



Haringey Council

Agenda item

[No.]

Procurement Committee Meeting

On 27th April 2010

Report Title. Homes For Haringey Decent Homes Sheltered Housing (Internal and External Works) and the De-conversion of Parklands Hostel. Decent Homes Programme 2010/2011.

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

NPB . 21st April 2010.

Contact Officer : Larry Ainsworth (April 2010) – Capital Project Manager
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Wards(s) affected:

**Tottenham Hale, Tottenham Green , Hornsey
Fortis Green, Muswell Hill, Northumberland
White Hart Lane, Bruce Grove, Seven Sisters
West Green, Woodside, Noel Park, Bounds
Green, Alexandra.**

Report for: **Key Decision**

1. Purpose of the report.

This report set out a detailed programme of works, which relates to 788 properties in the Haringey areas, known as South and North Tottenham, Wood Green and Hornsey. The properties are in Keynes Close N2 9NE, Bigbury Close N17 8JQ, Lamford Close N17 8LQ, Cranley Dene Court Muswell Hill Road N10 3JH, Westcott Close N15 6DP, The Crescent High Road N15 6DS, Alfred Findlay House Meads Road N22 6SJ, Hilldene Court Alexandra Park Road N10 2DD, Bedale House Boyton Road N8 7AZ, Palace Gates Braemar Avenue N22 4BY, Bracknell Close N22 5RG, Brookside House Lordship Lane N17 6XF, Clements House Siddons Road N17 9UQ, Coombes House Bromley Road N17 0AR, Latimer House Latimer Road N15 6 NW, Lowry House Pembury Road N17 8LZ, Spanswick Lodge Waldeck Road N15 3EN, Stonebridge Road N15 5PB, The Lindales Grasmere Road N17 0HE, The Priory Priory Road N8 7HS, William Atkins House Beaufoy Road N17 8AE, William Rianbird House Beaufoy Road N17 8AY, Sophia House Antill Road N15 2AQ, Summerhill Village Summerhill Road N15 4HR within the delivery of the Homes For Haringey Decent Homes Sheltered Housing (Internal and External Works) and Former Hostel Units - Parklands Hostel N22. The Works outlined in this report are scheduled to commence on the 31st May 2010 As such, this report is seeking Procurement Committee approval to award the contract for these works.

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.

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 approve this works package.

4.2 That Members agree in principle to award the contract for the above project as allowed for under contract standing orders (CSO) 11,1(b) based on highest Tender OJEU score achieved based on quality and price (See Appendix C, item 6).

4.3 That the estimated cost excluding fees as detailed in 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 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 £5.35m earmarked for all three phases.

5.4 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.

5.5 Report to Cabinet on 21st July 2009 received approval to retain Parklands Hostel, 108 Parkland Road N22 in the Housing Revenue Account (HRA) and be converted to family homes for management by Homes for Haringey.

6. Other options considered

6.1 None applicable.

7. Summary

7.1 The following report refers to the Homes for Haringey (HfH) Sheltered Housing Decent Homes Programme and the De-conversion of the Parklands Hostel into nine self contained three bedroom flats.

The programme will provide decent homes improvements to both external and internal elements of 27.no properties (blocks) mainly comprising of purpose built block of flats and bungalows. In addition, the programme also includes the de-conversion of Parklands Hostel to provide nine self contained three bedroom family flats for general needs purposes.

7.2 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 and de-conversion of the Parklands Hostel.

7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	(See Appendix A)
Anticipated Contract start on site	31 st May 2010
Anticipated Contract completion	27 th May 2011
Contract duration	50 weeks
Contractor	(See Appendix A)

7.4. Property address location

7.4.1 This report details the specific major works in connection with its sheltered housing stock, which consists of approximately 692no. flats in low to medium rise purpose

built blocks, 86no. bungalows, 10no. two and three storey houses within the four areas. Listed below are the property addresses that will benefit from the raft of sheltered housing programme work under this particular phase.

Keynes Close N2
 Bigbury Close N17
 Lamford Close N17
 152/154 Muswell Hill Road N10
 Westcott Close N15
 High Road N15
 Alfred Findlay House N22
 Alexander Park Road N10
 Boyton Road N8
 Braemar Avenue
 Lordship Lane N17
 Bromley Road N17

Latimer Road N15
 Pembury Road N17
 Antill Road N15
 Waldeck Road N15
 Summerhill Road N15
 Stonebridge Road N15
 Grasmere Road N17
 Priors Road N8
 Beaufoy Road N17
 Bracknell Close N22
 Siddons Road N17
 Parklands Road N22

