



Agenda item:

Procurement Committee

On 28th July 2009

Report Title: Oatfield & Twyford House – Lift Replacement Scheme	
Report authorised by: Niall Bolger, Director of Urban Environment <i>NPBolger</i> <i>7 July 2009</i>	
Contact Officer : Elena Wilmot, Project Manager, Tel: 020 8489 1018, email: Elena.wilmot@homesforharingey.org	
Wards(s) affected: Seven Sisters	Report for: Key Decision
1. Purpose of the report (That is, the decision required) 1.1 To seek Members' agreement to award the contract for Lift Replacement works at Oatfield House and Twyford House, Tottenham, N15	
2. Introduction by Cabinet Member I am pleased with the progress we are making with the lift replacement programme in Haringey I would like to thank the residents in advance for their forbearance of any inconvenience caused during the implementation of this project.	
3. State link(s) with Council Plan Priorities and actions and /or other Strategies: 3.1 The lift replacements programme forms part of the overall asset management strategy and the 5 year capital programme that delivers the strategy. The 5 year capital programme report has been agreed with Homes for Haringey board members and Haringey council officers. 3.2 The replacement of the lifts will improve the reliability and make the operation of the lifts more efficient for residents and visitors to these blocks.	
4. Recommendations 4.1 That Members agree to award the contract for the above project, as allowed under	

Contract Standing Order (CSO) 11.01(a).

4.2 That the total estimated cost excluding fees as detailed in Para 2.1 of Appendix A be noted.

5. Reason for recommendation(s)

5.1 Homes for Haringey invited tenders from the approved listing of specialist contractors in accordance with the Council's procurement procedures. It is intended that the contract is awarded to the lowest price tender.

6. Other options considered

6.1 None applicable.

7. Summary

7.1 Schedule of Works

7.2 The project comprises of the complete replacement of the existing lift systems at two high rise blocks at Oatfield House and Twyford House. The lift systems at these sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of the lifts more efficient.

7.3 The work includes the replacement of the lift cars, doors and steel architraves to each landing. The lift motor room equipment will be replaced along with the associated wiring. Each lift shaft will be painted, rewired and will include new shaft lighting.

7.4 The works will be carried out in two phases with the replacement of one lift in each of the blocks in the first phase, followed by the remaining lifts to the blocks in phase two. It will be necessary for some residents to manage one flight of stairs on alternative floors for the duration of the lift replacement.

7.5 Following a lead in period of 20 weeks for the manufacture of the lifts, each phase of the lift replacement will take approximately 20 weeks. The anticipated start date for installation is 5 October 2009 and the date for completion is 1st December 2010.

7.6 Total estimated construction cost (excluding fees) refer to para 2.1 Appendix A

Anticipated contract start on site	25 th February 2010
Anticipated contract completion	1 st December 2010
Contract duration	60 weeks

(includes a lead in period of 20 weeks commencing from date of possession which is anticipated to be 05/10/09)

7.7 There are 266 dwellings in this project which are made up of the following property types:

Type of Dwellings	No. of units
High rise dwellings	266

7.8 The properties are located at:
G1-G5 & 1-128 Oatfield House, N15
G1-G5 & 1-128 Twyford House, N15

7.9 Digital Satellite Provision

7.10 A digital IRS system was installed in these blocks in 2008.

7.11 Sustainability Implications

7.12 The modernisation of the lifts is pre-emptive as some of the equipment is redundant. The replacement of the lifts will reduce the likelihood of the lifts being totally inoperable in the event of a breakdown which may require the replacement of parts that are redundant. The new lifts will be more reliable and efficient which will bring enormous improvements to residents, especially the elderly, disabled and parents with young children.

7.13 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the projects. The new lifts will fit into the existing lift shafts thus minimising construction. The new lifts will have simple and standard replacement parts, minimising the repair time in maintenance.

7.14 All of the new equipment is designed to be more efficient and usually smaller. The reduced size contributes to less energy use, less lubrication, less noise, reduced maintenance of components and repairs.

7.15 All the replaced equipment is broken into constituent parts for recycling and disposed of through specialist organisations, this includes all of the metallic components such as stainless steel cars, entrances, steel ropes, bronze tracks and lift motors.

7.16 Conservation Areas

7.17 For the purposes of this project, the properties are not located in a conservation area.

8. Chief Financial Officer Comments

8.1 The replacement of the lifts at Oatfield and Twyford Houses will be funded from the Lift Improvements budget within the 2009/10 to 2011/12 HRA Capital Programmes. Design fees costing £31k were incurred in 2008/09 and funded from the Lift Improvements budget in that year.

