to be moved from the expensive nightly rated housing into less expensive units for which a nightly premium is not payable.

- 12.2 Housing Association Leasing Schemes (HALS) are currently outside the scope of the Housing Benefit changes. Changes to HALS schemes would require changes in primary legislation, which have not been made. There are, however, strong indications that Housing Benefit departments will be issued with guidelines to ensure that rents for HALS properties should be guided by LHA less 10% levels.
- 12.3 HALS schemes are cost neutral to Haringey, apart from the liability for voids. The rents chargeable to HALS tenants have tended to be higher than rents for other homeless households. This is because the HALS suppliers both manage the properties and perform the income collection functions normally carried out by Haringey for leasing schemes.
- 12.4 The successful tender and procurement of the HALS scheme for 300 units of accommodation will potentially generate savings in the sum of £500k in a full year if HALS providers are able to supply the full number of units required in the tenders.
- 12.5 One of the successful tenders is less competitive in terms of pricing. It is recommended that the cheaper two tenders are prioritised.

**13. Use of appendices /Tables and photographs**

Appendix 1 – List of Approved Registered Social Landlords.

**14 Local Government (Access to Information) Act 1985**

Appendix 1 should be exempt for confidentiality reasons.

Agenda item

**[No.]****Procurement Committee Meeting****On 16<sup>th</sup> February 2010**

Report Title.	Hornsey Decent Homes Programme 2010/2011. Phase HO12.
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Report authorised by: <b>Niall Bolger, Director of Urban Environment</b>
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*N Bolger* 4<sup>th</sup> February 2010.

Contact Officer : Larry Ainsworth, Strategic Client Representative Tel: 020 8489 1134 e.mail: larry.ainsworth@homesforharingey.org
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Wards(s) affected: Hornsey
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Report for: <b>Key Decision</b>
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### 1. Purpose of the report.

1.1 This report sets out a detailed programme of works as it relates to various properties known as HO12 within the delivery of the Decent Homes Programme. The works outlined in this report are for Crescent Road, Mildura Court, Sackville House, Wellington, Alexandra Mansions, Byron Court, Clemence Court, Dale Court, Firemans Dwellings, Kelland Close, Manray Court, Middle Lane, Ramsey Court, Truro Court, Vervan Court, Williams Close, Birkbeck Road, Palace Road, Park Road, Shanklin Road and is scheduled to commence on the 29<sup>th</sup> March 2010. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

### 2. Introduction by Cabinet Member

2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.

2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.

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

3.1 Homes for Haringey have in place an Asset Management Strategy and Environmental

Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.2 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

4.2 Provided there are no issues arising from the planning department or leaseholder consultations referred to in paragraphs 7.14 and 12.8 – 12.12 respectively, to award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

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

5.1 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.

5.2 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.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.

5.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.58m. This includes £11.4m earmarked for environmental projects.

5.5 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/ ALMO's.

## 6. Other options considered

6.1 None applicable.

## 7. Summary

7.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the decent homes programme for the residents of Haringey. As its strategic delivery partner Homes for Haringey is committed to ensuring that the decent homes programmes meets the aspirations of residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.

### 7.2 Agreed Maximum Price

7.3 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.4 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.

7.5 The Project Partnering Contract (PPC2000) is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The Project Partnering Contract (PPC2000) also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.6 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	29 <sup>th</sup> March 2010
Anticipated Contract completion	31 <sup>st</sup> March 2011
Contract duration	52 weeks
Contractor	para 2.1 Appendix A

7.7. Property address location

7.8 This report details the specific work required to the 432 properties in the Hornsey area and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the raft of decent homes work under this particular phase of the programme:

1-8/17, 1-8/29, 19 Crescent Road

1-38 Mildura Court

1-24 Sackville House

1-32 Wellington

150-208(even) Alexandra Mansions

1-6 Byron Court

1-9 Clemence Court

1-12 Dale Court

1-8 Firemans Dwellings

1-26 Kelland Close

1-9 Manray Court

1-5/118, 1-7/126, A-C/132, A-C/134, 146, 146A, 42,A/B/C, 5, 5A, 1-8/73, 7, 11, 17, 19, 29, 31, 35, 82, 86, 90, 116, 124, 128, 148, 216A Middle Lane

1-24 Ramsey Court

1-6 Truro Court

1-18 Veryan Court

1-18 Williams Close

2-152, 1-3/105, Birkbeck Road

12, 26, 38, 44, 61, 61a, 63/a to 87/a (odds), 68, 68a, 121, 139, 1-3/166, 240, 242 Park Road

1, 3, 5, 8, 11, 13 Shanklin Road

1-6 Buckley Court

## 23 Carysfort Road

Property Address	No of units	Property Type	Floor level	No of L/H's	Type of existing roof	Conservation Area
Crescent Road	17	Low rise block	3	6	Pitch	No
Mildura Court	38	Med rise block	4	10	flat	No
Sackville House	24	Med rise block	3	8	Flat	No
Wellington	32	Low rise block	2	16	Pitch	No
Alexandra Mansions	30	Med rise block	3	17	Pitch	No
Byron Court	6	Low rise block	2	2	Pitch	No
Clemence Court	9	Low rise block	3	3	Pitch	No
Dale Court	12	Low rise block	3	7	Pitch	No
Firemans Dwellings	8	Low rise block	3	5	Pitch	No
Kelland Close	26	Low rise block	3	14	Pitch	No
Manray Court	9	Low rise block	3	1	Pitch	No
Middle Lane	48	Low rise block	2/3	7	Pitch	No
Ramsey Court	24	Med rise block	3	11	Pitch	No
Truro Court	6	Low rise block	3	4	Pitch	No
Veryan Court	18	Med rise block	3	5	Pitch	No
Williams Close	18	Med rise block	3	13	Pitch	No
Birkbeck Road	53	Med rise block	3	10	Flat	No
Park Road	41	Houses/low rise	2	4	Pitch	No
Shanklin Road	6	Houses	2	0	Pitch	No
Buckley Court	6	Low rise	3	6	Pitch	No
Carysfort Road	1	House	2	0	Pitch	No

### 7.9 Schedule of works

7.10 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof renewal, kitchen and bathroom refurbishment, smoke detectors and asbestos removal.

All existing single glazed metal and crittal windows will be replaced with double glazing. Any single glazed timber windows identified as requiring renewal will also be replaced for double glazed windows. Additional details relating to specific works under the programme are set out below:

### 7.11 Proposed Roof works

7.12 All the properties within this phase have existing pitched roofs with the exception of Mildura Court, 2 – 152 Birkbeck Road and Sackville House which all require renewal. The roof to Birkbeck Road is staggered in height and incorporates 'penthouse type' flats on the roof, therefore it is proposed to replace this roof with a new flat roof.

'Mildura Court is within a conservation area and the appearance cannot be altered to

accommodate a pitched roof. Therefore a new flat roof will be laid'..

The roof to Sackville House is physically able to receive a pitched roof and therefore we recommend this roof be replaced with a pitched roof, however we wish to note that the initial installation cost for a pitched roof is double that of a new flat roof. In addition, the life cycle costs for the pitched roof over a 35 year life are still £28k more for a pitched roof. (see below)

### 7.13 Planning Approval

7.14 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

### 7.15 Life Cycle Costing Analysis

In addition to the life cycle costing and energy savings noted below (7.16), in liaison with Central Procurement, Asset Management are in the process of identifying life cycle cost analysis on other main elements of work to allow for comparison with the LHC and to assess energy savings.

