

NOTICE OF MEETING

CABINET MEMBER SIGNING

Monday, 12th December, 2016, 3.30 pm - 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. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

4. MECHANICAL IMPROVEMENT WORKS PHASE 1 (2016/17) (PAGES 1 - 10)

The report will seek Cabinet Member approval for the award of contract to Purdy Contracts Limited for the refurbishment and upgrading of centralised the mechanical ventilation system at 6 housing blocks. The total project cost, including professional fees of £89,388, is £1,038,295 with a contract period of 28 weeks.

5. NEW ITEMS OF URGENT BUSINESS

To consider any items of urgent business admitted under Item 2 above.

6. EXCLUSION OF THE PRESS AND PUBLIC

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

7. MECHANICAL IMPROVEMENT WORKS PHASE 1 (2016/17) (PAGES 11 - 14)

As per item 4.

8. NEW ITEMS OF EXEMPT URGENT BUSINESS

As per item 5.

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

Friday, 02 December 2016

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Report for: Cabinet Member Signing - 12th December 2016

Item Number: 4

Title: Mechanical Improvement Works Phase 1 (2016/17)

Report authorised by: David Sherrington, Director of Asset Management
020 8489 3272
david.sherrington@homesforharingey.org

Lead Officer: Gary Thurston
020 8489 5289
gary.thurston@homesforharingey.org

Ward(s) affected: Bounds Green and Woodside

**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 and 9.07.1.b (i).

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 refurbishment and upgrading of the centralised mechanical ventilation services to the 6 Tower blocks listed in this report.

3. Recommendations

3.1 That the Cabinet approves the award of contract to Purdy Contracts Limited for the refurbishment and upgrading of the centralised mechanical ventilation services for the sum of £948,907 (rounded up) and contract period of 28 weeks.

3.2 That the Cabinet Member approves the total professional fees of £89,388, which represents 9.42% of the contract sum. That the total project cost of £1,038,295 be noted.

3.3 That the Cabinet Member authorises Haringey's Legal Department to issue a letter of Intent up to and not exceeding £94,890, being 10% of the contract sum as allowed under the Council's Contract Standing Orders.

4. Reasons for decision

- 4.1 Approval of the successful competitive tender scheme is required to allow the contract to be awarded and the planned refurbishment and upgrading of the centralised mechanical ventilation services work to be ordered.
- 4.2 The new system will protect residents within their properties in the event of a fire, as smoke will be detected as it is drawn into the vicinity of the extract grille by the negative pressure in the or bathroom or toilet. The air flow valve will shut down isolating the remainder of the riser within 5 seconds and an audible alarm will be activated.
- 4.3 The current systems do not perform to the requirements of the Building Regulations Part F1. An historic combination of double glazing and draught-proofing and the deteriorated condition of the roof fans and ducts has caused a critical reduction of the ventilation rates to dwellings and this could lead to a consequential increase in dampness-related repairs. Restoring the ventilation schemes to beyond their original design performance will greatly reduce these issues and lead to reduced repair costs over the life of the system.
- 4.4 The new system will be a smart, digital solution that has smart air terminals that have Bluetooth technology embedded which enables each terminal to be interrogated, cycle tested and validated as fully functional without access to the property itself and in real time. Further, data from the air terminal can be downloaded via this wireless link to detect instances in which the terminals alarm functions have been activated, the status of the standby battery and whether the device has been disconnected from the mains supply. All of this data is date and time stamped to aid analysis and compliance checking.

5. Alternative options considered

- 5.1 The alternative option to repair the existing system which could result in on-going maintenance issues and not addressing the potential fire risk.

6. Background information

- 6.1 These 6 very similar blocks each have their extract ventilation arranged via large rooftop centrifugal or mixed-flow fans and riser ducts with branches into each dwelling. The extract points served are the internal bathrooms and WCs.
- 6.2 All of these systems are original equipment and the majority are over 40 years old and is, to a large degree out of service.
- 6.3 CCTV surveys have been carried out and have confirmed that the internal surfaces of the ducts are very dirty and would contribute to both the spread of flame and the reduction of air flow rates.
- 6.4 The existing systems can be characterised by these features:
 - The ducts themselves represent risk to occupants during fire conditions as do the lack of fire and smoke control equipment.
 - As there is no backdraught prevention and no fire stopping within the ductwork system, then both flame and ambient temperature smoke and

products of combustion can be transferred between dwellings via the vertical riser in the event of a fire.

- The main fans are original and some are out of service and all are vulnerable to vandalism.

