

**REPORT TEMPLATE:
PROCUREMENT COMMITTEE**

HARINGEY COUNCIL

Agenda item: **[No.]**

Procurement Committee

On 27/06/06

Report Title: **Tottenham High Road, Heritage Economic Regeneration Scheme (HERS)**

(Part A): Award of contract

Forward Plan reference number (if applicable): **N/A**

Report of: **Zena Brabazon, Head of Neighbourhood Management**

Ward(s) affected: **Bruce Grove/
Tottenham Hale**

Report for: **Procurement Committee**

1. Purpose

1.1 To seek Member agreement to award the contract to Mullalley & Co. for building contract services on the English Heritage – Heritage Economic Regeneration grant scheme, consolidated approach (nos. 479-507), as outlined in Appendix Part B of this report.

2. Introduction by Executive Member

2.1 This project will directly assist with the Tottenham High Road Strategy and will help to preserve and enhance the conservation area. I support the recommendation of this report, particularly in light of the time constraints to take full advantage of the grant funding available.

3. Recommendations

3.1 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 13.1 of the tender report.

3.2 That the contract be awarded for a period of 20 weeks.

Report Authorised by: **Justin Holliday, Assistant Chief Executive (Access)**
(Include signature here)

Contact Officer: **Graham Lee, Senior Regeneration & Conservation Officer**
(Tel. 020 8489 4542)

4. Executive Summary

4.1 The Neighbourhood Management Services Team has been awarded grant funding from English Heritage, under Heritage Economic Regeneration Scheme (HERS) grant scheme to assist in improving the fabric of the historic buildings in the conservation area along Tottenham High Road. This money has been matched with European Regional Development Funds and Council funding. Private contributions have also been made by the property owners.

4.2 This report seeks the approval of Procurement Committee for the award of a building works contract for specialist refurbishment work of historic buildings from 497-507 High Road Tottenham. This involves the refurbishment of the shopfronts, front and side building elevations and roofs.

4.3 The project to refurbish the buildings at 497-507 Tottenham High Road is part of a wider Tottenham High Road strategy.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 List of background documents:

- English Heritage Grant Agreement
- Report to Haringey Council's Executive (25/01/05) – Urban Centres for City Growth ERDF Objective 2 Project
- Urban Centres for City Growth Project (UCCG) Grant Agreement

6.2 See Part B for exempt information.

7. Background

7.1 This project is the first phase of the consolidated approach (to refurbish groups of properties on Tottenham High Road) using funds from English Heritage, European Regional Development Funds, the property owners and the Council. This is following the aims of the High Road Strategy adopted by the Council to regenerate this area of Tottenham.

7.2 The aim of this project is to help preserve and enhance the conservation area in Tottenham High Road by refurbishing the shopfronts, front elevations and roofs of properties 497-507. This work will include:

- Repair and reinstatement of historic shop fronts
- Repair and conservation of buildings
- Reinstatement of lost architectural features

For example: missing stone detail, broken rain water goods, deteriorating brickwork, broken tiles and external cleaning.

- 7.3 Tottenham High Road has been in decline in the past and continues to suffer from physical and environmental neglect. The poor visual quality of these properties reflects the area's low economic vitality. It is an historic corridor, with many important local buildings and has been of keen interest to English Heritage who have made funds available for this scheme.
- 7.4 The shop and building owners of 497-507 Tottenham High Road have been offered grants to make specialist conservation improvements to the shopfronts and building exteriors which will improve the fabric, pride in the area, passing trade and commercial returns for the property owners.
- 7.5 The main outcome of the project will be to improve the physical condition and appearance of these properties and help to conserve the historic urban fabric of the area. To a larger extent, this will contribute to the physical and environmental improvements being made as part of a wider strategy to regenerate Bruce Grove.
- 7.6 The building improvements in this grant scheme and project must follow strict guidance set out by the funding bodies as well as the sensitive application of conservation principles, specific to the architectural time period and historic fabric of the existing built environment.

