



**Haringey Council**

<b>Report for:</b>	<b>Leader of the Council on 30 July 2013</b>	<b>Item number</b>	
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<b>Title:</b>	<b>Lift Modernisation Programme 2013/14</b>
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<b>Report authorised by :</b>	<b>Mun Thong Phung, Director of Adult &amp; Housing Services</b>
	<b>Signed: _____ Date: _____</b>

<b>Lead Officers:</b>	Phil Harris, Deputy Director Community Housing Services Tel: 0208 489 4338 E-mail phil.harris@haringey.gov.uk  Nick Dudman Interim Executive Director of Property Services Tel: 0208 489 3272 E-mail nick.dudman@homesforharingey.org
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<b>Wards affected:</b> Hornsey, St Ann's, Tottenham Hale, Bounds Green, Northumberland Park, Bruce Grove, Stroud Green, Tottenham Green	<b>Report for: Key Decision</b>
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## **1. Describe the issue under consideration**

- 1.1 This report seeks approval of the annual lift replacement works (which will take place in 8 Wards) for the sum of £1,795,932. The replacement of the lifts is part of Homes for Haringey's long term programme of planned works to ensure that they comply with current accessibility standards.

## **2. Cabinet Member Introduction**

- 2.1 Improving the Council's housing stock is a high priority and it is important that the lift modernisation programme replaces the ageing lifts.



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2.2 I welcome and support these improvement works which will be of immense benefit to the residents affected.

### **3. Recommendations**

3.1 It is **recommended** that the Leader of the Council:

(a) Approves the award of the contract for lift replacement works to Otis Ltd (in the wards of Hornsey, St Ann's, Tottenham Hale, Bounds Green, Northumberland Park, Bruce Grove, Stroud Green and Tottenham Green) for the tender sum of £1,795,932 in accordance with Contract Standing Order (CSO) 9.07.1;

(b) Approves professional fees for this contract in the sum of £179,593; and

(c) Approves the issue of a Letter of Intent to enable pre-construction processes to take place.

### **4. Alternative options considered**

4.1 The alternative option to full replacement is to refurbish the lifts. However, this option has been rejected on the grounds that it could lead to increasing maintenance costs, increased risk of breakdowns, and health and safety concerns in relation to the lifts being out of service for long periods.

### **5. Background information**

5.1 To ensure that its assets are in good working order, the Council has an annual capital programme of lift renewals. In recent years, investment has been increased in order to reduce the backlog of lifts awaiting replacement and to keep pace with the life cycle replacement programme.

5.2 The life expectancy of lifts in social rented housing blocks is 15– 25 years, depending on their usage and location. The lifts that are due to be replaced as part of the 2013/14 Lift Modernisation Programme have exceeded their expected life and it is now becoming increasingly difficult to obtain replacement parts. The modernisation works will improve the reliability and efficiency of the lifts and reduce the risk of breakdowns.

5.3 The scope of works will include the replacement of the lift cars, doors and steel architraves to each landing. In addition, the lift motor room equipment will be replaced along with the associated wiring, and each lift shaft will be painted, rewired and installed with new lighting.



### Procurement Process

- 5.4 Competitive tenders were invited from 9 contractors – randomly selected from the Construction Procurement Group’s ‘Constructionline’, a government managed UK register of pre-qualified construction services – to tender for the work on the basis of a fixed price contract for a period of 46 weeks. Four of these 9 contractors submitted a tender and selection of the successful tenderer was carried out in line with the Council’s procurement policy and guidelines.
- 5.5 A contingency provisional sum of £103,990 has been included for unforeseen circumstances that may occur within the delivery of the project.
- 5.6 It is anticipated that the contractors will start on site 31 August 2013 and that the duration of the contract will be 46 weeks, that is, 20 weeks off site fabrication and 26 weeks on site installation. The contract is due to be completed by 25 July 2014.

### Properties within the Project

- 5.7 There are 605 dwellings in this project that will benefit from the works described in this report and they are listed below:

<b>Block</b>	<b>Property numbers</b>	<b>No of floor levels</b>	<b>No of units</b>	<b>No of Lifts</b>
Reed Road	115-189	3	38	2
Watt Tyler House	1-75	7	75	2
Chettle Court	1-147	3&4	147	3
Edgecot Grove	5-168	3	163	4
Campbell Court	10-63	5	52	2
Markfield House	2-46	6	23	2
Brookside House	1-31	3	31	2
Haynes Close	1-49	5	24	1
Joyce Butler House	1-26	7	26	1
Basil Spence House	1-26	7	26	1
<b>Total number of units</b>			<b>605</b>	<b>20</b>



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### Resident communication and consultation

- 5.8 Homes for Haringey sent out detailed newsletters to residents, Council Officers and Ward Members in June 2013.
- 5.9 When the contractor is appointed, a further newsletter with a feedback sheet will be sent out with the full contact details of the company, their operatives and Homes for Haringey's Project Team.