Proposed Work

- 6.5 The scope of the work includes the refurbishment and upgrading of the centralised mechanical ventilation services to the following blocks:

Block	Number of Units
Newbury House	85
Thomas Hardy House	85
Finsbury House	84
Elizabeth Blackwell House	84
George Landsbury House	84
John Keat House	85
Total Number of Units:	507

Consultation

- 6.6 Consultation for this scheme will be undertaken by newsletters.

Tender

- 6.7 This project was advertised on the National Contract Finder in line with Public Contracts Regulations 2015, the UK enactment of the OJEU process. The fourteen firms that expressed an interest were invited to tender via Delta E-Sourcing in conjunction with Haringey Council Corporate Procurement Unit. The “price” and “Quality” award criteria based on a mandatory requirement to meet the quality requirements of the Specification was used. The contract will be let on the basis of 60% Quality and 40% Price.

- 6.8 The contractors invited to tender are listed below in alphabetical order:

Bandera FM Ltd.
Cold Services Ltd.
Ecolution Energy Services Ltd.
Farmwood Ltd.
Gleaming Secure Solutions.
H2O Nationwide Ld.
Kingdom Security Ltd.
Onyx Facilities Services Ltd.
PFL Electrical Ltd.
PHS Compliance Ltd.
Purdy Contracts Ltd.
Secure UK Services Ltd.
Tate Technical Services Ltd.
Ventilation Surveys & Services Ltd.

6.9 Tenders were received from five (5) contractors who are listed below in alphabetical order:

Ecolution Energy Services Ltd.
H2O Nationwide Ltd.
Onyx Facilities Services Ltd.
Purdy Contracts Ltd
Secure UK Services Ltd.

6.10 No tenders were submitted by the other 9 contractors mentioned at Item 6.8 above. No reasons have been given by any of the 9 Contractors, however all Contractors had access to the E-portal Delta information.

6.11 Tender documents included evaluation criteria and methodology for quality assessment to establish a quality score for each of the tenderers. A quality and price assessment was conducted by an evaluation panel made up from officers from Homes for Haringey and from our external Cost Consultant.

6.12 The contractors were required to submit a written qualitative delivery proposal (QDP) submission to meet all the criteria in the QDP as set out below against which the evaluation took place:

Criteria	Criteria Weighting
1 - Contract Management	25%
2 - Stakeholder Engagement	25%
3 - Site Set Up	25%
4 - Key Risk	25%

6.13 The panel for the quality evaluation was made up of five officers, two from Homes for Haringey and three from the external Cost Consultant, Playle & Partners LLP. The panel assessed the responses to the questions that were sent with the tender documents.

6.14 Each of the QDP was marked separately by members of the evaluation panel. The scores were computed and transferred onto a quality evaluation matrix, an average score was ascertained and weighted in order to arrive at the final score.

6.15 The total weighted final score is the sum of the scores for each QDP and this is expressed as a percentage. This procedure establishes the quality score for each tenderer.

6.16 For the contract, the pricing document comprised of three parts which incorporated the following elements; Preliminaries, Main works, and Contingencies and day works.

6.17 The following table summarises the elevation process:

6.18 Quality Evaluation:

Contractor	Total Weighted QDP Score	Weighted Percentage QDP Score (Max 60%)	Position
Purdy Contracts Ltd	90	60%	1
Contractor A	75	45%	2
Contractor B	50	30%	4
Contractor C	70	43%	3
Contractor D	5	3%	5

6.19 Price Evaluation:

Contractor	Tender Sum(£)	Weighted Price (Max 40%)	Position
Purdy Contracts Ltd	£948,907.11	40%	1
Contractor A	949,922.76	39%	2
Contractor B	£1,089,303.00	35%	3
Contractor C	£1,114,171.19	34%	4
Contractor D	£1,769,817.03	21%	5

6.20 The Final summary:

Contractor	Total Weighted QDP Score	Price (40) %	Total	Overall Position
Purdy Contracts Ltd	60%	40%	100%	1
Contractor A	45%	39%	84%	2
Contractor B	30%	35%	65%	4
Contractor C	43%	34%	77%	3
Contractor D	3%	21%	24%	5

6.21 Five of the fourteen contractors invited to tender submitted their tender which are open for acceptance for a period of six months from 15th September 2016, from the tender submission date. Consequently a tender should be accepted not later than 16th March 2017.

6.22 The pre-tender estimate prepared by Playle & Partners LLP in July 2016 was £1,384,000. The difference between the pre-tender estimate and the most economical advantageous tender received is £432,093, which is a decrease of 31%. The variance between the pre-tender estimate and the lowest estimate is greater than expected due to the new advanced technology being used for this project.