7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/h's	Conser vation Area	Block Cost	L/H Cost
Keynes Close	34	Houses	2	0	No		
Bigbury Close	33	Houses	2	0	No		
Lamford Close	19	Houses	2	0	No		
Cranley Dene Court	4	Houses	2	0	No		
Cranley Dene Court	40	Flat	2	0	No		
The Crescent	6	Houses	2	0	No		
Westcott Close	18	Flats	2	2	No	£70,61 8.42	£3,923.25
High Road	22	Flats	2	0	No		
Alfred Findlay House	20	Flats	2	0	No		
Hilldene Court	32	Flats	2	0	No		
Bedale House	34	Flats	2	0	No		
Palace Gates	38	Flats	2	0	No		
Bracknell Close	65	Flats	2	0	No		
Brookside House	31	Flats	2	0	No		
Clements House	27	Flats	2	0	No		
Coombes House	28	Flats	2	0	No		
Latimer Road	32	Flats	2	0	No		
Lowry House	51	Flats	2	0	No		
Sophia House	34	Flats	2	0	No		
Spanswick Lodge	29	Flats	2	0	No		
Summerhill Road	30	Flats	2	0	No		
Stonebridge Road	26	Flats	2	0	No		
The Lindales	27	Flats	2	0	No		

The Priory	52	Flats	2	0	No		
William Atkinson House	39	Flats	2	0	No		
William Rainbird House	16	Flats	2	0	No		
Parklands Hostel	9	Flats	4	0	No		

7.5 Schedule of works

7.6 Phase 1A: - The external elements comprised of the replacement of windows, roof renewal /repairs, general and redecoration. The schedule of works was based on 100% site surveys.

7.7 Phase 1B:- Parklands Hostel comprises the conversion of an existing "bedsit" hostel into 9.no self contained 3 bed flats, including new windows, kitchen bathrooms, electrical installation, gas fired central heating, internal finishes and decoration. The schedule of works was based on measured quantities from proposed layout drawings.

7.8 Phase 2:- The internal works comprises of kitchen and bathroom replacement, works to electrical installations (full or partial rewiring and installation (full or partial) and redecoration to communal areas. The schedule of works was based on the number of properties requiring works to each element given by Homes for Haringey

7.9 Leasehold Information

There are 2.no leasehold properties within this project and their numbers are listed below;

- 7 Westcott Close
- 16 Westcott Close

7.10 Project Management

7.10.1 HHBS 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.

7.10.2 The keys members of project team are as follows;

- Larry Ainsworth - Project Manager (April 2010) – Homes for Haringey
- Paul Cottrell - Employers Agent – Rider Levett Bucknall
- Oliver May - Planning Supervisor (CDM co-ordinator) Rider Levett Bucknall

7.11 Budget - Decent Homes Programme & Parklands Hostel

7.11.1 Decent Homes- The project (phases 1A & 2) will be funded from 2010/11 budget within Decent Homes Programme.

7.11.2 Parklands Hostel - The project (phase 1B) will be funded from within the London Borough of Haringey (London Regional Housing Pot) budget

7.12 Tenders

7.12.1 Tenders were invited from eight firms from a list of contractors that responded to an OJEU Notice published by Homes for Haringey.

7.12.2 Tenders were invited on the basis of the score achieved at Pre-Qualification Questionnaire stage.

7.12.3 8 out of the 21 contractors invited to tender, submitted a tender.

7.12.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 23.99%. However the spread over the lowest three tenders was only 3.75%.

7.12.5 The consultants, Rider Levett Bucknall, were procured through the OGC procurement process.

7.13 Leaseholder consultation

7.13.1 As a result of applications made under the right to buy legislation, there are 2 leaseholders living in the properties that will be affected by the proposed works.

7.13.2 Under the terms of their leases the leaseholders are required to make a contribution towards the cost of maintaining in good condition the main structure, the commons parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.

7.13.3 The Council, as freeholder, has obtained competitive prices, and subject to the Procurement Committee/Directors agreement and observations from leaseholders the Council intends awarding this contract to the contractor with the highest OJEU overall tendering score.

7.13.4 The leaseholders have been sent a Notice of Intention to carry out the works in accordance with the Service Charges (Consultation Requirements)(England) Regulations 2003. The Council is obliged to send the leaseholders a further notice – the Notice of Proposal – under the terms of the regulations. The leaseholder was given 30 days in which to make observations on the Council's proposal. The Council should not enter into the proposed agreement, or instruct works to begin under the proposed agreement, until the end of the 30 day consultation period under the Notice of Proposal. The 2nd Section 20 notice was sent to the leaseholders and the period expired on the 28th February 2010. No observations were received from the two leaseholders.

7.13.5 Members should be aware that the original consultation notice – the Notice of Intention – was dated incorrectly in that the date on the top of the notice was 17 July 2009 when it should have been 04 December 2009. The covering letter sent with

the notice was dated correctly as 04 December 2009. The mistake was typographical and in the view of the Head of Legal Services the notice is not defective. However if it is subsequently found to be defective by a Leasehold Valuation Tribunal it is the opinion of the Head of Legal Services that the Council would be granted a dispensation from the requirements of the Regulations in relation to the incorrect date.