### 7.16 Sackville House. N8.

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	5	£69,863.	£0.00	<b>£69,863</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
	5	£132,486.	£0.00	<b>£132,486</b>

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	5	£69,863	£77,933	<b>£147,796</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
	5	£132,486	£66,659	<b>£175,947</b>

Energy loss for Sackville House.

3 floors – Roof area 630m2. £9,177 (flat), £5,515 (pitch).



### **7.17 Digital Satellite Provision**

7.17.1 The installation of the digital IRS systems are not included in this phase of works.

### **7.18 Whole Life Costings**

7.19 An assessment has been made on the energy loss where a pitched roof or flat roof is being considered. The indicative figures above represent the potential savings over a 35 year period. Homes for Haringey are currently carrying out a components life cycle costing analysis.

7.20 Assuming pitched roofs use a 300mm cellulose insulation with a 0.13 U-value;  
Average annual temperature lift of 19.08°F;  
No skylights;  
Gas central heating in all builds.

Combined saving of £3,662 to residents over the 35 year period.

### **7.21 Environmental Improvements**

7.22 There are no proposed environmental works during this phase of decent homes works.

### **7.23 Sustainability**

7.24 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

7.25 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.

7.26 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Premier, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.

7.27 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

7.28 The contractor is registered and complies with the Considerate Constructors Scheme.

7.29 The new flat roofs will be a Langley High Performance warm roof system incorporating 100mm/140mm Paraform Ultra insulation to achieve a minimum U-value of 0.25 W/m<sup>2</sup>K to improve the thermal qualities of the roof.

7.30 All new windows will be double glazed and adhere to Part 'L' of the Building Regs

### **7.31 Conservation Areas**

7.32 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.

7.33 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

## **8.0 Chief Financial Officer Comments**

8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget

## **9.0 Head of Legal Services Comments**

9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 432 properties in the Hornsey area of the borough (details of which are set out in paragraph 7.7 of the report) to the contractor named in paragraph 2.1 of Appendix A to this report.

9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.

9.3 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 advisors (Towers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.

9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Hornsey area.

9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.

9.6 The Head of Legal Services is satisfied that leaseholder statutory consultation has been carried out (to the date of these comments – 15 January 2010) in accordance with the Service Charges (Consultation Requirements) (England) Regulations 2003. Statutory consultation was ongoing at the date of these comments and will not be complete until the 14<sup>th</sup>

of February 2010.

9.7 The contract is also a key decision and, as such, needs to be and has been included in the Council's Forward Plan (in accordance with CSO 11.04).

9.8 The Head of Legal Services confirms that provided the Council has considered any comments from leaseholders made by the expiry date of the statutory leaseholder consultation period on 14<sup>th</sup> Feb. 2010 and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

## **10.0 Head of Procurement Comments**

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

10.2 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.

10.3 A Life cycle costing exercise is currently being undertaken for key components and will need to be completed for the project as a whole.

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

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

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

### Internal

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered. Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel. Leasehold consultation forms part of the overall consultation process and is a statutory requirement.

Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners'

Resident Liaison Officers.

External

12.2 Homes for Haringey has carried out detailed consultation with the residents that will be affected by the works set out in this report. A resident's meeting was held on the 12<sup>th</sup> January and 103 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

12.3 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.

12.4 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 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.

12.5 Leasehold Implications

12.6 As a result of applications made under the Right to Buy legislation, there are 90 leaseholders living in the properties affected by the works described in this report. The number of leaseholder dwellings where the Section 125 Notice is within the 5 year period is 6 while the number outside the period is 84. This report provides a breakdown of the costs for each group in paragraph 12.10

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 Service Charges Regulations 2003, under schedule 3, notice was issued on 15<sup>th</sup> January 2010 to expire on 14<sup>th</sup> February 2010.

12.9 The notice gave a description of the proposed works and provided details for the costs of the works. The 30 day statutory consultation commenced 15<sup>th</sup> January 2010.

12.10 The total amount estimated to be recovered from the 90 leaseholders is £1,403,173.43 This is broken down as follows:

1. There are 6 Leaseholders within the 5 year Section 125 period whose total estimated recoverable charges are £34,008.67.
2. 84 Leaseholders outside of the 5 year Section 125 period have total estimated recoverable charges of £1,369,164.76

12.11 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.

12.12 Observations to be included on expiry of the Section 20 notice period which is the 14<sup>th</sup> February 2010.

### 13. Service Financial Comments

- 13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33m for 2010/11.  
Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.
- 13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated".

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

- 14.1 Appendix A separate attachment
- 14.2 Appendix B, see end of this report

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

- 15.1 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.
- 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):
- 15.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## APPENDIX B

Decent Homes Expenditure to date

2010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 10	£ 246,540.54	04/01/2010	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/2010	05/03/10
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
		<b>£15,017,699.50</b>		

Agenda item

Procurement Committee Meeting

On 16<sup>th</sup> February 2010

[No]

Report Title. Hornsey Decent Homes Programme 2010/2011. Phase HO13.

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

*W.P. Bolger* 4<sup>th</sup> Feb 2010

Contact Officer : Larry Ainsworth, Strategic Client Representative  
Tel: 020 8489 1134  
e.mail: larry.ainsworth@homesforharingey.org

Wards(s) affected: Hornsey

Report for: **Key Decision**

### 1. Purpose of the report.

1.1 This report sets out a detailed programme of works as it relates to various properties known as HO13 within the delivery of the Decent Homes Programme. The works outlined in this report are for Barrington Road, Coolhurst Road, Glebe Road, Harvey Road, Hawthorne Road, Inderwick Road, Montague Road, Nelson Road, New Road, Palace Road, Tivoli Road, Albert Buildings, Rathcoole Avenue, Rathcoole Gardens, Priory Road, Berkerley Road, Church Lane, Fairfield Road, Grieg Close, Harefield Road, Lightfoot Road, Lynton Road, Minster Walk, Topsfield Cottages, Bedford Road and is scheduled to commence on the 29<sup>th</sup> March 2010. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

### 2. Introduction by Cabinet Member

- 2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.
- 2.2 I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.

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

3.1 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are

closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.2 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

4.2 Provided there are no issues arising from the planning department or leaseholder consultations referred to in paragraph 7.14, to award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

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

5.1 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.

5.2 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.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.

5.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.58m. This includes £11.4m earmarked for environmental projects.

5.5 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/ ALMO's.



## 6. Other options considered

6.1 None applicable.

## 7. Summary

7.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the decent homes programme for the residents of Haringey. As its strategic delivery partner Homes for Haringey is committed to ensuring that the decent homes programmes meets the aspirations of residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.

### 7.2 Agreed Maximum Price

7.3 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.4 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.

