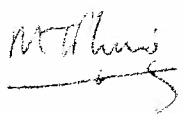


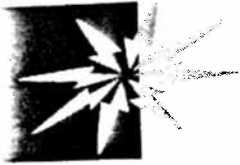


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Report for:	Cabinet 10 th July 2012	Item number	
Title:	Lift Modernisation Group 3 1 - 37, Acacia House, Douglas Road, N22 5RS 1 - 46, Carlton Lodge, Lancaster Road, N4 4NJ 1 - 26, Cedar House, Acacia Road, N22 5RU 1 - 26, Daphne House, Acacia Road, N22 5RX 1 - 37, Mildura Court, Church Lane, N8 7NS		
Report authorised by :	Mun Thong Phung Director of Adult and Housing Services 		
Lead Officer:	Phil Harris, Deputy Director Community Housing Services Tel:0208 489 4338 E-mail phil.harris@haringey.gov.uk Keith Carter, Director of Property Services Tel:0208 489 3272 E-mail keith.carter@homesforharingey.org		
Ward(s) affected: Stroud Green, Woodside & Hornsey	Report for Key Decision:		

1. Describe the issue under consideration

- 1.1 To seek member's agreement to make an award in principle of the contract for lift modernisation works at Acacia House, Douglas Road, N22 5RS, Carlton Lodge, Lancaster Road, N4 4NJ, Cedar House, Acacia Road, N22 5RU, Daphne House, Acacia Road, N22 5RX, Mildura Court, Church Lane, N8 7NS to the contractor as stated in Appendix A paragraph 2.1.



2. Cabinet Member Introduction

- 2.1 This report makes timely recommendations for planned asset management by the replacement of ageing lifts in blocks of council owned housing.
- 2.2 As usual, close attention will have to be directed to the management of client expectations in the delivery of this project with regard to tenants with mobility problems being 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 installations.

3. Recommendations

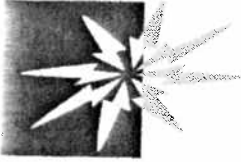
- 3.1 That Members agree in principle to award the contract for the above project, as allowed under Contract Standing Order (CSO) 9.07.1 (d) and (a), based on the lowest tender received from the contractor set out in Appendix 2.1.
- 3.2 That the total estimated cost excluding fees as detailed in Para 2.1 of Appendix A to be approved.
- 3.3 That finalisation of the award be delegated to the Director of Adult and Housing Services, Mun Thong Phung after the completion of the Section 20 consultation.

4. Other options considered

- 4.1 To continue using the current lifts with increasing maintenance costs and the risk of regular breakdowns and long periods of the lift being out of service.

5. Background information

- 5.1 In order to ensure that its assets in good working order, the Council has an annual capital programme of lift renewals. In recent years, the level of investment in new lifts has not kept pace with life cycle deterioration and this is being partly redressed in 2012/13 with a larger renewal programme. Homes for Haringey has tendered four lift renewal packages. The lifts were divided into two separate groups so that similar lift types have been tendered together. The works have further been sub divided into blocks that do and do not have leaseholders. This resulted in four tender packages.



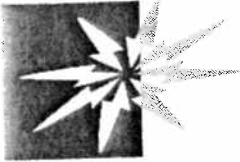
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- 5.2 The estimated total cost of all packages falls under the £4.34m value that would require a full OJEU tender process. The contractors chosen to tender for each package were randomly selected by the Corporate Procurement Group from contractors available on Construction Line for this category of work. They also carried out credit checks and Health and Safety before inviting them to tender. It will be noted that some tenderers appear on several tender lists and that no two tender lists are the same. This encourages open competition and should deliver good value.
- 5.3 The lift systems at these sites are extremely old and spare parts are largely no longer available. Lifts in the programme have a history of failure and / or a significant risk of imminent failure as the parts are no longer available. The lift modernisation works will improve the reliability and make the operation of the lifts more efficient.
- 5.4 **Contract Details**
- 5.5 Contractors invited to tender were randomly selected by the Construction Procurement Group from contractors available on Construction line for this category of work. CPG also carried out credit checks and Health and Safety checks before inviting them to tender.
- 5.6 Total estimated construction cost (excluding fees) refer to para 2.1 Appendix A.

Anticipated off site fabrication start	20 th August 2012
Anticipated contract start on site	7 th January 2013
Anticipated contract completion	5 th April 2013
Contract duration (20 weeks off site fabrication and 13 weeks on site installation)	33 weeks

- 5.7 **Properties Within Project**
- 5.8 There are 174 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	No of units
Acacia House	1 - 37	2	36
Carlton Lodge	1 - 46	4	49
Cedar House	1 - 26	6	26
Daphne House	1 - 26	6	26
Mildura Court	1 - 37	4	37
Total no of units			174



5.9 Schedule of Works

5.10 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 have new lighting installed within the lift shaft.

5.11 Each block is served by one lift.

5.12 Life Cycle Costings summary

The life expectancy of a lift in public housing block is between 15 – 25 years depending on their usage and location. These lifts have exceeded their expected life and are being replaced because of increasing difficulty to obtain parts, which in many cases have become obsolete.