7.14 Sheltered Housing - 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.

7.14.1 Planning for de-conversion of Parklands Hostel – 108 Parklands Rd N22

Notice of Planning Permission granted dated 6th October 2010 for the proposal: Change of use / conversion of existing vacant hostels for 24 persons to 9.no three bedroom flats including change to the fenestration.

7.15 Digital Satellite Provision

The provision of an integrated satellite reception system will reduce the quantity of satellite dishes affixed to the property and reduce damage to the building fabric. Under this scheme, it is proposed to install IRS (integrated reception satellite) Sky, Hotbird, Turksat, DAB radio community channels for residents.

7.16 Environmental Improvements

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

7.17 Sustainability

7.18 The procurement of materials and components to be used during this phase of works, mirrors that used within 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.

7.19 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.

7.20 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings..

7.21 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.

7.22 The project will be registered and will comply with the Considerate Constructors

Scheme.

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

7.24 Conservation Areas

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

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

8. Chief Financial Officer Comments

8.1 Total funding from the Decent Homes Programme is £198.58m, of which £33.5m is allocated in 2010 -11. Although the expected cost of this element is greater than the amount envisaged within the original budget, efficiencies within the wider programme should mean that these costs can be met within the overall project budget. However, the Decent Homes budget in totality needs to continue to be closely monitored."

9. Head of Legal Services Comments

9.1 The value of the contract to which this report relates exceeds the EU threshold for works (currently £3,927,260) therefore it has been advertised in the Official Journal of the European Union (OJEU).

9.2. The accelerated Restricted Procedure was used following a Statement issued by the European Commission allowing for relaxation on the use of this procedure in light of the exceptional nature of the current economic situation. Expressions of interest were invited and a selection of contractors who submitted PQQs were invited to submit tenders.

9.3. This report is recommending the award of the contract to the contractor named in Appendix A. This contractor has been selected based on the most economically advantageous tender, in accordance with Regulation 30 of the Public Contract Regulations 2006.

9.4. As the value of the contract exceeds £250,000, the proposed award may only be approved by Members pursuant to CSO 11.03.

9.5. The award of this contract is a key decision and the client has confirmed that it has been included in the Forward Plan.

9.6 The statutory leaseholder consultation has been carried out in accordance with the relevant Regulations with no observations received from the relevant two leaseholders by the expiry of the notice (27 February 2010) nor late observations received at the time of writing these comments (16 April 2010). Paragraph 7.13.4 and 7.13.5 of this report address an irregularity in the notice of intention to carry out the works that is not, overall, a source for concern as explained in the aforementioned paragraphs.

9.7 Please see additional legal comments in Appendix A.

10. Head of Procurement Comments

- 10.1 This contract has been advertised in the EU as the value of the contract is above the threshold for works contracts.
- 10.2 The project has been tendered using the accelerated procedure.
- 10.3 The tenders have been evaluated on a 60/40 quality/price basis.
- 10.4 The contractor recommended under paragraph 2.1 in Appendix A represents current value for money for the Council, however it should be noted that the price received is not fixed and is subject to full surveys being carried out.

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

- 12.1 Homes for Haringey has carried out detailed consultation during the feasibility, design and tendering of this programme. The sheltered stock was not included in the initial property list under the Decent Homes delivery programme as such this is not an exclusion/omission from the existing delivery route. This was tendered separately in order to test the market following the housing down turn and recession and to provide rates against which to bench mark the current framework.
- 12.2 Due to the original estimated value of the proposed project it was necessary to abide by the European Directives for tendering public funded projects of this nature/value. Due to timescales for starting on site and following discussion with Trowers & Hamlins (legal representative) it was decided that the project would be tendered under the 'Restrictive Procedures' as opposed to the standard OJEU timescales. In addition to this, It was agreed Homes for Haringey form of contract would be the JCT Design & Build 2005 with amendments.

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 £33.5m for 2010/11. Value for money has been achieved in the project through the tendering process .

13.2 The 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

- Appendix A. Cost including fees.
- Appendix B. Expenditure to date (attached)
- Appendix C Tender report
- Appendix D Procurement Options (Confidential report)
- Appendix E Percentage Summary difference

15 Local Government (Access to Information) Act 1985

15.1 The background papers relating to this project are:

- OJEU Notice
- Expression of Interest
- Pre Qualification Questionnaires (PQQ) Responses from Constructors dated October 2009.
- Short List Report dated October 2009
- Invitation to Tender Document dated November 2009
- Tender Reports dated January 2010

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 20010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
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
Wood Green	Phase 19	£4,404,620.05	05/07/10	01/07/11
North Tottenham	Phase 14a	£2,743,850.51	05/05/10	24/09/10
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
Sheltered and Parkland Road	Sheltered	£5,629,510.31	31/05/10	27/05/11
Total		£34,666,742.68		