

NOTICE OF MEETING

CABINET MEMBER SIGNING

Tuesday, 12th July, 2016, 11.00 am - Civic Centre, High Road, Wood Green, N22 8LE

Members: Councillor Alan Strickland (Chair)

Quorum: 1

1. **FILMING AT MEETINGS**

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. **URGENT BUSINESS**

The Cabinet Member will advise of any items they have decided to take as urgent business.

3. **HOUSING ELECTRICS PACKAGE 6 (NORTHOLT & STAPLEFORD) 2016/17 (PAGES 1 - 8)**

The report will seek Cabinet Member approval for the award of the contract to AJS Ltd for electrical and security works covering 190 properties in Northolt (1 – 102) and Stapleford (1 – 88) on the Broadwater Farm Estate, in accordance with Contract Standing Order 7.01c and 9.06.1.b (ii). The total project cost is £760,624 including fees and the contract period is 30 weeks. The report will

also seek Cabinet Member authorisation to issue a Letter of Intent up to and not exceeding 10% of the contract sum as allowed under the Council's CSO 9.07.3.

4. NEW ITEMS OF URGENT BUSINESS

To consider any items of Urgent Business admitted under Item 2 above.

5. EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under Paragraphs 3 & 5, Part 1, Schedule 12A of the Local Government Act 1972.

6. HOUSING ELECTRICS PACKAGE 6 (NORTHOLT & STAPLEFORD) 2016/17 (PAGES 9 - 12)

As per item 3.

7. NEW ITEMS OF EXEMPT URGENT BUSINESS

As per Item 2.

Philip Slawther
Principal Committee Coordinator
Tel – 020 8489 2957
Fax – 020 8881 5218
Email: philip.slawther2@haringey.gov.uk

Bernie Ryan
Assistant Director – Corporate Governance and Monitoring Officer
River Park House, 225 High Road, Wood Green, N22 8HQ

Monday, 04 July 2016

Report for: Cabinet Member Signing – 12th July

Item number: 3

Title: Housing Electrics Package 6 (Northolt & Stapleford) 2016/17

Report

authorised by : Tracie Evans, Chief Operating Officer

Lead Officer: David Sherrington, Director of Asset Management

Ward(s) affected: West Green

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

1.1 To seek the Cabinet approval to award the contract for the above project in accordance with Contract Standing Order 7.01c and 9.06.1.b (ii).

2. Cabinet Member Introduction

2.1 Through the housing capital programme the Council provides essential improvements to the housing stock. This report approves the appointment of the contractor to deliver the renewal of the door entry phone system, CCTV, adaption to the concierge suite and renewal of the communal doors.

3. Recommendations

3.1 That the Cabinet Member approves the award of the contract to AJS Ltd for the electrical and security works for the sum of £700,055 and contract period of 30 weeks.

3.2 That the Cabinet Member approves the total professional fees of £60,569, which represents 8.652% of the contract sum. That the total project cost of £760,624 be noted.

3.3 That the Cabinet Member authorises Haringey's Legal Department to issue a letter of Intent up to and not exceeding 10% of the contract sum as allowed under the Council's CSO 9.07.3.

4. Reasons for decision

4.1 Approval of the successful competitive tendered scheme is required to allow the contract to be awarded and the planned replacement door entry system and electrical works, which include renewal of communal doors/door entry systems,

CCTV, landlord electrical services and adaptation to the concierge offices at Northolt and Stapleford, to start.

- 4.2 The existing door entry system within this programme have reached the end of their useful life and replacement parts are obsolete. The existing door entry system is not operational at present.

5. **Alternative options considered**

- 5.1 The alternative option to full replacement is to refurbish. However, the system is obsolete and parts are no longer accessible. This has led to increased maintenance costs and an increase in anti social behaviour in the blocks.

6. **Background information**

- 6.1 This package of works consists of 190 properties in Northolt (1 – 102) and Stapleford (1 – 88) on the Broadwater Farm Estate within the South Tottenham area.