5.13 **Digital Satellite Provision**
Not applicable.

5.14 Consultation

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

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

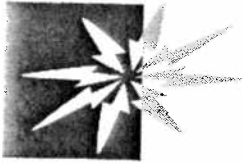
5.17 Upon appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and HfH Project Team so that any concerns can be addressed.

5.18 Leaseholder Implications

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

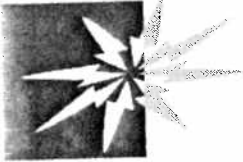
5.20 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.

5.21 In accordance with the Services Charges Regulations 2003 notices will be issued by the 22nd June 2012.



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- 5.22 The notices will give a description of the proposed works and provide details for the cost of works. The statutory consultation will end on the 21st of July 2012.
- 5.23 The total amount estimated to be recovered from 53 leaseholders is to be confirmed. This is broken down as follows:
- The total recoverable charge from leaseholders within the 5 year Section 125 period is estimated as nil.
 - The estimate for the total recoverable charge from leaseholders outside of the 5 year Section 125 period total is to be confirmed.
- 5.24 The charges to all 53 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 final account cost of the works. The invoice will be payable interest free over a five to six month period.
- 5.25 **Sustainability Implications**
- 5.26 The modernisation of the lifts is pre-empting possible future failure and a prolonged down time as some of the equipment is redundant and replacement parts cannot be obtained. 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
- 5.27 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.
- 5.28 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.
- 5.29 All the parts and equipment of the old lift is broken into constituent parts for recycling and disposed through specialist organisations, this



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includes all of the metallic components such as stainless steel cars, entrances, steel ropes, bronze tracks and lift motors.

5.30 Conservation Areas

5.31 The properties are not located in a conservation area.

6. Comments of the Chief Financial Officer and Financial Implications

6.1 If approval is given for contract Groups 1 to 4 for the modernisation of lifts, the spend will be as follows:-

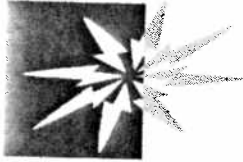
	Contract sum £	Fees £	Total £
Lift modernisation Group 1	832,951	102,620	935,571
Lift modernisation Group 2	409,276	58,445	467,721
Lift modernisation Group 3	562,053	67,446	629,499
Lift modernisation Group 4	499,675	60,711	560,386
	2,303,955	289,222	2,593,177

6.2 The phasing of spend is scheduled as follows:-

Phasing	2011/12 £	2012/13 £	2013/14 £	Total £
Lift modernisation Group 1	54,968	648,147	232,456	935,571
Lift modernisation Group 2	39,285	407,015	21,421	467,721
Lift modernisation Group 3	10,380	575,967	43,152	629,499
Lift modernisation Group 4	9,342	523,026	28,018	560,386
	113,975	2,154,155	325,047	2,593,177

6.3 Financial provision exists within the Housing Capital Programme in the sum of **£2.181m** for 2012/13 and 2013/14.

6.4 A proportion of these costs will be recoverable from leaseholders and confirmation of the amount is awaited.



7. Head of Legal Services and Legal Implications

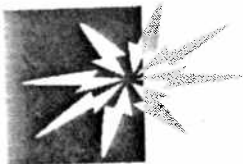
- 7.1 The contracts are below the threshold where European tendering is required under the Public Contracts Regulations 2006.
- 7.2 Contractors were selected by the Council's Construction Procurement Group from Construction line and invited to tender. On the 16th of September 2010 Procurement Committee approved the implementation of Construction line (pre-qualified list for specialist works).
- 7.3 The recommendation is for an award to the lowest priced tenderer in accordance with CSO 9.07.1 (a).
- 7.4 Because of the value of the contract, the award needs to be made by Cabinet in accordance with CSO 9.07.1 (d).
- 7.5 The award is a key decision and as such needs to be included in the Council's Forward Plan. The Directorate has confirmed that this has taken place.
- 7.6 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations contained in this report.
- 7.7 The Head of Legal Service is satisfied that the leaseholder statutory consultation conducted to date has been carried out in accordance with the requirements of the relevant Regulations.

8. Equalities and Community Cohesion Comments

- 8.1 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 parents with young children, wheelchairs users and residents who are elderly or with poor mobility.

9. Head of Procurement Comments

- 9.1 The contractors have been selected from Constructionline, (a government managed UK register of pre-qualified construction services database).
- 9.2 The tender has been prepared and tendered on a lowest price basis for this award.



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- 9.3 The Head of Procurement recommends the award as stated in paragraph 1.1 in Appendix A as value for money

10. Policy Implications

- 10.1 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provides a strategic framework for the delivery of the lift improvement 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.
- 10.2 This improvement programmes will contribute to the achievement of Council Priorities 1, 2, 3, & 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

11. Use of Appendices

- 11.1 Appendix A – separate attachment

12. Local Government (Access to Information) Act 1985

- 12.1 The background papers relating to this project are:Tender analysis report dated 3rd April 2012

These can be obtained from Graham Clarke – Project Manager on 0208 489 1160

- 12.2 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).