



Haringey Council

Agenda item:

Procurement Committee

Date: 28th October 2008

Report Title: **Decent Homes Works: WG8 Devonshire Hill Lane N17**

Forward Plan reference number : v77

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

Wards(s) affected: Outer Borough

Report for: **Key Decision**

1. Purpose

1.1 This reports sets out a detailed programme of works as it relates to the delivery of the Decent Homes Programme, at WG8, 40 addresses at Devonshire Hill Lane, N.17. The works outlined in this report is scheduled to commence on 11th December 2008. As such, this report is seeking Procurement Committee approval to proceed to award the contract and commence with the works in this phase.

2. Introduction by Cabinet Member (if necessary)

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.

3. Recommendations

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

3.2.To award the contract for the above Project to the contractor named in Paragraph 2.1 of 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.

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

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4. Chief Finance Officer Comments (updated by CFO)

- 4.1 It should be noted that on 13th Feb 2007, this committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed to Devonshire Hill Lane N17, priced in accordance with the framework agreement.
- 4.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £27.5m has been approved for 2008-09. This scheme is included in the schedule for 2008-09. However, as some of the works are going to be completed in the next financial year funding for this element will be a first call against the Decent Homes allocation for 2009/10.
- 4.3 It should be noted that so far (excluding the reports on this agenda) 28 contracts have been approved by this committee; totalling some £30.5m. With the approval of the five contracts on this agenda, this will bring the total commitments to £34.0m. The extra costs above the currently approved budget is proposed to be funded from recharges made to leaseholder for works to their properties.

5. Head of Legal Services Comments

- 5.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 40 properties in the Wood Green area of the borough (details of which are set out in Paragraph 15.2 below), to the contractor named in Paragraph 2.1 of Appendix A to this report.
- 5.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.
- 5.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 5.4 The contractor named in Paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Wood Green area.
- 5.5 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.
- 5.6 The report states that there are no leasehold properties in this phase of the Decent Homes project therefore the statutory leaseholder consultation requirements do not apply.

5.7 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee, in accordance with CSO 11.3.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation as to the award, as set out in Paragraph 3 of this report.

6. Head of Procurement Comments (updated by Corporate Procurement)

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

6.2 The Client needs ensure that a risk register is in place for the works and that it is reviewed on a regular basis.

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

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

7. Local Government (Access to Information) Act 1985

7.1 The background papers relating to this project are:

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

These can be obtained from Pauline Hinds – Strategic Client Representative on 020 8489 1151.

7.2 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):

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

8. Strategic Implications

8.1 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.

9. Financial Implications

- 9.1 This scheme is estimated to cost the amount set out in paragraph 2.3 of Appendix A.
- 9.2 Provision for this exists within the Decent Homes Budget for 2008/2009 and details of spend to date are set out in Appendix 2

10. Legal Implications

- 10.1 See section 5 above.

11. Equalities Implications

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

12. Consultation

- 12.1 Homes for Haringey 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 8th October 2008. The Ward Members was invited to attend. A newsletter will be issued to residents following this meeting..
- 12.2 As there are no Leaseholders in this phase, leasehold consultation does not apply.

13. Background

- 13.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003. The objective of the Decent Homes Standard is that every tenanted home should be decent in accordance with the guidelines of the ODPM (now DCLG) by December 2010.
- 13.2 The Decent Homes Programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 13.3 Managing and delivering the Decent Homes programme to cost, time and to the expectation of the tenants and residents of Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other Local Authorities/ALMOs.

13.4 On 13th Feb 2007, this committee approved the framework agreements to four Decent Homes contractors and 4 compliance teams, to cover 4 areas. The procurement and delivery of the Decent Homes Constructors has been managed by Homes for Haringey under the terms of its management agreement with the Council.

14. Agreed Maximum Price

14.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006.

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

14.3 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.

14.4 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.1 Appendix A
Anticipated Contract start on site	11th December 2008
Anticipated Contract completion	4 th March 2009
Contract duration	10 weeks
Contractor	para 2.2 Appendix A

15. Property address location

15.2 This report details the specific works required to the 40 properties in the Wood Green 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:

General Needs Dwellings

Property Address	No of units	Property Type	Floor level	No of Leaseholders
Devonshire Hill Lane	40	Houses	2 Storey	0

16. Schedule of works

16.1 The scope of improvements works included under this phase of the programme will include window and door renewal, boiler replacement, rewires, kitchen and bathroom refurbishment.

16.2 Proposed Roof works

16.3 This project does not include replacement of the pitch roofs as they are in a fair condition. The life expectancy of the roofs is 10 years.

16.4 Digital Satellite Provision

16.5 This project does not include the provision of a IRS digital satellite system.

16.6 Environmental Improvements

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

16.8 Sustainability

16.9 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.

16.10 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.

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

16.12 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.

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

16.14 Conservation Areas

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

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

17. Leasehold Consultation

17.1 This project does not include leaseholders.

18. Leasehold Implications

18.1 There are no implications to leaseholders, because there are no leaseholder included in this project.

19. Project Management

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

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

- Pauline Hinds Strategic Client Representative – Homes for Haringey
- Andy Mace Compliance Team – Rider Levett Bucknall
- Winston Reid Head of Tenancy Management – Homes for Haringey

20.0 Health and Safety Implications

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

20.2 The Construction (Design and Management) Regulations 2007 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

21.0 Conclusion

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

22.0 Use of Appendices/Tables/Photographs

Appendices A Exempt information

B Decent Homes expenditure to date

Decent Homes Expenditure to date

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	HOPH1	£ 1,562,501.00	08/09/2008	05/12/2008
Hornsey	HOPH2	£ 2,864,346.00	13/10/2008	06/03/2009
Hornsey	HOPH3	£ 598,967.13	02/06/2008	22/08/2008
Hornsey	HOPH4	£ 252,333.26	16/06/2008	04/08/2008
Hornsey	HOPH5	£ 242,652.04	18/08/2008	12/09/2008
North Tottenham	NT1	£ 1,063,712.39	19/05/2008	22/08/2008
North Tottenham	NT2	£ 369,121.73	23/06/2008	15/08/2008
North Tottenham	NT3	£ 1,237,224.22	07/07/2008	07/11/2008
North Tottenham	NT4	£ 941,314.91	09/06/2008	05/09/2008
North Tottenham	NT5	£ 1,203,761.28	21/07/2008	21/11/2008
North Tottenham	NT6	£ 834,402.46	15/09/2008	19/12/2008
South Tottenham	ST1	£ 648,274.23	31/03/2008	18/07/2008
South Tottenham	ST2	£ 1,220,885.05	02/06/2008	14/11/2008
South Tottenham	ST3	£ 830,501.14	02/06/2008	19/09/2008
South Tottenham	ST4	£ 2,402,166.68	16/06/2008	06/03/2009
South Tottenham	ST5	£ 1,380,645.06	30/06/2008	23/01/2009
South Tottenham	ST6	£ 627,875.90	30/06/2008	17/10/2008
South Tottenham	ST7	£ 2,048,608.79	04/08/2008	06/03/2009
South Tottenham	ST8	£ 1,382,707.77	06/10/2008	06/03/2009
Wood green	WG1	£ 2,517,554.10	19/05/2008	12/01/2009
Wood green	WG2	£ 220,959.70	27/05/2008	14/07/2008
Wood green	WG3	£ 466,558.48	04/08/2008	03/11/2008
Wood green	WG4	£ 359,973.69	04/08/2008	06/10/2008
Wood green	WG5	£ 322,255.86	08/09/2008	03/11/2008
		£ 25,599,302.87		