

Agenda item: **[No.]****Procurement Committee On 18th July 2006****Report Title: Millicent Fawcett Court. Roofing, external repairs & associated works:
Award of contract**Forward Plan reference number : **N/A**Report of: **Anne Bristow – Director of Social Services**Wards(s) affected: **Bruce Grove**Report for: **Non Key Decision****1.0 Purpose**

1.1 To seek Member agreement to award the contract for the renewal of the existing flat roof at Millicent Fawcett Court, N.17 with a new pitch roof, together with associated works including the installation of a new integrated reception system (IRS) to replace the existing communal television aerial, external repairs and redecoration.

2.0 Introduction by Executive Member

2.1 Due to the prominent location of this estate (on the High Street) and long-standing problems with water penetration, it was necessary to allow sufficient time to ensure that the proposed works are the most appropriate for it. In addition we are trying to replace flat roofs, whenever appropriate and possible, with pitched roofs in order to ensure value for money in the long run. This implied an increase in the overall capital investment needed (resulting in significant long-term savings), and this in turn necessitated extra consultation with leaseholders. Finally the project is designed to make a real contribution to our environmental and sustainability objectives.

3.0 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 12 of this report.

Report Authorised by: **Director of Social Services**

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4.0 Executive Summary

4.1 See 1.1

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

Not applicable

6.0 Local Government (Access to Information) Act 1985

6.1 The following background documents were used in production of this report.

Feasibility Report April 2003 – Haywards Property Services (now Dunlop Haywards)
Revised Feasibility Report December 2004 - Haywards Property services (now Dunlop Haywards) Tender Report – Dunlop Haywards May 2006

6.2 This report contains exempt and non-exempt information. Exempt information is contained in **Part B** and is **not for publication**.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).

7.0 Background

7.1 Millicent Fawcett Court consists of five interlinked blocks of flats and maisonettes. The blocks are four and five stories in height with undercroft parking and open galleried access balconies. The existing flat roof is at the end of its useful life and is in need of replacement. In April 2003 a feasibility report was prepared by Haywards Property Services which recommended a flat to flat roof replacement. The scheme was not progressed, however, due to funding restraints. In 2004, following consultation with residents, ward members and local housing officers, a revised feasibility report was undertaken which recommended a flat to pitch roof replacement which would provide greater value for money over the life of the roof.

7.2 There were also plans to carry out external redecoration of the blocks; this scheme was amalgamated with the roof proposals and the revised proposals now includes other long standing maintenance issues such as the repairs to the high level patios, asbestos removal, externalising the rainwater down pipes and replacement of the existing communal television aerial with a new digital aerial. This package of works will reduce the call on existing revenue funds for decanting of residents and payment of insurance claims due to water penetration at Millicent Fawcett Court. The local housing office has advised that over £30k has been spent in decanting and insurance costs in the last year. Following completion of the final design, the pre tender estimate for the works was £1,779,350.

8.0 Budget

8.1 This project will be funded from the Homes for Haringey Planned Maintenance Budgets in their 2006/7, 2007/8 & 2008/9 Housing Capital Programmes.

9.0 Tenders

9.1 Tenders were invited from four firms from the Approved List of Contractors in April.

9.2 Tenders were invited on the basis of a fixed price contract, for a period of 36 weeks. In addition, contractors were also given the option of stating and pricing for an alternative contract period.

9.3 All four contractors submitted a tender based on a 36 week contract. The lowest tenderer also offered an alternative contract for a period of 30 weeks.

9.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 44.3%.

9.5 All tenders are open for acceptance for a period of six months from 12th. May 2006, the closing date for receipt of tenders.

9.6 The lowest firm price tender received with a contract period of 30 weeks is recommended for acceptance.

9.7 Full details of the tendering exercise are provided in Part B.

10.0 Consultation

10.1 Between 2003 and 2005, there have been detailed discussions with residents, officers from the local area office and ward members on the options for carrying out the works.

10.2 More recently, this has culminated in detailed consultation with residents including the Residents Association (RA) to agree the final design. This included a visit organised for residents at the request of the RA to be taken to another borough to see an estate where similar works were undertaken using the same roofing system.

10.3 During the recent consultation, leaseholders also requested that a leaseholders meeting be arranged with the Home Ownership Team and the project team. The objective of this meeting was to give leaseholders an opportunity to ask questions about cost / payment issues and for leaseholders to have a final opportunity to ask questions about the scheme design. This "leaseholders only" session was successfully undertaken on Monday 12th. June.

11.0 Summary and Conclusion

11.1 That the proposed package of works as developed through consultation with residents ward members and local housing officers be agreed, and the lowest tender accepted.

12.0 Recommendations

12.1 That Members agree to award the contract for the above project as allowed for under Contract Standing Orders (CSO) 11.1 based on lowest price.

13.0 Equalities Implications

13.1 The works will benefit all occupants of the properties included in this scheme which includes disabled, elderly and people from ethnic minority groups and will improve their quality of life.