- 6.2 The project details are as follows:

Number of dwellings in project:	190
Total construction costs:	£700,055
Anticipated contract start on site:	October 2016
Anticipated contract completion:	February 2017
Contract duration:	30 weeks
Contractor:	AJS Ltd

Proposed Work

- 6.3 The scope of the work includes the renewal of the CCTV cameras and system, adaptations to the concierge suite, entry phone replacement, entrance doors renewal and landlord lighting to the above blocks.

Consultation

- 6.4 Residents and stakeholders have been advised about the scheme in writing and a 'drop in' consultation meeting was held at the Broadwater Farm Community Centre on 8 June 2016 for residents and key stakeholders. Further consultation will be undertaken by newsletters.

Tender

- 6.5 Competitive E-tenders were invited from five firms from Constructionline (a fully owned and managed by Capita, UK register of pre-qualified construction services database). via the Haringey Council Construction Procurement Group.
- 6.6 Only three (3) contractors returned their tender and their tenders are listed below in Appendix A.

- 6.7 The successful contractor, AJS Limited, submitted a tender on on 8 January 2016, they are willing to keep their offer open until 8 October 2016.
- 6.8 The pre-tender estimate prepared by the Electrical Engineers in June 2015 was £800,000. The difference between the pre-tender estimate and the £700, 055 lowest tender received is £99,945, which is within 12.49% of the pre tender estimate. This variance is considered to be acceptable for the proposed works overall in spite of the vagaries of the market.
- 6.9 The HfH Cost Consultant has concluded that the lowest fixed price tender in the sum of £700,055.00 with a contract period of 30 weeks, submitted by AJS Ltd represents value for money and is considered to be satisfactory as the basis for a contract.
- 6.10 An arithmetical check of all returned tenders was carried out and no errors were found on the lowest tender.

Supervision and Management Costs

- 6.11 Fees and services have been set for this project in accordance with the consultancy costs and HfH agreed fees for the following services:
- Lead Consultancy (Client Representative Services)
 - Cost Consultant
 - Clerk of Works services
 - Construction Design Management services
 - Project Management
- 6.12 The total fees for this project are £60,569, which represents 8.652% of the contract sum.

6.13 Project Team

Project Manager – Homes for Haringey
Contract Administrator / Electrical Engineer – Homes for Haringey
Cost Consultant – Homes for Haringey
Clerk of Works – Homes for Haringey
CDM Principle Designer – Homes for Haringey
Tenancy Manager – Homes for Haringey
Estate Services Officer – Homes for Haringey
Quality Assurance Officer – Homes for Haringey

Leasehold Implications

- 6.14 As a result of applications made under the Right to Buy legislation, there are 27 leaseholders living in the properties affected by the works described in this report.
- 6.15 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.

- 6.16 In accordance with The Service Charges (Consultation Requirements) (England) Regulations 2003, the Section 20 Notice of intention were served on 10/02/16 and expired on 14/03/16 and the Notice of estimates was issued on 30/03/16 and expired 02/05/16.
- 6.17 The Notices gave a description of the proposed works and provided details of the costs of the works and leaseholders were given the 30 day statutory consultation period to make their observations.
- 6.18 No observations were received from leaseholders following the issuing of the Section 20 Notices.
- 6.19 The total amount estimated to be recovered from the 27 leaseholders is £107,716.55.

Sustainability Comment

- 6.20 The procurement of materials and components to be used during the Capital Works programme will involve the selection of products that have a minimal impact on the environment.
- 6.21 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.

Budget

- 6.22 This project will be funded from the Mechanical & Electrical Budget within the 2016/17 Housing Capital Programme.