7.5 The Project Partnering Contract (PPC2000) is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The Project Partnering Contract (PPC2000) also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.6 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	29 <sup>th</sup> March 2010
Anticipated Contract completion	5 <sup>th</sup> April 2011
Contract duration	53weeks
Contractor	para 2.1 Appendix A

### 7.7. Property address location

7.8 This report details the specific works required to the 341 properties in the Hornsey area and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the raft of decent homes work under this particular phase of the programme:

The Cottage, Barrington Road

112, 112a, 114, 114a Barrington Road

31a-31e Coolhurst Road

2, 2a, 21a, 21b, 41, 41a, 41b Glebe Road

25, 25a, 27, 27a, 33, 33a, 35, 47, 47a Harvey Road

17, 18, 20-25, 29, 30, 34, 38, 39, 41, 42, 44, 45, 46, 48-54, 56, 60, 62, 64, 65, 67, 69, 70, 72, 76-80, 82-84, 88 Hawthorne Road

1, 1a, 2, 7, 12, 21a, 21b, 25, 77, 109, 128, 128a, 132, 132a, 139, 139a, 142, 158, 165, 165a, 167, 167a, 197 Inderwick Road

2a, 2b, 8, 8a, 8b, 11, 11a, 21, 21a Montague Road

12, 14, 14a, 14b, 15, 18, 51, 57, 57a, 64, 88, 92, 92a, 96, 105, 105a, 106, 113, 113a, 117, 117a, 119, 119a, 12, 125, 125a, 132, 132a, 134, 134a, 135, 135a, 135b, 139, 139a, 139b, 151, 163, 164, 164a, 184, 184a, Nelson Road

8, 9, 11, 13, 15, 17, 19, 20-22, 23-69 (odd), New Road

5, 5a, 5b, 8, 10, 10a, 22, 46, 46a, 56a, 56b Palace Road

7, 21, 35, 37a, 37b, 39 Tivoli Road

1-4 Albert Buildings

9, 9a, 10, 10a, 25, 25a, 32, 32a, 36, 36a, 37, 42, 42a, 44, 44a, 50, 50a, 52, 52a, Rathcoole Avenue

20, 20a, 32, 32a, 37, 37a, 37b, 41, 41a, 50, 50a, 59, 66, 66a, 93, 93a, 97, 97a, 99, 99a, 105, 105a, 109, 109a, 109b, 118, 145, 145a, 151, 151a, 151b, flats 1-6/153, 161, 161a Rathcoole Gardens.

54a-d Priory Road

46-54 (even) Berkeley Road

19 Church Lane

2 Fairfield Road

1, 2, 5, 7 Greig Close

15, 20, 20a Harefield Road

55, 57, 59, 69, 71, 77-87(odd), 95, 107, 109, 111, 113, 119 Lightfoot Road

3, 17, 21 Lynton Road

1, 3, 5-13, 15, 16, 17, 19, 20, 21, 23, 25, 27, 30, 32, 34, 42, 46, 48, 50, 54, 56, 62, 68, 70, 74, 76, Minster Walk.

1, 2, 6, Topsfield Cottages

1, 1a, Bedford Road

Property Address	No of units	Property Type	Floor level	No of L/H's	Type of existing roof	Conservation Area
Barrington Road	5	House	2	1	Pitch	No
Coolhurst Road	5	House	2	3	Pitch	No
Glebe Road	7	House	2	3	Pitch	No
Harvey Road	9	House	2	2	Pitch	No
Hawthorne Road	43	House	2	0	Pitch	No
Inderwick Road	23	House	2	6	Pitch	No
Montague Road	9	House	2	3	Pitch	No
Nelson Road	44	House	2	18	Pitch	No
New Road	34	House	2	11	Pitch	No
Palace Road	11	House	2	4	Pitch	No
Tivoli Road	6	House	2	1	Pitch	No
Albert Buildings	4	House	2	1	Pitch	No
Rathcoole Avenue	19	House	2	7	Pitch	No
Rathcoole Gardens	45	House	2	17	Pitch	No
Priory Road	4	House	2	2	Pitch	No
Berkeley Road	5	House	2	0	Pitch	No
Church Lane	1	House	2	0	Pitch	No
Fairfield Road	1	House	2	0	Pitch	No
Greig Close	4	House	2	0	Pitch	No
Harefield Road	3	House	2	0	Pitch	No
Lightfoot Road	17	House	2	0	Pitch	No
Lynton Road	3	House	2	0	Pitch	No
Minster Walk	34	House	2	0	Pitch	No
Topsfield Cottages	3	House	2	0	Pitch	No
Bedford Road	2	House	2	2	Pitch	No

### 7.9 Schedule of works

7.10 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof renewal, kitchen and bathroom refurbishment, smoke detectors and asbestos removal where required.

All existing single glazed metal and crittal windows will be replaced with double glazing. Any single glazed timber windows identified as requiring renewal will also be replaced for double glazed windows. Additional details relating to specific works under the programme are set out below:

### 7.11 Proposed Roof works

7.12 All the properties within this phase have existing pitched roofs of which some will require renewal.

7.13 Planning Approval

7.14 The Planning department will be consulted under the standard application methods on the above and will be advised on their concurrence with our proposals prior to Procurement Committee.

7.15 Life Cycle Costing Analysis

7.16 There are no flat roof renewals as part of this phase of works however, in liaison with Central Procurement, Asset Management are in the process of identifying life cycle cost analysis on other main elements of work to allow for comparison with the LHC and to assess energy savings.

**7.17 Digital Satellite Provision**

7.17.1 The installation of the digital IRS systems are not included in this phase of works.

**7.18 Whole Life Costings**

7.19 As stated above, there are no flat roof works programmed within this phase and therefore no whole life costings are required.

**7.20 Window/Door Grills**

All window and door grills will be removed as part of this programme. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the grills be refitted after completion of the works.

**7.21 Environmental Improvements**

7.22 There are no proposed environmental works during this phase of decent homes works.

**7.23 Sustainability**

7.24 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

7.25 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.

7.26 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Premier, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.

- 7.27 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.
- 7.28 The contractor is registered and complies with the Considerate Constructors Scheme.
- 7.29 The new flat roofs will be a Langley High Performance warm roof system incorporating 100mm/140mm Paraform Ultra insulation to achieve a minimum U-value of 0.25 W/m<sup>2</sup>K to improve the thermal qualities of the roof.
- 7.30 All new windows will be double glazed and adhere to Part 'L' of the Building Regs

### **7.31 Conservation Areas**

- 7.32 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.
- 7.33 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

## **8.0 Chief Financial Officer Comments**

- 8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget.

## **9.0 Head of Legal Services Comments**

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 341 properties in the Hornsey area of the borough (details of which are set out in paragraphs 7.8 to 7.12 of the report) to the contractor named in paragraph 2.1 of Appendix A to this report.
- 9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.
- 9.3 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 advisors (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.

- 9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Hornsey area.
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). Urban Environment Directorate has confirmed that this has taken place.
- 9.7 The Head of Legal Services has been advised by the contact officer that there are no leaseholder properties affected by this proposed phase of works. Therefore the Service Charges (Consultation Requirements) (England) Regulations 2003 do not apply to this phase of the works, and leaseholder consultation notices are not required.
- 9.8 The Head of Legal Services confirms that provided there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

#### **10.0 Head of Procurement Comments –**

- 10.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.
- 10.2 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.
- 10.3 A Life cycle costing exercise is currently being undertaken for key components and will need to be completed for the project as a whole.
- 10.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

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

- 11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Council's housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

### Internal

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered. Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel. Leasehold consultation forms part of the overall consultation process and is a statutory requirement.

Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### External

12.2 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. A resident's meeting was held on the 12<sup>th</sup> January and xx residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

12.3 None of the works within this phase affect the leasehold properties.

## **13. Service Financial Comments**

13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33m for 2010/11.

Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

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

14.1 Appendix A separate attachment

14.2 Appendix B, see end of this report

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

15.1 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.