14.0 Health and Safety Implications

14.1 All contractors 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.

14.2 The construction Design and Management Regulations 1994 apply to this project and the contractors Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor.

15.0 Sustainability Implications

15.1 The scheme was carefully designed with the full involvement of residents, ward councillors and local housing officers to ensure a quality of design that meets the aspirations of local stakeholders.

15.2 Following initial consultation, a revised feasibility report was requested which fully evaluated all the options for replacing the roof, including life cycle costings. This resulted in a recommendation to provide a flat to pitch roof replacement, which would provide greater value for money over the total life of the component.

15.3 Being in a prominent high street location, the opportunity was taken to involve the local planning officer at an early stage in agreeing a design that would provide a positive environmental impact on the high street.

15.4 The proposed roofing system is constructed of components which are fully recyclable. The rain water goods are aluminium based. 10% of the metals used in the roofing system are from recyclable sources.

15.5 The roofing materials selected have a life expectancy in excess of 60 years.

15.6 The improved thermal insulation afforded by the new roof will assist in reducing energy consumption and heating costs.

15.7 Our consultants advise that the existing SAP ratings for the top floor flats range from 69–84 and the ratings after the works are complete are anticipated to range from 73-91.

16.0 Financial Implications

16.1 This scheme is estimated to cost £1,690,382.90 and projected to be phased as set out in paragraph 6 of Part B

16.2 Provision for the spend exists in the Planned Maintenance budgets for 2006/2007 and 2007/2008 within the Housing Capital programmes for the respective years. The balance of the expenditure of £50,083.22 is forecast to be spent in financial year 2008/2009; this will be a first call on the resources available in that year.

17.0 Comments of the Director of Finance

17.1 This scheme is estimated to cost £1,690,383, which is likely to be phased as set out in paragraph 6.0 of this report. The project is dealing with 135 Council dwellings & 51 Leasehold dwellings. The contribution from the leaseholders will be £357,461 (Para 4.5 refers) at an average of £7,009 per dwelling and the cost to Council dwellings will be £1,332,922 at an average of £9,873

17.2 Provision for this scheme exists in the Planned Maintenance budget within the 2006/2007 Housing Capital Programme.

17.3 The balance of the expenditure is forecast to be spent in financial year's 2007/2008 (£410,658) and 2008/2009 (£50,083) respectively. These will be a first call on the resources available in those years.

18.0 Comments of the Head of Legal Services

18.1 The value of this contract is below the threshold for works where tendering in Europe is required under the Public Contracts Regulations 2006 (currently £3,611,319), therefore the EU Regulations do not apply.

18.2 The Contract has been tendered in accordance with CSO 8.2(d) by inviting tenderers from one of the Council's Approved lists. CSO8.2 (d) provides that where a framework agreement or approved list exists in respect of the subject matter of a contract, tenders shall be invited from capable contractors on the framework agreement or approved list applying the principles of best value.

18.3 This report is recommending award of the contract to the contractor named in Part B on the basis that they submitted the lowest priced tender, in accordance with CSO 11.1(a).

18.4 The Head of Legal Services confirms that the statutory leaseholder consultation procedures set out at sub-paragraph 4.4 in Part B Paragraph 20 of this Report comply with The Landlord & Tenant Act 1985 and The Service Charge (Consultation) (England) Regulations 2003.

18.5 Because the value of the contract is in excess of £250,000, award of the contract must be approved by Members in accordance with CSO 11.3.

18.6 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendation set out in Paragraph 12 of this report.

19.0 Comments of the Head of Procurement

- 19.1** This report is extremely detailed and provides the level of information needed to be satisfied that a robust and comprehensive process has been followed.
- 19.2** Contractors for this procurement have been selected from the Council's Approved List, and tenders requested from four contractors (Note that at the time the project commenced not all contracts for the framework agreements had been signed off for use.)
- 19.3** Contractors were selected on a both a selection and a rotation basis allowing contractors with specialist roofing abilities to be included.
- 19.4** The tender process allowed contractors to submit bids on a fixed price basis for 36 weeks and for an alternative contract period. This process has most certainly allowed the achievement of value for money in the lowest price tender. The variations in price between the lowest price and the next contractor's price are invariably due to the preliminary work that they will undertake and have priced accordingly.
- 19.5** A thorough evaluation of all the tenders has been undertaken, and the Head of Procurement notes the attention to detail which picked up the variation between compliant and non-compliant bids.
- 19.6** There is a very detailed evaluation of the variations between the costs submitted by the lowest and the next contractor. The Corporate Procurement Unit will be able to use this information as benchmarking against future work.
- 19.7** In many cases where the lowest price is so much lower than the other tender prices and lower than the pre-tender estimate, there would be a degree of caution. However, this report has provided a very detailed breakdown of where the differences occur, and the project manager understands that this is due to the savings in preliminary work, given the alternative contract period.
- 19.8** In summary, the Head of Procurement supports the recommendations made to Members at paragraph 12, for contract award as at part B.