### Leaseholder Implications

- 5.10 In accordance with the Service Charges (Consultation Requirements) (England) Regulations 2003, the Notifications of Estimates (second consultation notices) have been issued to leaseholders by Homes for Haringey's Home Ownership Team.
- 5.11 The second consultation notices described the proposed works, provided leaseholders with two estimates for the cost of the proposed works and invited leaseholders to make observations on the estimates.
- 5.12 The statutory consultation period under the second notices ended on 13 July 2013. The total amount estimated to be recovered from 131 leaseholders is £426,258.38. A notice of intention and a notice of estimates were issued to the leaseholders affected by the works, and these provided a description of the proposed works and details of the anticipated cost. Officers have given regard to the observations received and a response has been sent to the leaseholders. A copy of that documentation will be provided to the Leader on 30 July 2013 for her consideration as part of the decision making process.

## **6. Comments of the Chief Financial Officer and Financial Implications**

- 6.1 If the Council awards the contract to the successful tenderer, the cost of the project will be £1,795,932 plus fees in the sum of £179,593 giving a total of £1,975,525.
- 6.2 A proportion of these costs will be recoverable from leaseholders as noted in paragraph 5.12.
- 6.3 Financial provision exists for this project within the Decent Homes Programme for 2013/14 and 2014/15.

## **7. Head of Legal Services and Legal Implications**

- 7.1 The value of the contract referred to in paragraph 3 is below the EU threshold for works, Therefore it has not been necessary to undertake an OJEU tendering process in accordance with the Public Contracts Regulations 2006.



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- 7.2 Contractors were selected by the Council's Construction Procurement Group from Construction line and invited to tender. On 16 September 2010, the Procurement Committee approved the use of 'Constructionline' (pre-qualified list for specialist works).
- 7.3 Because of the value of the contract, the award needs to be made by Cabinet in accordance with CSO 9.07.1 (d).
- 7.4 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.
- 7.5 The Head of Legal Services is satisfied that the leaseholder statutory consultation conducted to date has been carried out in accordance with the requirements of the relevant Regulations.
- 7.6 The Leader has the power under CSO 16.03 to approve the recommendations in this report.
- 7.7 The Head of Legal Services confirms that there are no legal reasons preventing the Leader from approving the recommendations contained in this report.

## **8. Equalities and Community Cohesion Comments**

- 8.1 Homes for Haringey's Asset Management Strategy, 2010-17, covers all investment in the Council's housing stock, including lifts improvement.
- 8.2 In compliance with the Council's public sector equality duty, an Equality Impact Assessment was undertaken as part of drawing up the Strategy.
- 8.3 The findings have been incorporated into Homes for Haringey's planning processes for delivering improvement programmes. This includes ensuring that all residents receive the standard of work that is consistent with the lifts improvement policy, and that consideration of specific language and other needs are identified and addressed when drawing up the programmes of work.
- 8.4 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 for parents with young children, wheelchair users and residents who are elderly or have poor mobility. The tender process used to award the contract was in line with the Council's procurement policy and guidelines, which have equalities considerations at all the key stages.



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## **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 quality 60%, price 40% basis for this award.
- 9.3 The Head of Procurement recommends the award as stated above 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.
- 10.2 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.
- 10.3 These improvement programmes will contribute to the achievement of Council Priorities:
  - Improving the environmental performance of council housing stock;
  - Providing a cleaner and greener environment for residents;
  - Providing decent homes and improving well-being; and
  - Delivering cost effective services.

## **11. Reasons for Decision**

- 11.1 A decision is required to enable the approval of the contract for the replacement of 20 lifts, serving 605 homes in the wards of Hornsey, St Ann's, Tottenham Hale, Bounds Green, Northumberland Park, Bruce Grove, Stroud Green and Tottenham Green.
- 11.2 The lifts that are due to be replaced as part of the 2013/14 Lift Modernisation Programme have exceeded their expected life and it is now becoming increasingly difficult to obtain replacement parts. The modernisation works will improve the reliability and efficiency of the lifts.
- 11.3 The proposal is to award this project to the highest scoring most economically advantageous tenderer that is available to deliver this project as set out in Appendix A (the tender evaluation) in the exempt part of the report.



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## **12. Use of Appendices**

Appendix A is the exempt tender evaluation report

## **13. Local Government (Access to Information) Act 1985**

13.1 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).