8.2 The funding over the years will be as stated in Para 6 of appendix A and will be the first call on the resources available in those years. The approved capital programme for lift improvement works is £2,262k in 2009/10; the indicative capital budgets for 2010/11 and 2011/12 is £2,194k and £2,262k respectively and is to be funded from the Major Repairs Allowance.

9. Head of Legal Services Comments.

- 9.1 The estimated value of the contract works is below the threshold where EU tendering is required under the public contracts regulations 2006 (currently £3,497.313). EU procurement rules are not applicable.
- 9.2 The contract has been tendered in accordance with Contract Standing Orders (CSO) in that contractors selected from the Approved List of contractors were invited to tender. This procedure is expressly provided for by CSO 8.04(e).
- 9.3 The contractor selected has been recommended for award of the contract on the basis that it submitted the lowest price tender in accordance with CSO 11.1(a). Under CSO 11.1 an award may be made either on this basis or on the basis of the most economically advantageous tender.
- 9.4 The award of this contract is a key decision as it involves a contract valued at over £500,000. A key decision is required by CSO 11.04 to be included in the Council's forward Plan
- 9.5 As the contract value exceeds £250,000 the proposed award must be approved by the Cabinet Procurement Committee pursuant to CSO 11.3
- 9.6 The report states that the statutory leaseholder consultation is currently being undertaken and that no comments have been received from leaseholders to date. The consultation period is however yet to expire as at the date of provision of these comments.
- 9.7 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 (6 July 2009) and the expiry date of the statutory leaseholder consultation period (10 July 2009), there are no legal reasons preventing members from approving the recommendation as to the proposed contract award set out in paragraph 4 of this report.

10. Head of Procurement Comments.

- 10.1 The contractors invited to tender have been selected from the pre-qualified list of lift contractors.
- 10.2 The selected contractor is based on lowest price.
- 10.3 The lift contractors will be recycling a number of component parts.

10.4 The Head of Procurement acknowledges the recommendation to award in paragraph 4 and Appendix A.

11. Equalities and Community Cohesion Comments

11.1 The Proposed works will benefit all residents living in these dwellings and visitors to the blocks. It will allow easy access to the upper floors of the block, particularly to those with push chairs and residents who are elderly or with poor mobility.

12. Consultation

12.1 Internal

12.2 Homes for Haringey have carried out detailed consultation on this project by detailed newsletters to council officers and Ward Members.

12.3 External

12.4 Homes for Haringey have carried out detailed consultation on this project by detailed newsletters to residents.

12.5 Upon appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and HfH Project Team so that any concerns can be addressed.

12.6 Leaseholder Implications

12.7 There are 32 leasehold properties within this project and these are as follows:-

Oatfield House: 8, 9, 13, 15, 21, 34, 95

Twyford House: G2, G3, G4, 2, 12, 19, 20, 27, 41, 45, 46, 58, 74, 75, 89, 92, 101, 102, 103, 104, 108, 110, 116, 119, 120

12.8 As a result of applications made under the Right to Buy legislation, there are 32 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

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 Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices and subject to the Procurement Committee's agreement the council will award this contract to the lowest tender.

12.11 The Housing Service issued the following leaseholder consultation notices to leaseholders:

First Notice - Notice of Intention: issued on 17/09/08 and expired on 17/10/08.

Second Notice - Notice of Estimates: issued on 11/06/09 and expires on 10/07/09.

The notices gave leaseholders a description of the proposed works and provided details of two estimates for the costs of the works. The Council is obliged to have regard to any observations from leaseholders on either the first or second notice. No observations or comments were received from leaseholders

12.12 The total amount estimated to be recovered from 32 leaseholders is £89,146

12.13 Leaseholders within the 5 year Section 125 period total estimated recoverable charges is £29,481

12.14 Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges is £59,665

12.15 The charges to all 32 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included within the annual Certificate of Actual Services 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%.

13. Service Financial Comments

13.1 The project is estimated to cost as detailed in Appendix A and will funded from the Housing Capital Lifts improvement Budget “

14. Use of appendices /Tables and photographs

14.1 Appendix A – separate attachment

15. Local Government (Access to Information) Act 1985

15.1 The background papers relating to this project are:

- Tender report dated 1st June 2009

These can be obtained from Elena Wilmot – Project Manager on 0208 489 1018.

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).