



Haringey Council

APPENDIX A

REPORT TEMPLATE

Agenda item:

[No.]

Procurement Committee Meeting

On 24 July 2007

Report Title: **Bruce Grove, Townscape Heritage Initiative, Phase 2 (Part A): Award of contract**

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

Report of: **Karen Galey, Head of Economic Regeneration**

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

Report for: **Non-Key Decision**

1. Purpose

1.1 To seek Member agreement to award the contract to Lengard Limited for building contract services on the second phase of the Heritage Lottery Fund – Townscape Heritage Initiative in Bruce Grove, (Nos. 537-539, 541, 543, 551 & 553) Tottenham High Road.

2. Introduction by Cabinet Member for Enterprise and Regeneration – Cllr. Amin

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 of the wider programme 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 18 of this report.

3.2 That the contract be awarded for a period of 16 weeks.

Report Authorised by: **David Hennings, Assistant Director of Economic Regeneration**
(Include signature here)

Contact Officer: **Jennifer Davis, Senior Regeneration & Conservation Officer – Tel. 0208 489 4524**

4. Director of Finance Comments

- 4.1 The revised value of the tender is £259,294. A contingency allowance is being made for possible cost increases of £9,500 giving a total estimated project cost of £268,794. The Urban Environment capital budget for 2007/08 contains a provision of £338,500 for this scheme. The cost of this tender plus any commitments already made and/or to be made must not exceed the overall budget provision for the project of £338.5k.

5. Acting Head of Legal Services Comments

- 5.1 Pursuant to Regulation 19 of the Public Contracts Regulations, 2006 ("the Regulations") which allows local authorities to enter into Framework Agreements with contractors, the Council has entered into Minor and Major Works Construction Framework Agreements with several contractors.
- 5.2 Under the Regulations, a contract for a specific project under a Framework Agreement may be awarded to the contractor who offers either the lowest price or the most economically advantageous tender in respect of that contract, as determined either (1) by application of the terms laid down in the Framework Agreement without reopening competition, or (2) by a mini-competition between all the contractors on the framework agreement who are capable of performing the Contract.
- 5.3 The Construction Procurement Group have confirmed that, applying the terms laid down in the Council's Major Works Construction Framework Agreement without reopening competition, the most economically advantageous tender in relation to the proposed contract is that submitted by the contractor recommended in this report.
- 5.4 Because the contract value exceeds £250,000, the proposed award must be approved by the Procurement Committee in accordance with Contract Standing Order 11.3.
- 5.6 The Acting Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendation to award this contract to the Contractor named in Part B-B1(iv) of this report.

6. Head of Procurement Comments

- 6.1 The contractor for this project has been selected from one of the Construction Procurement Group's framework agreements, as per their intended use.
- 6.2 Additionally, the contractor has been able to provide 100% cost certainty for the work specified, after negotiations with the quality surveyor, which is a sound position from which to start the project, and which reduces financial and budgetary risk.
- 6.3 In summary, this procurement has been appropriately undertaken and the Head of Procurement fully supports the recommendation made to Members to appoint the

contractor as named at Appendix B and for the price detailed.

7. Local Government (Access to Information) Act 1985

7.1 List of background documents:

- Heritage Lottery Fund Agreement

7.2 See Part B for exempt information. *Constitution – Exempt information, Ground 7:* Information relating to the financial or business affairs of any particular person (other than the authority).

8. Background

- 8.1 This is the second phase of the Bruce Grove Townscape Heritage Initiative (THI) programme to refurbish groups of properties along Tottenham High Road and follows the aims of the High Road strategy adopted by the Council to regenerate this key area of Tottenham. The properties in this second phase of the project are Nos. 537-539, 541, 543, 551 & 553 (5 properties). The first phase of works involved the block known as Windsor Parade (Nos. 538-554 Tottenham High Road– 9 properties).
- 8.2 Bruce Grove is part of a series of interlocking conservation areas along the High Road, and is a busy retail location with a mixture of Edwardian and Victorian properties. The buildings are mostly Victorian and with some modern alterations and shopfronts.
- 8.3 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, lack of suitable maintenance and repairs. It is an historic corridor, with many important local buildings and has been of keen interest to English Heritage and Heritage Lottery Fund, the latter of whom have made funds available for this scheme.
- 8.4 The aim of the project is to help preserve and enhance the conservation area in Tottenham High Road by refurbishing the shopfronts, front and side elevations and roofs of properties Nos. 537-539, 541, 543, 551 & 553. Some of the specific work to be carried out will be to: repair, repoint and clean brickwork; repair sash windows; repair decorative stone parapets; replace UPVC windows with traditional timber sashes or repair existing sash windows; reinstate the 1st floor conservatory fenestration including decorative arches and stained glass; make good and redecorate end stub wall, pilasters and consoles; and provide new shop front, fascia, awning and door to flats.
- 8.5 The shop and building owners of the properties have been offered grants to make specialist conservation improvements to the shopfronts and building exteriors which will improve the urban fabric, pride in the area, passing trade and commercial returns for the property owners. Part of the grant agreement conditions will be that the shopfront is kept repaired and maintained in good condition.
- 8.6 The main outcome of the project will be to improve the physical condition and appearance of these properties to 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.

- 8.7 The building improvements in this grant scheme and project must follow strict guidance set out by HLF as well as the sensitive application of conservation principles, specific to the architectural time period and historic fabric of the existing buildings.
- 8.8 Experienced conservation sub-contractors will be nominated to carry out the works using traditional conservation methods and practice.
- 8.9 The pre-tender cost estimate is £250,000 – to be paid financial year 2007-8.
- 8.10 The pre-tender 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, stoneworks, new shopfronts and signage.