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):

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



**APPENDIX B**

Decent Homes Expenditure to date (Yr 3)

2010/11

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 10	£ 246,540.54	04/01/2010	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/2010	05/03/10
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
		<b>£15,017,699.50</b>		

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Haringey Council

Agenda item:

Procurement Committee Meeting

On 16<sup>th</sup> February 2010

<b>Report Title.</b> North Tottenham Decent Homes Programme 2009/10. NT13	
<b>Report authorised by:</b> Niall Bolger, Director of Urban Environment <i>NPB</i> 4 <sup>th</sup> February 2010	
<b>Contact Officer :</b> Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b> Northumberland Park	Report for: <b>Key Decision</b>
<p><b>1. Purpose of the report (That is, the decision required)</b></p> <p>1.1 This report sets out a detailed programme of works, which relates to various properties in the North Tottenham Area, known as NT13 within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 1<sup>st</sup> March 2010. As such, this report is seeking Procurement Committee approval to award the contract for the works in this Project.</p>	
<p><b>2. Introduction by Cabinet Member</b></p> <p>2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.</p> <p>2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.</p>	
<p><b>3. Links with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to</p>	

ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

4.2 The scheme is to be funded from the 2010/11 Decent Homes allocation (see Appendix A). This will require funding to be carried forward from 2009/10.

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

5.1 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.

5.2 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.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with EU legislation and the Council's procurement procedures.

#### **6. Other options considered**

6.1 None applicable.

#### **7. Summary**

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme

### 7.1.0 Agreed Maximum Price of this works package

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.1.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract (PPC2000) form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

## 7.2 Background

7.2.1 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	1 <sup>st</sup> March 2010
Anticipated Contract completion	2 <sup>nd</sup> July 2010
Contract duration	20 weeks
Contractor	para 2.1 Appendix A

## 7.4 Property address location

7.4.1 This report details the specific works required to the 16 properties in the North Tottenham area and are priced in accordance with the framework agreement.

2-32 Whitehall Street N17

### 7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Whitehall Street	16	Low rise	3	9	Flat	No

## 7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include renewal of flat roof, replacement of windows, installation of extractor fans, asbestos removal, installation of digital aerial system (IRS), brickworks and concrete repairs and external decorations. The replacement of Kitchens and bathrooms was carried out under a previous phase of works.

#### 7.5.2.1 Proposed Roof works

7.5.2.2 It is proposed to replace the roof at 2-32 Whitehall Street with a flat roof.

#### 7.5.3 Life Cycle Costing Analysis

7.5.3.1 The lifecycle costing in Appendix C show that the replacement of the flat roof at Whitehall Street with a pitch roof is cheaper over a 35 year period by £32,381.09.

7.5.3.2 The total Life Cycle Cost is calculated by adding the total cost of the roof renewal and the Energy Costs.

7.5.3.3 In liaison with Central Procurement Group, Asset management are in the process of identifying life cycle cost analysis on the main elements of works to allow for comparison with the London Housing Consortium, and to assess energy savings.

#### 7.5.4 Whole Life Costing

7.5.4.1 An assessment has been made on the energy loss where a pitched roof or flat roof is being considered. The indicative figures above represent the potential savings over a 35 year period.

7.5.4.2 Heat will escape through all building surfaces, but heat will escape more readily through flat roofs than pitched roofs. The energy saving to residents by choosing pitched is the cumulative energy cost of all flat roofs, less the energy costs of pitched roofs.

7.5.4.3 Assuming pitched roofs use a 300mm cellulose insulation with a 0.13 U-value; Average annual temperature lift of 19.08°F; No skylights; Gas central heating in all build. Combined saving of £190.06 to residents over the 35 year period. Whilst this demonstrates a saving it is not a significant amount over a period of 35 years.

### **7.6 Digital Satellite Provision**

7.6.1 The provision of an integrated satellite reception system will remove the need for satellite dishes and reduce damage to the building fabric. It is proposed to install IRS (integrated reception system) Sky, Hotbird, Turksat DAB (digital audio broadcasting) radio community channels for residents.

7.6.2 Satellite dishes will be removed as part of the programme to install the IRS system. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the dishes be erected after completion of the works.

## **7.7 Planning Approval**

7.7.1 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

## **7.8 Environmental Improvements**

7.8.1 There are no proposed environmental works during this phase of decent homes works.

## **7.9 Sustainability**

7.9.1 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

7.9.2 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

7.9.3 The contractor is registered and complies with the Considerate Constructors Scheme

7.9.4 The new flat roof will be a Langley High Performance warm roof system incorporating 100mm/140mm Paraform Ultra insulation to achieve a minimum U-value of 0.25 W/m<sup>2</sup>K to improve the thermal qualities of the roof. The life expectancy of flat roofs has improved over the years with increased levels of thermal performance. The replacement of the roof comes with a 20 year insurance backed guarantee.

## **7.10 Conservation Areas**

7.10.1 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.

7.10.2 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

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

8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget.

## **9. Head of Legal Services Comments**

9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 16 properties in the North Tottenham area of the borough (details of

which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to the report.

9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.

9.3 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 advisors (Trowers and Hamblins) who provided legal advice on the procurement of the Framework Agreements.

9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the North Tottenham area.

9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.9.6. The Head of Legal Services is satisfied that leaseholder statutory consultation has been carried out (to the date of these comments – 14 January 2010) in accordance with the Service Charges (Consultation Requirements) (England) Regulations 2003.

9.7 The contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Urban Environment has confirmed that this has taken place.

9.8 The Head of Legal Services confirms that provided the Council has considered any comments from leaseholders made between the date of provision of these comments (14<sup>th</sup> January 2010) and the expiry date of the statutory leaseholder consultation period, and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

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

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

10.2 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.

10.3 A Life cycle costing exercise is currently being undertaken for key components and will need to be completed for the project as a whole.

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



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

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

### **Internal**

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### **External**

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report prior to internal works phase in March 2009. Further information was sent to residents on the 24<sup>th</sup> December 2009, about the external works programme.

12.5 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.

12.6 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 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.

### **12.7 Leasehold Implications**

- 12.8 As a result of applications made under the Right to Buy legislation, there are 9 leaseholders living in the properties affected by the works described in this report. The number of leaseholder dwellings where the Section 125 Notice is within the 5 year period is 1 while the number outside the period is 8.
- 12.9 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.
- 12.10 In accordance with The Service Charges Regulations 2003, under schedule 3, notices were issued on the 8<sup>th</sup> January 2010 and to expire on the 7<sup>th</sup> February 2010.
- 12.11 The notice gave leaseholders a description of the proposed works and provided leaseholders with an estimate for the cost of the works. The 30 day statutory consultation period commenced on the 8<sup>th</sup> January 2010.
- 12.12 The total amount estimated to be recovered from the leaseholders is £164,080.11  
This is broken down as follows:
1. There is 1 Leaseholder within the 5 year Section 125 period total estimated recoverable charges is £2,413.00.
  2. There are 8 Leaseholders outside of the 5 year Section 125 period with total estimated recoverable charges of £161,667.11
- 12.13 The charges to all 9 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works will be 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%.
- 12.14 The Council will not enter into an agreement to carry out the works or give instructions to commence work on site, until completion of the 30 day statutory leaseholder consultation period. The Council will have regard to any observations made by leaseholders and will respond in writing to those observations.
- 12.15 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.
- 12.16 Observations to be included on expiry of the Section 20 notice period on the 7<sup>th</sup> February 2010.

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

- 13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33m for 2010/11.  
Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

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

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

14.3 Appendix C, Life Cycle cost details.

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

15.1 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 Pauline Hinds – Strategic Client Representative on 020 8489 1151.

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).