6.23 Phasing of Expenditure

Financial year	Works	Fees	Total
2016/17	£682,554	£59,963	£742,517
2017/18	£17,501	£606	£18,107
Total	£700,055	£60,569	£760,624

The Finance Manager for Homes for Haringey comments as follows:

- 6.24 This scheme is estimated to cost £760,624 and projected to be phased as set out in paragraph 6.28 of this report.
- 6.25 Provision exists for the projected works spend of £682,554 in the Mechanical & Electrical Budget within the 2016/17 Housing Capital Programme. The retention balance £17,501 will be a first call on resources available in 2017/18.

Conservation Areas

6.26 The properties in this project are not within a conservation area.

Health and Safety Implications

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

6.28 The Construction (Design and Management) Regulations 2015 apply to this project and the contractors Construction Phase Health and Safety Plan will be checked and approved by the Principle Designer before works commence on site.

7. Contribution to strategic outcomes

7.1 To create homes and communities where people choose to live and are able to thrive.

8. **Statutory Officers comments** (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

8.1 The cost of the proposed contract is £700,055 plus fees in the sum of £60,569 giving a total of £760,624.

8.2 The proposed contractor was selected following a competitive tendering process. The tender sum proposed is 12.49% lower than the original estimated sum for the contract of £800,000 and is seen as achieving good value for money.

8.3 The phasing of the spend is as described in paragraph 6.23 of this report. This project is included in the programmed works for the year in the sum of £682,554 plus fees. There is full financial provision for this spend within the 2016/17 Mechanical and Electrical budget of £3m in the HRA Capital programme. Retentions will be the first call on the 2017/18 Housing Capital Programme.

8.4 There are 27 leaseholders on the estates and the sum of £107,716 will be recoverable from these householders which will be available for future HRA capital programmes.

Procurement

8.5 The contractors have been selected from Constructionline (a fully owned and managed by Capita, UK register of pre-qualified construction services database) in December 2015.

- 8.6 The tender has been prepared and tendered on a lowest price basis for this Award and is considered as value for money.

Legal

- 8.7 The Assistant Director of Corporate Governance notes the contents of the report.
- 8.8 Due to the value of the contract which this report relates to it may only be awarded by Cabinet.
- 8.9 This is a key decision and Homes for Haringey have confirmed it has been included on the Forward Plan.
- 8.10 The terms of the Council's standard right to buy lease permit recovery of a proportion of the cost of these works from leaseholders, subject to compliance with the consultation requirements set out in the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003.
- 8.11 Those provisions set out a two-stage process for consultation with leaseholders, initially setting out the proposed works and inviting comments thereon and nomination of a contractor from whom to seek an estimate, and thereafter setting out estimates and inviting comments; in each case the leaseholder is to be given a minimum of 30 days to respond. The Council must have regard to any comments made, and obtain an estimate from a nominated contractor if one (or more) is nominated.
- 8.12 Details of the Council's compliance with those provisions are set out in the body of this report under "Leasehold Implications". Legal Services were consulted on and approved the form of the notices served.
- 8.13 Please see additional legal comments in the exempt part of the report.

Equality

- 8.14 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- i. Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - ii. Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - iii. Foster good relations between people who share those characteristics and people who do not.

8.15 This report relates to the award of a contract for security and landlord lighting in 2 housing blocks. The improvement works are intended to improve the security for all residents and visitors to the properties, which includes those who share the protected characteristics.

8.16 The tendering process requires the contractors to provide their Equality policy and statement as part of their tender return to demonstrate their compliance with the equalities legislation.

9. **Use of Appendices**

9.1 Appendix A – Tender Evaluation. Appendix A contains exempt information under Schedule 12A of the Local Government Act 1972, namely: Information relating to the financial or business affairs of any particular person (including the authority holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

10. **Local Government (Access to Information) Act 1985**

10.1 The background papers relating to this report are:

- Cabinet Report 12 February 2013 (Appointment of Consultants)
- Cabinet Report 10 February 2015 (Corporate Planning 2015/18)
- Cabinet Report 18 March 2015 (Capital Programme)

This page is intentionally left blank

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank