



Haringey Council

Agenda item:

Procurement Committee

on 16th September 2010

Report Title: Broadwater Farm Estate – Lift Replacement Scheme

Report authorised by Niall Bolger, Director of Urban Environment

N Bolger . 10MSept. 2010 .

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Wards(s) affected: **West Green**

Report for: **Key Decision**

1. Purpose of the report (That is, the decision required)

1.1 To seek Member's approval to waive CSO 8.04 to enable a tender process to take place without advertising but by inviting bids from a selection of contractors from Constructionline (a Government managed UK register of pre-qualified construction services) who were invited to tender for the works.

1.2 To seek Member's agreement to award the contract for Lift Replacement works at Broadwater Farm Estate to the contractor as stated in Appendix A paragraph 2.1.

2. Introduction by Cabinet Member

2.1 This report makes timely recommendations for planned asset management by the replacement of ageing lifts at 10 blocks of council owned housing.

2.2 It is to be noted that Housing managers will have to pay close attention to the management of client expectations in the delivery of this project as each block has two lifts within it and enough time has to be allowed for ensuring not only that no two lifts are out of operation at the same time but also that tenants with any mobility problems are given adequate opportunity to contact their Housing Manager in advance to register any special issues that need to be taken on board during the new installation.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Sustainable comment

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.

3.2 Environmental Improvement

The lift replacement 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.

3.3 Conservation Area

Not applicable

4. Recommendations

4.1 That Members approve a waiver of CSO 8.04.

4.2 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11.01(a).

4.3 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 Constructionline tender list in accordance with the Council's procurement procedures. It is intended that the contract is awarded to the lowest priced technically feasible tender.

6. Other options considered

6.1 Not applicable

7.0 Summary

7.1 The works set out in this report forms part of the overall delivery of the Housing Capital Programme for 2010/11.

7.2 Background

7.2.1 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 Contract Details

- 7.3.1 Total estimated construction cost (excluding fees) refer to **para 2.1 Appendix A**
Anticipated contract start on site 4th April 2011
Anticipated contract completion 25th November 2011
Contract duration 60 weeks
(27 weeks off site fabrication and 33 weeks on site installation)

7.4 Properties Within Project

- 7.4.1 There are 845 dwellings in this project that will benefit from the works described in this report and they are listed below:

Block	Property numbers	No. of floor levels
Croydon	1-74	4
Debden	1-104	4
Hawkinge	1-70	4
Hornchurch	1-80	4
Lympne	1-80	4
Manston	1-56	4
Martlesham	1-96	4
Rochford	1-80	4
Stapleford	1-89	4
Tangmere	13-24 & 25-128	7

7.5 Schedule of Works

- 7.5.1 The scope of improvement works within this project 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
- 7.5.2 Each block is served by two lifts. The works will be carried out in two phases with the replacement of one lift to each block in Phase 1, followed by Phase 2 with the replacement of the remaining lifts. This will help to ensure that there would be one lift in operation in each block at all times.
- 7.5.3 The two lifts in each block serve all floors, so there will be no need for residents to ascend or descend their floor in order to reach the lift.
- 7.5.4 Life Cycle Costings summary
Not applicable
- 7.5.5 Digital Satellite Provision
Not applicable
- 7.5.6 **Sustainability Implications**
- 7.5.7 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 obsolete. 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.

7.5.8 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products. The new lifts will fit in the existing lift shafts thus minimising reconstruction. The new lifts will have simple and standard replacement parts to reduce the repair time when maintaining the equipment.

7.5.9 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.

7.5.10 All replacement 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.

7.6 Conservation Areas

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

7.7 Planning

Not applicable

8. Chief Financial Officer Comments

8.1 The expected cost of this project including fees is £1,916,375.

8.2 Within the existing 2010-11 capital budget for the Housing Revenue Account there is £434,000 available for this project. This would be sufficient to fund projected expenditure in 2010-11, although the bulk of the expenditure for the project is expected to occur in 2011-12.

8.3 The 2011-12 capital budget for the Housing Revenue Account has not been formally agreed yet, but the draft budget includes provision for a further £2,000,000 for lift works. Only if the draft budget for 2011-12 is agreed does there exist sufficient budget to fund these works.

8.4 It should be noted that the Housing Revenue Account capital budget is under extreme pressure in later years, with existing commitments presently significantly exceeding secured funding.

9. Head of Legal Services Comments

9.1 The value of the contract which this report relates to is below the current EU

threshold for works contracts. Therefore it has not been necessary to comply with the requirements of the Public Contract Regulations 2006.

9.2 In accordance with CSO 6.05 tenders were invited from Contractors on the Constructionline tender list.

9.3 Under CSO 11.01(a) contracts can be awarded on the basis of lowest price.

9.4 As the value of the contract exceeds £250,000 it may only be awarded by Members in accordance with CSO 11.03.

9.5 Leaseholders have been issued with Section 20 Notices in accordance with the Landlord and Tenant Act 1985 and no observations were received from leaseholders.

9.5 This is a key decision and Homes for Haringey have confirmed that it has been included in the Forward Plan;

9.6 This is a key decision and Homes for Haringey have confirmed that it has been included in the Forward Plan.

9.7 Members are also asked to approve a waiver of the tendering procedures set out in CSO 8.04 . Under CSO 7.02(a) Members have the power to waive the requirements of CSO 8.04.

9.8 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of this report.

10. Head of Procurement Comments

10.1 The contractors have been selected from the government UK register Constructionline as part of the Haringey trial of this pre qualification database.

10.2 The tender has been prepared and tendered on lowest price.

10.3 The Head of Procurement recommends the award as stated in Part B paragraph 2.14 in Appendix A.

10.4 See further Head of Procurement comments in exempt information paragraph 4.3.

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

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

12.2 External

Homes for Haringey have carried out details consultation on this project through detailed newsletters and a meeting with residents.

12.3 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.

12.4 Leaseholder Implications

12.5 There are 93 leasehold properties within this project and these are as follows:-

Block	Leaseholders	Total
Croydon	2, 21, 25, 42, 59, 64, 69	7
Debden	4, 5, 18, 41, 43, 53, 60, 103	8
Hawkinge	16, 35, 44, 50, 57	5
Hornchurch	1, 26, 29, 30, 70, 71, 76, 80	8
Lympne	8, 9, 26, 28, 34, 35, 62, 71	8
Manston	9, 12, 25, 27, 29, 30, 41, 54	8
Martlesham	2, 8, 15, 24, 32, 44, 57, 60, 68, 71, 75, 82, 89	13
Rochford	7, 8, 10, 11, 17, 18, 27, 33, 35, 37, 41, 42, 77, 78	14
Stapleford	5, 12, 14, 24, 31, 41, 48, 53, 68, 79, 80	11
Tangmere	13-24, 27, 29, 39, 43, 44, 53, 61, 67, 81, 126	11
TOTAL		93

12.6 As a result of applications made under the Right to Buy legislation, there are 93 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

12.7 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.

12.8 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 priced technically feasible tender.

12.9 The Housing Service issued the following Section 20 Notices to the leaseholders:

- Notice of intention issued on 05/02/09 and expired on 06/03/09.

- A second Section 20 Notice (Notice of Estimates) was issued on 23/7/10 and expired on 23/8/10.

12.10 The notice gave 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. The Home Ownership Team has confirmed that no observations were received from leaseholders.

12.11 The total amount estimated to be recovered from 93 leaseholders is £224,178.91.

12.12 Leaseholders within the 5 year Section 125 period total estimated recoverable charges would be £2,655.00 which equates to an average of £221.25 per leaseholder.

12.13 Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges are £221,523.91 which equates to an average of £2,734.86 per leaseholder.

12.14 The charges to all 93 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 cost estimate is detailed in the exempt information Appendix A (attached) and will be funded from the Housing Capital Lifts Improvements 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 analysis report dated 7th July 2010
These can be obtained from Allan Wing – Project Manager on 0208 489 1008.

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).