## APPENDIX B

Decent Homes Expenditure to date 2010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 10	£ 246,540.54	04/01/10	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/10	05/03/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
<b>Total</b>		<b>£20,639,643.44</b>		

**Appendix C****2-32 Whitehall Street N17****Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr 35	3	£94,208.98	£0.00	<b>£94,208.98</b>

**Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£154,305.88	£0.00	<b>£154,305.88</b>

**Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr 35	3	£300.00	£615.00	<b>£165,385.79</b>

**Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£197,766.19</b>

**Energy Costs for 2-32 Whitehall Street N17**

3 floors - Roof area 50m<sup>2</sup>= £728.39(Flat Roof), £538.33(Pitched)

Total Life Cycle Costs (35 yr): £166,114.18 (Flat Roof), £198,305.21 (Pitched Roof)

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Haringey Council

Agenda item:

<b>Procurement Committee Meeting</b>	<b>On 16<sup>th</sup> February 2010</b>
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<b>Report Title.</b>	North Tottenham Decent Homes Programme 2009/10. NT14	
<b>Report authorised by:</b>	Niall Bolger, Director of Urban Environment  <i>NPBolger 4th February 2010</i>	
<b>Contact Officer :</b>	Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b>	Northumberland Park	Report for: <b>Key Decision</b>
<b>1. Purpose of the report (That is, the decision required)</b>		
1.1 This report sets out a detailed programme of works, which relates to various properties in the North Tottenham Area, known as NT14 within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 5 <sup>th</sup> April 2010. As such, this report is seeking Procurement Committee approval to award the contract for the works in this project.		
<b>2. Introduction by Cabinet Member</b>		
2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.		
2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.		
<b>3. Links with Council Plan Priorities and actions and /or other Strategies:</b>		
3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed		

to ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

4.2 The scheme is to be funded from the 2010/11 Decent Homes allocation (see Appendix A).

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

5.1 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.

5.2 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.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with EU legislation and the Council's procurement procedures.

#### **6. Other options considered**

6.1 None applicable.

#### **7. Summary**

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme



### 7.1.0 Agreed Maximum Price of this works package

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.1.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract (PPC2000) form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

### 7.2 **Background**

7.2.1 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	5 <sup>th</sup> April 2010
Anticipated Contract completion	20 <sup>th</sup> August 2010
Contract duration	20 weeks
Contractor	para 2.1 Appendix A

### 7.4 **Property address location**

7.4.1 This report details the specific works required to the 284 properties in the North Tottenham area and is priced in accordance with the framework agreement. There are 415 properties within this project area of which 284 are tenanted homes, that will benefit from the proposed internal works. The remaining properties will not benefit from internal works because they are leasehold.

1-69 Arundel Court, Lansdowne Road N17  
 1-44 Ashdowne Court, Lansdowne Road N17  
 1-57 Baldewyne Court, Lansdowne Road N17  
 1-60 Fiske Court, Lansdowne Road N17  
 1-186 Millicent Fawcett Court, Pembury Road N17

### 7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Arundel Court N17	69	Low rise	2	27	Pitch	No
Ashdowne Court N17	44	Low rise	3	13	Pitch	No
Baldewyne Court N17	57	Low rise	2	21	Pitch	No

Fiske Court N17	60	Low rise	2	16	Pitch	No
Millicent Fawcett Crt N17	185	Med rise	2/3	54	Pitch	No

## 7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include kitchen and bathroom refurbishment, boiler replacement, central heating works, rewiring and smoke detectors.

## 7.6 Planning Approval

7.6.1 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

## 7.7 Life Cycle Costing Analysis

7.7.1 In liaison with Central Procurement Group, Asset management are in the process of identifying life cycle cost analysis on the main elements of works to allow for comparison with LHC and to assess energy savings.

## 7.8 Environmental Improvements

7.8.1 There are no proposed environmental works during this phase of decent homes works.

## 7.9 Sustainability

7.9.1 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

7.9.2 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

7.9.3 The contractor is registered and complies with the Considerate Constructors Scheme.

## 7.10 Conservation Areas

7.10.1 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.

7.10.2 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

**8. Chief Financial Officer Comments**

8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget.

**9. Head of Legal Services Comments**

9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 284 properties in the North Tottenham area of the borough (details of which are set out in paragraph 7.4 of the report) to the contractor named in paragraph 2.1 of Appendix A to this report.

9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.

9.3 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 advisors (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.

9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the North Tottenham area.

9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.

9.7 The contract is also a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). Urban Environment Directorate has confirmed that this has taken place.

9.8 The Head of Legal Services confirms that providing there are no issues arising from the consultation with the Planning Department referred to in paragraph 7.7, there are no legal reasons preventing Members from approving the recommendations in this report.

**10. Head of Procurement Comments.**

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

10.2 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.

10.3 A Life cycle costing exercise is currently being undertaken for key components and will

need to be completed for the project as a whole.

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

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

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

### **Internal**

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed Year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### **External**

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be affected by the works set out in this report. A residents' meeting was held on 13<sup>th</sup> January 2010 and 18 residents attended in total. The Ward Members were invited to attend. This will be followed by a newsletter to residents within 10 days of the meeting.

### **12.5 Leasehold Implications**

There are no leaseholders included in this phase of works.

## **13. Service Financial Comments**

13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33m for 2010/11.

Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

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

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

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

15.1 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 Pauline Hinds – Strategic Client Representative on 020 8489 1151.

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).

**APPENDIX B**Decent Homes Expenditure to date **2010/11**

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 10	£ 246,540.54	04/01/10	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/10	05/03/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
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North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
<b>Total</b>		<b>£20,639,643.44</b>		



Haringey Council \*

Agenda item

**[No.]****Procurement Committee Meeting****On 16<sup>th</sup> February 2009**

Report Title. South Tottenham, Broadwater Farm Fire Prevention works (Internal).

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

 4<sup>th</sup> February 2010.

Contact Officer : Larry Ainsworth, Strategic Client Representative  
 Tel: 020 8489 1134  
 e.mail: larry.ainsworth@homesforharingey.org

Wards(s) affected: West Green

Report for: **Key Decision****1. Purpose of the report.**

- 1.1 This report sets out a detailed programme of works as it relates to various properties on the Broadwater Farm Estate. The works outlined in this report is scheduled to commence on the 1<sup>st</sup> March 2010. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

**2. Introduction by Cabinet Member**

- 2.1 This report covers a range of Fire protection and prevention works to Council Properties as a consequence of recent Fire Risk Assessments carried out by HfH in compliance with the Regulatory Reform (Fire Safety) Order 2005.
- 2.2 These mandatory works will go a long way towards preventing any occurrence of recent tragic events in some neighbouring London Boroughs and assuring Haringey Residents that their safety and well being remains a high priority with their Council.

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

- 3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the

residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 As the term contractor for South Tottenham for the decent homes works, they will carry out the Fire Prevention works within this scheme.

#### **4. Recommendations**

To facilitate the delivery of the Fire Prevention works, for which Cabinet have currently approved £500,000.00, members of the Procurement Committee are requested to agree:

4.1 That recommendation be made to Cabinet for a further £1,242,296 to be allocated from HRA balances to the Capital budget for Fire and Safety.

4.2 That subsequent to this allocation by Cabinet an award of the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 be made and that the AMP (Agreed Maximum Price) for this award, excluding fees as detailed in Para 2.2 of Appendix A be noted.

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

5.1 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.