6.23 The Cost Consultant has concluded that the lowest Fixed Price tender in the sum of £948,907.11 with a Contract Period of 28 weeks, submitted by Purdy Contracts Ltd represent value for money and is considered to be satisfactory as the basis for a Contract.

Supervision and Management Costs

- 6.24 Fees and services have been set for this project in accordance with the Construction Related Consultancy Services Framework. The detailed breakdown is within exempt section of the report.
- 6.25 The total fees for this project are £89,388 which represents 9.42% of the contract sum.

6.26 **Project Team**

- Project Manager – Homes for Haringey
- Contract Administrator / Designer – Homes for Haringey
- Cost Consultant – Playle & Partners LLP
- Clerk of Works – Homes for Haringey
- CDM Principal Designer – Homes for Haringey
- Tenancy Manager – Homes for Haringey
- Estate Services Officer – Homes for Haringey
- Quality Assurance Officer – Homes for Haringey

Leasehold Implications

- 6.27 As a result of applications made under the Right to Buy legislation, there are 93 leaseholders living in the properties affected by the works described in this report 16 for Elizabeth Blackwell House, 13 for Finsbury House, 18 for George Lansbury House, 17 for John Keats House, 14 for Newbury House, 15 for Thomas Hardy.
- 6.28 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.
- 6.29 In accordance with The Service Charges (Consultation Requirements) (England) Regulations 2003, the following Section 20 Notices were served:
- Notice of intention issued on 25/05/2016 and expired on 28/06/2016
Notice of estimates issued on 10/10/2016 and expired on 14/11/2016
- 6.30 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 for each notice.
- 6.31 One observation was received and answered from 48 Newbury with respect to the Notice of Intention. No observations were received from leaseholders following the issuing of the Notice of Estimate.
- 6.32 The total amount estimated to be recovered from the 93 leaseholders is £192,231.

Sustainability Comment

6.33 The procurement of materials and components to be used during the Capital Works programme will involve the selection of products that have a positive impact on the environment. With the Bluetooth technology this will reduce the need to carry out unnecessary maintenance.

6.34 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

6.35 This project will be funded from the Fire Improvement Budget within the 2016/17 Housing Capital Programme to the value of £532,556. The balance of £505,739 will be a first call on resources available in 2017/18.

6.36 This scheme is estimated to cost £948,907 and projected to be phased as set out in paragraph 6.37 of this report.

6.37 Phasing of Expenditure

Financial year	Works	Fees	Total
2016/17	£474,454	£58,102	£532,556
2017/18	£474,453	£31,286	£505,739
Total	£948,907	£89,388	£1,038,295

Conservation Areas

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

Health and Safety Implications

6.39 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.

6.40 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 total cost of £1,038,295 is profiled to be incurred over 2016/17 and 2017/18 as shown in the table in 6.37. The 2016/17 expenditure will be funded from the approved capital budget for Fire Safety. The expenditure in 2017/18 will need to be catered for in the allocation for investment in housing stock which is approved as part of the 2017/18 budget setting process.
- 8.2 The estimated £192,231 to be recovered from leaseholders will be used to finance the Housing capital programme.

Procurement

- 8.3 We note that the tender submitted by Purdy Contracts Ltd in the sum of £948,907.11 is fully compliant and represents the best value for money offer.
- 8.4 It is noted that the ITT contains a contingency sum. For future reference, this sum should not be conveyed to the bidders in the ITT.
- 8.5 For works projects it is very important that the Council is clear what is required from the outset, keeping the potential for post contract changes to the minimum.
- 8.6 Best practice is for the cost consultant to properly identify and quantify project risk and value it before tenders are invited.

Legal

- 8.7 The Assistant Director Corporate Governance has been consulted in the preparation of this report and comments as follows
- 8.8 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.
- 8.9 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.
- 8.10 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.
- 8.11 This is a key decision and Homes for Haringey have confirmed this is on the Forward Plan.

- 8.12 The Assistant Director of Corporate Governance is not aware of any legal reasons preventing Cabinet from approving the recommendations in the report.

Equality

- 8.13 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.
- 8.14 This report relates to the award of a contract to refurbishment and upgrading of the centralised mechanical ventilation services to 6 high rise blocks within the borough. The improvement works are intended to improve air quality and reduce the risk of fire spreading between flats for all residents and visitors to the properties, which includes those who share the protected characteristics.
- 8.15 The tendering process requires the contractors to provide their Equality and Diversity policy as part of their tender return to demonstrate their compliance with the equalities legislation.

9. Use of Appendices

- 9.1 Exempt report.

10. N/A Local Government (Access to Information) Act 1985

- 10.1 There are no background papers relating to this report.
- 10.2 This report is **not for publication** as it contains information classified as exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding the information).

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

Document is exempt

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