8. Budget

- 8.1 The pre-tender cost estimates were compiled from property estimates on the types of work required. The estimated budget was in general for work including: brickwork repair, window repair, roofing, new shopfronts, signage and some structural work. The overall grants budget available for the consolidated approach is £517,000.

9. Description of Procurement Process

- 9.1 The tender process was completed before the new construction Framework Agreement contracts for this value were in place. Therefore the contractors invited to tender were selected from the Council's approved list based on suitable experience and size of the project. The award criteria are based on the lowest tender.
- 9.2 Neighbourhood Management have worked closely and extensively with both the Corporate Procurement Unit and Construction Procurement Group to ensure that all procurement requirements were met and the correct procedures were followed.
- 9.3 Competitive tenders were invited from five firms from the approved list of contractors – see Part B-B1 (i) for list of tenderers.
- 9.4 The tenders received are listed in Part B-B1 (ii).
- 9.5 The defects liability period is 6 months.
- 9.6 All of the contractors invited to tender submitted a tender.
- 9.7 None of the tenders received are qualified in any way.
- 9.8 The overall range of tenders was 44.0 %; if the highest tender was discounted the range would be 15.6% among the other tenders.

9.9 All tenders are open for acceptance for a period of four months from 17th May 2006, the date for the submission of the tenders. Consequently a tender should be accepted not later than 17th September 2006.

9.10 For the lowest fixed price tender received, please see Part B-B1 (iii).

9.11 The lowest tender is 7.2 % above the original estimate generally due to variations in design and specification arising from final detailed inspections of the properties and negotiations with shop owners.

9.12 EXAMINATION OF THE LOWEST TENDER (S):

In view of the relative closeness of the two lowest tenders the tender documents associated with the two lowest prices were examined in detail and we report as follows:-

9.13 ARITHMETICAL CHECK:

No arithmetical errors were found in the lowest price tenderer.

Two minor arithmetical errors were found in the second lowest tender which, if adjusted, would have increased the tender.

This tender has been submitted in accordance with Alternative 1 contained in Section 6 of the Code of Procedure for Single Stage Selective Tendering 1996 and the Contractor with the arithmetical error agreed to stand by the tender sum.

The pricing is considered to be consistent and competitive.

9.14 DOMESTIC SUB-CONTRACTORS:

The list of domestic sub-contractors is to be confirmed and agreed with the lowest Contractor.

9.15 PC AND PROVISIONAL SUMS:

The lowest Contractor has not requested to be invited to tender for any PC and Provisional Sums.

9.16 PROGRAMME:

The programme for the works has been examined for the lowest tenderer and is found to be satisfactory and gives a clear critical path. The anticipated contract period for the works is 20 weeks.

10 Consultation

10.1 Property owners were consulted on the scheme before, during and after the grant application stages, with regard to their participation. All ground floor premises are commercial. Premises above the ground floor are residential except for no. 497 which is a dental practice.

11 Key Benefits and Risks

11.1 Benefits: physical, economic and social regeneration along Tottenham High Road.

- 11.2 Risks: 1) discovering unforeseen building conditions; 2) need to complete works before the European Regional Development Funds deadline of 31 December 2006, which now has been extended to 31 March 2007.

12 Contract and Performance Management

- 12.1 Contract and performance management will be overseen by Graham Lee, Senior Regeneration & Conservation Officer and Survey & Design Partnership, Architects and Surveyors, working closely with the Construction Procurement Group.

13 Summary and Conclusions

- 13.1 The contractor with the lowest fixed price tender will be awarded the contract, with a Contract Period of 20 working weeks, is considered to be satisfactory as the basis for a Contract.
- 13.2 The current assessment of increased costs likely to occur during the course of the contract is £0.00.

14 Recommendations

- 14.1 That Members agree to award the contract for building contract services to the contractor named in Appendix B of this report (Mullalley), and for the lowest price tender sum.

15 Equalities Implications

- 15.1 This project has been developed in line with the Council's statutory requirements in relation to the Disability Discrimination Act 1995 (DDA).
- 15.2 There are no specific equal opportunities implications arising from this report. However, any efforts to regenerate Tottenham must recognise the diversity and ethnicity of the area. Many of these businesses are set up and run by people from ethnic minority communities and therefore they will benefit from this scheme.

16 Health and Safety Implications

- 16.1 The Council will monitor all stages of the project to ensure that all health and safety risks have been assessed and appropriate control measures identified and implemented.

17 Sustainability Implications

- 17.1 Timber to be obtained from certified sustainable sources and generally all other specified items are for repair rather than renewal. As this is a conservation project, the work carried out will be refurbishing existing elements of the building as opposed to replacing them, which demonstrates sustainable practice.
- 17.2 In terms of delivering economic aspects of sustainability, this project will improve the visual outlook of these commercial properties, with the benefit of improved commercial return.

18 Financial Implications

- 18.1 This project forms part of Neighbourhood Management's financial plan this year and funds expended will be recuperated from the grants and individual contributions.
- 18.2 In order to claim the full available amount of ERDF grant the building works must be completed and the costs defrayed by March 2007. If this is not achieved there is a risk that Haringey Council may be required to fund the outstanding works in full.

19 Comments of the Director of Finance

- 19.1 The Director of Finance supports the award of contract as identified in this report particularly given the time-limited nature of grant funding the project.
- 19.2 Careful monitoring of the contract should occur throughout its lifetime to reduce likelihood of project delays which might put at risk grant funding and it should also serve to highlight at the earliest possible time any unplanned for building requirements.

20 Comments of the Head of Legal Services

- 20.1 The estimated value of the contract is below the threshold for tendering in the EU under the Public Contracts Regulations 2006. The threshold is £3,611,474.
- 20.2 The report states that the Contract was tendered in accordance with Contract Standing Orders in that tenderers from the Council's Approved Lists were invited to tender in accordance with CSO 8,2 (d), the tenders were evaluated on the basis of the lowest tender.
- 20.3 Because the value of the contract as stated in the report is in excess of £250,000 any award must be approved by Members in accordance with CSO 11.3.
- 20.4 The recommendation in this report is to award the contract on the basis of lowest tender in accordance with Contract Standing Order 11.1 (b).
- 20.5 The Head of Legal Services confirms that there are no Council freehold properties involved and therefore no leaseholders of Council properties will be obliged to contribute to the proposed works mentioned in this report.
- 20.6 The Head of Legal Services confirms that there are no reasons preventing the Members from approving the recommendations in Paragraph 3.1 of this report.

21 Comments of the Head of Procurement

- 21.1 The Construction Procurement Group and Corporate Procurement Unit have both been involved in understanding the needs and arrangements for this project.
- 21.2 The project aims to improve the visual outlook of properties in a conservation area which have hitherto been the subject of some neglect. The improvements will deliver both economic and social improvements to the property owners, and will improve the visual appearance of the area. The project is worthwhile and will deliver significant improvement to the area and commercial benefits to local businesses.

- 21.3 The selection of the contractors invited to tender has been undertaken in a fully compliant manner, as has the selection of the contractor recommended at Part B of this report.
- 21.4 The range of tenders received is consistent with similar projects. All invited contractors have submitted bids for this work, providing assurance that the project is attractive to the market.
- 21.5 The period of time agreed by the selected contractor for the project is as required to meet the needs of the funding bodies involved.
- 21.6 The Head of Procurement therefore supports the recommendations to Members to approve award of contract on this basis.

22 Use of Appendices / Tables / Photographs

- 22.1 Photograph 1: Elevation of properties – 497-507 Tottenham High Road
- 22.2 Part B of this report contains exempt information.

Appendix



Photograph 1: Elevation of properties – 497-507 Tottenham High Road