5.2 Following a fire at Camberwell, Homes for Haringey has identified that the properties contained within this report require works to comply with the standards to alleviate the consequences should a fire occur. The works identified have been the result of a Fire Risk Assessment and have been approved by Building Control.

5.3 The works planned will ensure that all residents will benefit from the improved fire protection.

#### **6 Other options considered**

6.1 To carry out minimal replacement of missing fire doors only and to ensure that residents allow access through the escape hatches.



## 7. Summary

### 7.10 Agreed Maximum Price of this works package.

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006. Subsequently, improved revised schedule of rates have been agreed with the constructor partners arising from Value Engineering, agreement of which will be signed off in late February.

7.1.2 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.

7.1.3 The agreed maximum price (see appendix a) includes for all works to all the properties contained within this report, including for the internal works to leasehold dwellings and therefore represents a worse case scenario.

## 7.2 Background

7.2.1 The Project Partnering Contract (PPC2000) is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The Project Partnering Contract (PPC2000) also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.3 Detailed below is a summary of contractor details:

<b>Total estimated construction cost (excluding fees)</b>	para 2.2 Appendix A
<b>Anticipated Contract start on site</b>	1 <sup>st</sup> March 2010
<b>Anticipated Contract completion</b>	20 <sup>th</sup> August 2010
<b>Contract duration</b>	24 weeks
<b>Contractor</b>	para 2.1 Appendix A

## 7.4 Property address location

7.4.1 This report details the specific works required to the 424 properties, including leasehold dwellings, in Broadwater Farm affected by the requirement to carry out these works and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the Fire protection works in this particular phase of the programme:

Croydon. 1-7, 24-30, 31-37, 54-60, 61-67, 68-74.

Debden. 13-20, 37-44, 57-64, 81-88, 89-104.

Hawkinge. 13-26, 39-54, 55-70.

Hornchurch. 1-8, 25-32, 33-40, 57-64, 65-80.

Lympne. 1-8, 25-32, 33-40, 57-64, 65-80.

Manston. 1-16, 21-36, 41-56.

Martlesham. 13-20, 33-40, 53-60, 73-80, 81-96.

Rochford. 25-40, 49-64, 65-80.

Stapleford. 1-8, 13-20, 37-44, 49-56, 73-88.

#### 7.4.2 Property Address details

Property Address	No of units requiring works	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Croydon	42	Med rise		7	n/a	No
Debden	48	Med rise		8	n/a	No
Hawkinge	46	Med rise		5	n/a	No
Hornchurch	48	Med rise		8	n/a	No
Lympne	48	Med rise		8	n/a	No
Manston	48	Med rise		8	n/a	No
Martlesham	48	Med rise		13	n/a	No
Rochford	48	Med rise		13	n/a	No
Stapleford	48	Med rise		11	n/a	No

#### 7.5 Schedule of works

7.5.1 The scope of the Fire protection works included under this phase of the programme are, renewal of the kitchen and livingroom doors, renewal of the under stairs and bedroom doors and frames, double boarding and sealing of the under stairs cupboard doors, smoke alarms in all rooms except bathroom and w.c, heat detectors to the kitchen, permanent fixing and sealing of the existing escape hatch doors and sealing of all service duct openings. (Please refer to separate attachment providing more detail).

#### 7.5.4 Whole Life Costings.

7.5.4.1 Whole life costings are not relevant to the works contained within this scheme.

#### 7.6 Digital Satellite Provision

7.6.1 Not applicable.

#### 7.7 Planning Approval

7.7.1 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

7.7.2 In addition, and as stated previously, the scope of works has been agreed with Building Control.

## **7.8 Environmental Improvements**

7.8.1 There are no proposed environmental works during this phase of decent homes works.

## **7.9 Sustainability**

7.9.4 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

7.9.5 The contractor is registered and complies with the Considerate Constructors Scheme.

## **7.10 Conservation Areas**

7.10.1 In administering these fire protection works due regard will be shown for areas that are subject to specific consents relating to conservation.

7.10.2 For the purposes of these works, the Planning department has confirmed that there are no conservation consents required in this phase.

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

8.1 The total cost of Fire Protection works is now estimated at £1,742,296.22, an improvement from the original estimate of £2m that was included within the HRA Medium Term Financial Strategy. £500,000 has already been allocated from HRA balances and is included with the projected balances figure of more than £7m at the end of the financial year. Thus the additional expenditure of £1,242,296 can be approved whilst still allowing HRA balances to remain well above the target figure of £5m.

## **9. Head of Legal Services Comments**

9.1 This report is seeking Procurement Committee approval to award a call-off contract for Fire Protection works at 424 properties in the South Tottenham area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to this report.

- 9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.
- 9.3 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 advisors (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the South Tottenham area and as such will carry out the fire prevention works within this scheme
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The Head of Legal Services is satisfied that the Service Charges (Consultation Requirements) (England) Regulations 2003 are not applicable to the proposed works because the Council will not be seeking to recover the cost of any works to leasehold properties as rent. The Head of Legal Services approves the comments in relation to leaseholders below at paragraphs 12.2 – 12.5.
- 9.7 The contract is also a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). Urban Environment Directorate has confirmed that this has taken place.
- 9.8 The Head of Legal Services confirms that providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

### **10.0 Head of Procurement Comments**

- 10.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.
- 10.2 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.
- 10.3 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

## 11. Equalities and Community Cohesion Comments

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including the works contained within this report. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## 12. Consultation

### Internal

12.1 Homes for Haringey have consulted council officers in the preparation of this proposed scheme. The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed works. Ward member comments have also been considered. Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### External

12.2 Homes for Haringey will carry out detailed consultation with the residents that will be affected by the works set out in this report. A resident's open day will be held on the 1<sup>st</sup> February. The Ward Members are invited to attend. This will be followed by a newsletter to residents within 10 days of the meetings.

12.3 Informal leasehold consultation forms part of the overall consultation process however it is not a statutory requirement in these circumstances. The Service Charges (Consultation Requirements)(England) Regulations 2003 do not apply to works to internal parts of leaseholder flats. Those parts have been demised to the leaseholder as part of the Right-to-Buy sale and are not subject to the Regulations.

12.4 In order to comply fully with the Fire Risk Assessment and Building Control requirements to provide adequate fire protection, the works are also required to the internal parts of leasehold properties within this scheme.

12.5 The leaseholders will have three options in deciding how to do the works:

- (i) have their own contractor carry out the works after the Council provides them a specification; or
- (ii) allow access to their flat for the Council's contractor to do the works. The leaseholder will then be invoiced by the Council for the cost of the works; or
- (iii) don't agree to either option above. In that case, the Council will serve a formal notice on the leaseholder requiring them to carry out the works and advising them that they will be breaching the terms of their lease if they do not. If the work have not been done within three months of the date of the notification then the Council will gain access to the flat, do the works and invoice the leaseholder.

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

13.1 Cabinet received a report on 8<sup>th</sup> September 2009 concerning fire safety works at blocks in Haringey that were built with a construction style described as scissor blocks. Cabinet noted the report and the estimated cost of £2 million to carry out fire precaution works at the affected blocks. An initial release of £500,000 from the Housing Revenue Account (HRA) balances for the works in 2009/10 was approved. Further estimated expenditure of £1.5 million has been incorporated in the draft HRA Medium Term Financial Strategy for 2010/11.

The total cost of works at Broadwater Farm proposed in this report is £1,470,273.42 over 2009/10 and 2010/11 and can be funded from the HRA as set out above. Other works in Hornsey and South Tottenham are estimated to be £272,022.80, Hornsey £28,298.06 and South Tottenham £243,724.74, which will also be funded from the same funding. The total cost of the works at both sites amounts to £1,742,296.22.

Value for money has been achieved in the project through approved framework agreement as set out in paragraph 3.2. There is also an agreed maximum price for the works.

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

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date, see Appendix B

14.3 Appendix C, Life cycle cost details are not applicable for this contract.

## APPENDIX B.

Expenditure to date 2010/2011.

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Fire Protection	£ 28,298.06	04/01/10	01/02/10
South Tottenham	Fire Protection	£1,470,273.42	01/03/10	13/08/10
		£1,498,571.48		

**Please note: The above sum for South Tottenham includes for works to all properties including leaseholder properties.**

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Haringey Council

Agenda item:

Procurement Committee Meeting

On 16<sup>th</sup> February 2010

<b>Report Title.</b> Wood Green Decent Homes Programme 2010/11. WG17	
<b>Report authorised by:</b> Niall Bolger, Director of Urban Environment <i>NPB 4/2/2010</i>	
<b>Contact Officer :</b> Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b> Noel Park	<b>Report for:</b> Key Decision
<p><b>1. Purpose of the report (That is, the decision required)</b></p> <p>1.1 This report sets out a detailed programme of works, which relates to various properties in the Wood Green area, known as WG17 within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 5<sup>th</sup> April 2010. As such, this report is seeking Procurement Committee approval to award the contract for the works in this project.</p>	
<p><b>2. Introduction by Cabinet Member</b></p> <p>2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.</p> <p>2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.</p>	
<p><b>3. Links with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.</p>	

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

4.2 The scheme is to be funded from the 2010/11 Decent Homes allocation (see Appendix A).

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

5.1 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.

5.2 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.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with EU legislation and the Council's procurement procedures.

#### **6. Other options considered**

6.1 None applicable.

#### **7. Summary**

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme

7.1.0 Agreed Maximum Price of this works package

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.1.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract (PPC2000) form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

## 7.2 Background

7.2.1 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

## 7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	5 <sup>th</sup> April 2010
Anticipated Contract completion	18 <sup>th</sup> March 2011
Contract duration	49 weeks
Contractor	para 2.1 Appendix A

## 7.4 Property address location

7.4.1 This report details the specific works required to the 300 properties in the Wood Green area and are priced in accordance with the framework agreement.

Berwick Road N22  
 Coombe Road N22  
 Clarence Road N22  
 Gladstone Avenues N22  
 Glynne Road N22  
 Moselle Avenue N22  
 Noel Park Park N22  
 Pelham Road N22  
 Vincent Road N22  
 Vincent Square N22

## 7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Berwick Road N22	2	houses	2	0	Pitch	Yes
Coombe Road N22	1	houses	2	0	Pitch	Yes
Gladstone Ave. N22	57	houses	2	0	Pitch	Yes
Gladstone Ave. N22	29	flats	2	0	Pitch	Yes
Glynne Road N22	9	houses	2	0	Pitch	Yes
Moselle Ave. N22	76	houses	2	0	Pitch	Yes

Moselle Ave. N22	35	flats	2	0	Pitch	Yes
Noel Park Rd N22	7	houses	2	0	Pitch	Yes
Pelham Road N22	39	houses	2	0	Pitch	Yes
Vincent Road N22	21	houses	2	0	Pitch	Yes
Vincent Square N22	24	flats	2	0	Pitch	Yes

## 7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include kitchen and bathroom refurbishment, boiler replacement, central heating works, rewiring and smoke detectors.

## 7.6 Planning Approval

7.6.1 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

## 7.7 Life Cycle Costing Analysis

7.7.1 In liaison with Central Procurement Group, Asset management are in the process of identifying life cycle cost analysis on the main elements of works to allow for comparison with the London Housing Consortium (LHC) and to assess energy savings.

## 7.8 Environmental Improvements

7.8.1 There are no proposed environmental works during this phase of decent homes works.

## 7.9 Sustainability

7.9.1 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.

7.9.2 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

7.9.3 The contractor is registered and complies with the Considerate Constructors Scheme.

## 7.10 Conservation Areas

7.10.1 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.

7.10.2 For the purposes of this programme, the Planning department has confirmed that there are no conservation consents required in this phase.

**8. Chief Financial Officer Comments**

- 8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget or Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget

**9. Head of Legal Services Comments.**

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 294 properties in the Wood Green area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to the report.
- 9.2 The Procurement Committee has on the 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Construction 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.
- 9.3 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 advisors (Towers and Hamblins) who provided legal advice on the procurement of the Framework Agreements.
- 9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Wood Green area.
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Urban Environment Directorate has confirmed that this has taken place.
- 9.7 There are no obligations for the Council in relation to the Service Charges (Consultation Requirements) (England) Regulations 2003 as there are no works proposed to leasehold properties as part of this Project.
- 9.6 The Head of Legal Services confirms that provided there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

**10. Head of Procurement Comments.**

- 10.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.
- 10.2 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.

10.3 A Life cycle costing exercise is currently being undertaken for key components and will need to be completed for the project as a whole.

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

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

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

### Internal

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### External

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. A residents' meeting took place on the 20<sup>th</sup> January 2010. Ward Members were invited to attend. A newsletter will be sent to residents within 10 days after the meeting.

### **12.5 Leasehold Implications**

12.6 There are no leaseholders in this phase of works.

## **13. Service Financial Comments**

13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33m for 2010/11.

Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

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

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

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

15.1 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 Pauline Hinds – Strategic Client Representative on 020 8489 1151.

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).

**APPENDIX B**Decent Homes Expenditure to date **20010/11**

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 10	£ 246,540.54	04/01/10	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/10	05/03/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
<b>Total</b>		<b>£20,639,643.44</b>		



Agenda item:

**[No.]**

**Cabinet Procurement Committee**

**On 16<sup>th</sup> February 2010**

Report Title. <b>Framework Agreement for Major Building Construction Works</b>	
Report of <b>Director of Corporate Resources</b>	
Signed : <i>J. Parker</i> 3/2/10	
Contact Officer : David Mulford, 020 8489 1037	
Wards(s) affected: <b>All</b>	Report for: <b>Key Decision</b>
<p><b>1 Purpose of the report</b></p> <p>1.1 To seek Cabinet Procurement Committee approval to award framework agreements for the provision of major building construction works for buildings owned or managed by the Council and Homes for Haringey.</p>	
<p><b>2 Introduction by Cabinet Member</b></p> <p>2.1 I note the recommendations set out in this report.</p>	
<p><b>3 State link(s) with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>3.1 The opportunity to procure long term agreements for major building construction works was identified through the Council's Category Management strategy.</p>	
<p><b>4 Recommendations</b></p> <p>4.1 In accordance with CSO 11.03 that framework agreements for major building</p>	

- construction works be awarded to those companies listed in Appendix 1
- 4.2 That the framework agreements be awarded for a period of 2 years with an option to extend for a further 2 years and with an estimated total value of £20million per year.