9. Budget

- 9.1 The overall grants budget available for this second phase of Bruce Grove, Townscape Heritage Initiative is £338,543. The total build cost will be covered by approximately 10% of private contribution (£32,746.00) from the traders/owners, 30% of Council funding (£100,000.00) and approximately 60% of Heritage Lottery Funding (£205,796.68).

10. Description of Procurement Process

The Construction Procurement Group (CPG) has implemented a number of Framework Agreements available for the call-off of contractors and consultants work. The process for the selection of contractors is outlined below.

10.1 Framework Agreement Methodology

- 10.1.1 This project falls under the **£250,000 to £999,999 band** in the Framework Agreement. There are 10 contractors within this band. The 10 contractors were selected based on quality, price and subsequent interviews.

10.2 Section of Contractor

- 10.2.1 The project panel met on the **28.03.07**. The panel was made up of Graham Lee, Yvette Chin of LBH Economic Regeneration and Jey Jeyakumar and Laura Baker LBH CPG.
- 10.2.2 The contractor was selected based on six criteria: Experience of refurbishment work, shopfront renewal, conservation work, listed buildings work, cost and working in tenanted properties.
- 10.2.3 CPG have developed a rigorous selection process for the selection of contractors. This process has been agreed by audit. The selection process includes such factors as financial status, ranking on original framework agreement and the clients criteria. **Lengard Limited** was selected as being the contractors who most fulfilled the clients criteria.
- 10.2.4 A meeting was held on **12.04.07** with the contractor to discuss the project and determine their ability to undertake the works.

10.3 Tenders

10.3.1 The contractor was briefed on the project on **12.04.07**, and provided with a set of tender documents representing the scheme. The tender is being carried out on an open book basis. The contractor provided three quotes for all items over £5,000.00 which were agreed as being domestic sub contract packages, all other works were priced by the contractor and checked by the consultant. The consultant is satisfied that this document provides value for money to the client.

10.3.2 The price submitted by contractor and contract period – this information is exempt, please see Part B-B1 (i).

10.3.3 The difference between the contractor's price and agreed maximum price – this information is exempt, please see Part B-B1 (ii).

10.3.4 The defects liability period is **6** months.

10.3.5 The overall range of tenders is not applicable since only **Lengard Limited** have been invited to submit a full bid.

10.3.6 The tender is open for acceptance for a period of 4 months, i.e. until 25.9.07.

10.4 Examination of Lowest Tender

10.4.1 The pricing documents submitted by **Lengard Limited** have been examined in detail and we report as follows:

The composition of the 'tender' took place between contractor and design team from **12.4.07** to **12.5.07**.

In addition **Lengard Limited** met with members of Haringey Council on **04.05.07** to discuss the calculation of the preliminaries.

10.4.2 Check on overheads/preliminaries and profit

The preliminaries, overheads and profit were checked and found not to be in accordance with the Framework Agreement for the Provision of Major Works Construction Services of value **£250,000 to £999,999**. The contractor was notified and agreed to alter the figures accordingly.

10.4.3 Check on schedules of rates/measured works/works packages

The contractor priced the Schedule of Rates. Some of these rates were judged not to be competitive, and not in line with current market rates. These rates were negotiated with the tenderer, and lower rates in line with current market rates were agreed. A total of 100% of the costs have now been confirmed.

10.5 Arithmetical check

10.5.1 No arithmetical errors were found in the tender.

10.5.2 The pricing is considered to be consistent and competitive.

10.6 Programme

The programme for the works has been examined and is found to be satisfactory and gives a clear critical path. The anticipated contract period for the works is 16 weeks.

10.7 Tender Summary & Conclusion

10.7.1 The AMP of the tender of contractor and recommended financial provisions to be made – this information is exempt, please see Part B-B1 (iii).

11 **Key Benefits and Risks**

11.1 **Benefits:** Physical, economic and social regeneration along Tottenham High Road; enhancing and preserving the historic buildings on Tottenham High Road.

11.2 **Risks:** Discovering unforeseen building conditions; need to complete programme of works before the HLF deadline of June 2010.

12 **Health and Safety Implications**

12.1 Council officers and the project's consultants 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.

13 **Sustainability Implications**

13.1 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 good sustainable practice, economically and environmentally.

13.1 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.

14 **Financial Implications**

14.1 This project forms part of Economic Regeneration's financial plan this year and funds expended will be recuperated from the grants and individual contributions.

14.2 In order to claim the full available amount of HLF grant the building works must be completed and the costs defrayed by June 2010. If this is not achieved, the Council may be required to fund the outstanding works in full.

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 the assumed commercial benefits associated with such a scheme.

16 **Consultation**

16.1 Property owners were consulted on the scheme before, during and after the grant application stages, with regard to their participation and throughout the design process.

17 Conclusion

- 17.1 This report seeks the approval of the Director in conjunction with the Executive member for the award of the contract to the contractor named in Part B-B1 (iii) for the price named in Part B-B1 (iii).
- 17.2 This project will refurbish the buildings at 537-539, 541, 543, 551 & 553 Tottenham High Road and is part of a wider Tottenham High Road strategy which is aimed at revitalising this key area of Tottenham.

18 Recommendations

- 18.1 That Members agree to award the contract for building contract services to the contractor named in Part B-B1 (iv) in the sum named in Part B-B1 (iv) under the CPG Framework Agreement.

19 Use of Appendices / Tables / Photographs

- 19.1 Part B of this report contains exempt information.