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

- 5.1 Framework agreements for major building construction works of value greater than £250,000 were awarded in January 2006 for a period of 2 years, with the option to extend for up to a further 2 years. Framework agreements were awarded for a period of 2 years from May 2006 and have subsequently be extended twice. The current framework agreements are due to expire on 31<sup>st</sup> March 2010.
- 5.2 The framework agreements to be awarded will be used to subsequently procure contractors for major building construction works following the expiry of the existing framework agreements.
- 5.3 Works will be split between three value bands, with a separate framework agreement covering work under each band. The value bands are as follows:
- £250,000 to £999,999
  - £1,000,000 to £3,499,999
  - Over £3,500,000
- 5.4 The framework agreements will provide a mechanism for the procurement of building contractors for individual projects of value greater than £250,000. Selection will either be through a mini-tender or call-off process. Selection of contractors through a call-off process will be on the basis of the most economically advantageous tender (MEAT) based on the results of the procurement process for the framework agreement and performance measured through key performance indicators (KPI).
- 5.5 The use of a framework agreement will provide a robust contract management process, with key performance indicators used to monitor contractor performance.
- 5.6 The framework agreement will be available to all Council directorates and Homes for Haringey following a Section 20 consultation process.

## **6 Other options considered**

- 6.1 The Construction Procurement Group examined the option of using other public sector arrangements for the provision of major building construction works. No such arrangements exist which cover the form of contract and extent of this procurement.

## **7 Summary**

- 7.1 The procurement followed an EU tender process. A contract notice was published on 19<sup>th</sup> February 2009 via the Official Journal of the European Union (OJEU).
- 7.2 A consultant was commissioned to act as an additional resource to CPG and Council officers in the evaluation of pre-qualification questionnaires and to prepare the pricing mechanism for the tender document for the procurement. The consultant was commissioned from the Council's framework agreement for the provision construction consultants with NPS London Ltd.
- 7.3 Pre-qualification Questionnaires (PQQ) were received from 80 companies across the three value bands. The pre-qualification questionnaires were assessed by officers from CPG, the Children & Young People's Service and the commissioned consultant.
- 7.4 The 14 companies with the highest scores for each value band following evaluation of pre-qualification questionnaires were invited to tender for the framework agreement on 27/10/09. Two companies declined the opportunity to tender in the value band for works over £3,500,000 (see Appendix 1, 1.2). All other tenders were received. Thus 14 tenders were received for the two lowest value bands and 12 tenders were received for the value band for works over £3,500,000.
- 7.5 Tenders were assessed on a 60% Quality: 40% Price basis.
- 7.6 Quality evaluation was based on tenderers' responses to questions relating to their proposed delivery of the framework agreement (see Appendix 1, 1.4 for questions) and on their responses to questions relating to a project scenario provided in the tender document (see Appendix 1, 1.5). The potential marks available for each question were specified in the tender documents. The total marks awarded were converted to a percentage of the maximum marks available. This was then multiplied by 60% to obtain the quality score for each company. The quality responses were evaluated by officers from CPG and the Property & Contracts team within the Children & Young People's Service.
- 7.7 Price was evaluated using a schedule of rates submitted by each tenderer. The pricing mechanism consisted of overheads, preliminaries (site based overheads), profit and measured work items.
  - 7.7.1 Tenderers were asked to submit percentage values for overheads and profit for the different types of work that may be encountered under each value band.
  - 7.7.2 Similarly, tenderers were asked to submit rates for preliminaries, comprising a list of specified items.
  - 7.7.3 Tenderers were asked to price schedules of measured work items, i.e. defined tasks under each project scenario.
  - 7.7.4 The total prices for each of the defined scenarios were built up using figures from 7.7.1 – 3 above.
  - 7.7.5 The tenderer who submitted the lowest total price received a maximum 40% score for price. The other tenderers' received a score out of 40%,

calculated by multiplying the variation between their submitted price and the lowest price by 40%.

- 7.8 The companies with the highest overall scores following the tender evaluation are recommended to be appointed under the framework agreements discussed in this report. See Appendix 1, 1.1 for details of the recommended companies

## **8 Chief Financial Officer Comments**

- 8.1 The recommended number of contractors per band should enable sufficient competition between contractors to deliver on-going efficiencies and provide sufficient capacity.
- 8.2 The Chief Financial Officer can confirm that the resources to monitor and performance manage the contract are built into existing procurement budgets.

## **9 Head of Legal Services Comments**

- 9.1 The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, allows local authorities to enter into framework agreements with contractors, and to select contractors in respect of specific projects from amongst those contractors with which it has concluded framework agreements.
- 9.2 The framework agreement to which this report relates has been tendered in the EU in accordance with the Public Contracts Regulations 2006, using the restricted procedure, a tendering procedure whereby expressions of interest are invited by advertisement in the Official Journal of the EU, with a selection of the contractors who have expressed an interest being invited to submit tenders.
- 9.3 This report is recommending award of the framework agreement to the contractors named in Appendix 1. These contractors have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Public Contracts Regulations.
- 9.4 As the total estimated value of the contracts to be awarded under the framework agreement is likely to exceed £250,000, the proposed award must be approved by Members pursuant to CSO 11.3.
- 9.5 The award of this framework agreement is a key decision and the client has confirmed that it has been included in the Forward Plan.
- 9.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of the report.

## **10 Head of Procurement Comments**

- 10.1 Framework Agreements provide a mechanism whereby “approved” contractors are selected but there is no commitment at this stage on the Council to place any orders.
- 10.2 When a construction need arises, Council officers invite all capable contractors on the framework to either submit a tender under mini-competition or if the nature of the works is such, a “call-off” procedure is used based on pricing schedules submitted during the initial selection process. These processes are defined within Public Procurement Regulations.
- 10.3 The new framework agreements being proposed have been competitively evaluated and provide the Council with a good range of contractors across a number of value bands that should serve the Council well over the next 2-4 years.
- 10.4 Key benefits of using framework agreements are to reduce costs for the Council and Contractors and enable quicker time to site, because 80% of the necessary contractor evaluations and pricing schedules etc are done once (at the time of selection onto the framework) and all subsequent mini-competitions or “call-offs” are project specific.
- 10.5 The framework agreements put before Members for approval offer good Value for Money for the Council and are designed to include known best practice and compliance with current legislation.

## **11 Equalities & Community Cohesion Comments**

- 11.1 All pre-qualification questionnaires were evaluated in terms of equality and diversity. The companies to be appointed under this framework agreement have demonstrated a commitment to equalities and diversity.
- 11.2 The framework agreement will benefit all wards within the borough.

## **12 Consultation**

- 12.1 The procurement process for the framework agreement has been undertaken in consultation with key client departments within all directorates and Corporate Legal Services.
- 12.2 The decision has been taken to enter into a Section 20 Leaseholder consultation process. The Council is obliged to consult leaseholders in accordance with the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003 (“the Regulations”). The Regulations require the Council to send two notices to leaseholders before the services are provided. In order to ensure compliance with the Regulations the Council must make an application to the Leasehold Valuation Tribunal (LVT) for a dispensation from some of the requirements of the Regulations, specifically the requirement to provide information on the value of work covered by the framework agreement in the second notice. This information will not be available due to the unpredictable nature of the work to be carried out by the framework agreement.

12.3 The Framework Agreement will not provide construction works for projects in which Section 20 leaseholder consultation may be required, until the statutory consultation is complete.

### **13 Service Financial Comments**

13.1 The costs involved in the use of the framework agreements for future major construction works may come from external funding, revenue or capital budgets for the directorates for which work is being carried out.

13.2 The prices submitted by the successful tenderers have been assessed and are competitive against the current market. The option for the use of mini-competition for the award of work is available for projects covered by this framework agreement. This will provide further competition in terms of price.

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

14.1 Appendix 1 of this report contains information exempt from public viewing. The information contained relates to the evaluation process for this procurement.

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

15.1 Appendix 1 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).*

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