

## REPORT TEMPLATE

Agenda item:

**[No.]**

**Procurement Committee**

**On 27 November 2007**

Report Title: Oatfield House & Twyford House – Rewiring Scheme

Forward Plan reference number (if applicable): **Item 11 version 66**

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected: **Seven Sisters**

Report for: **Key Decision**

### **1. Purpose (That is, the decision required)**

1.1 To seek Members' agreement to award the contract for Rewiring Works at Oatfield House and Twyford House.

### **2. Introduction by Cabinet Member (if necessary)**

The current system has reached the end of its useful life and needs to be replaced to comply with the current regulations and Health and Safety requirements. The new wiring to council owned dwellings within these blocks will reduce the need for unplanned maintenance in the future. Landlord services are included in the scheme to bring the whole of the electrical installation to the same standard. Residents and leaseholders have been consulted on these works. HfH have carried out the procurement exercise on

behalf of the Council.

### **3. Recommendations**

- 3.1 That members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11.01(a), subject to final consideration of any leaseholder observations at the expiry of the second Section 20 Notice period which is scheduled to expire on 29 November 2007.
- 3.2 That the Director Urban Environment approves the letting of the contract after expiry of the second Section 20 Notice period and the consideration of comments received from leaseholders.
- 3.3 That the total estimated cost excluding fees as detailed in Para 2.1 of Appendix A be noted.

Report Authorised by: **Niall Bolger, Director of Urban Environment**

Contact Officer: **Carl Bradley, ALMO Liaison and Consultation Officer,**  
[carl.bradley@haringey.gov.uk](mailto:carl.bradley@haringey.gov.uk) Tel. 020 8489 4454

### **4. Director of Finance Comments**

- 4.1 The Director of Finance has been consulted and advises that provision for the spend in 2008/09 exists in the Building Services budget within the Housing Capital programmes for that year.
- 4.2 The balance of the expenditure is forecast to be spent in financial years 2009/10 and 2010/11 respectively. This will be a first call on resources available in those years.

### **5. Head of Legal Services Comments**

5.1 The contract is below the threshold where tendering for works in Europe under the Public Contracts Regulations 2006 is required (currently £3, 611,319.00).

5.2 Tenderers from an Approved List have been invited to tender in compliance with Contract Standing Order 8.03 (e).

5.3 The Council wishes to award the contract to the contractor named in the Appendix to the report. The award is requested on the basis of lowest price tender.

5.4 The Head of Legal Services is satisfied with the leaseholder consultation process to date.

5.5 The decision is a “key decision” and, as such, needs to be included in the Council’s Forward Plan. It was included in Version 66, Item 11.

5.6 The Director of Urban Environment requests approval from the Procurement Committee, with finalisation of leaseholder considerations delegated to the Director of Urban Environment

5.7 The Procurement Committee has power to approve the award under CSO 11.03 (contracts over £250,000). It also has power to delegate any of its functions to officers under Section 15 of the Local Government Act 2000.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing approval of the recommendations contained in this report.

## **6. Head of Procurement Comments**

6.1 This project has sought tenders from four suppliers, representing a sufficient number to demonstrate value for money.

- 6.2 Of the four suppliers invited to tender, three responses were returned.
- 6.3 All of the tender prices have exceeded the pre-tender estimate, which was based on a varied specification from those on which tenders were returned.
- 6.4 However, once this element of the tender variation is accounted for, the lowest priced tender, which is recommended for acceptance is only 2% above the pre-tender estimate.
- 6.5 A full evaluation of all tenders has taken place, checking for compliance, arithmetic accuracy and value for money.
- 6.6 The lowest price tender has been selected, and on this basis the Head of Procurement supports the recommendations made at paragraph 3.

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

### **7.1 List of Background Documents**

Tender report by Design and Engineering, Homes for Haringey, October 2007

- 7.2 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):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **8. Strategic Implications**

- 8.1 The block rewiring programme forms part of the overall asset management strategy and the 5 year capital programme that delivers the strategy. The 5 year capital programme report has been agreed with HfH board members and Haringey council officers.

## **9. Financial Implications**

- 9.1 This scheme is estimated to cost the amount set out in paragraph 6.1 of Appendix A and is projected to be phased as shown in the same paragraph.
- 9.2 Provision for this exists within the Building Services budget within the Housing Capital Programme.

## **10. Legal Implications**

10.1 See section 5 above

## **11. Equalities Implications**

11.1 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.

## **12. Consultation**

12.1 Homes for Haringey have carried out detailed consultation on this project by a resident meeting and detailed newsletters.

12.2 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.

## **13. Background**

12.1 The wiring to the blocks has not been renewed since the blocks were constructed approximately 40 years ago. The current system has reached the end of its useful life and needs to be replaced to comply with the current regulations and Health and Safety requirements. The new wiring to council owned dwellings within these blocks will reduce the need for unplanned maintenance in the future. Landlord services are included in the scheme to bring the whole of the electrical installation to the same standard. The electrical certification for the complete rewire will negate the need for maintenance work and electrical tests for a period of 5 years.

### **13.0 Proposed Work**

13.1 The project entails the complete electrical rewire of all council owned dwellings and the landlord services including the communal lighting, lightning protection systems and provision of TV core services IRS (integrated reception system) Turksat and Hotbird.

13.2 Number of dwellings in project: 266  
 Total estimated construction cost (excluding fees): see Para 2.1 of Appendix A Anticipated Contract start on site: 11 February 2008  
 Anticipated Contract completion: 22 August 2008  
 Contract duration: 28 weeks

13.3 There are 266 dwellings in this project which are made up of the following property types:

Type of Dwellings	No. of Units
High rise blocks	266

13.4 The properties in this project are located at:

G1-G5 & 1-128 Twyford House, N15  
 G1-G5, & 1-128 Oatfield House, N15

#### 14.0 Leasehold Information

14.1 There are 31 leasehold properties within this project and these are as follows:-

Oatfield House 8, 9, 13, 15, 21, 34, 95  
 Twyford House G2,G3, G4, 2, 12,19, 20, 27, 41, 45, 46, 58, 74, 75, 89, 92, 101, 102, 103, 108, 110, 116, 119, 120

#### 15.0 Project Management

15.1 Homes for Haringey, managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

15.2 The key members of the project team are as follows:

Elena Wilmot	Project Manager – Homes for Haringey
Michael O’Driscoll	Contract Administrator – Homes for Haringey
Paul Saward	CDM Co-ordinator – Gardiner & Theobald
Mel Davis	Tenancy Housing Manager – Homes for Haringey

## **16.0 Budget**

16.1 This project will be funded from the Building Services budget within the 2007/08, 2008/09 and 2009/10 Housing Capital Programme.

## **17.0 Tenders**

17.1 Tenders were invited from four firms from the Approved List of Contractors. The contractors were selected on their experience and financial capability. Consideration was also given to ensure that the contractors would not exceed their financial limit in the delivery of a project of this value.

17.2 Tenders were invited on the basis of a fixed price contract for a period of 28 weeks.

Tender ‘A’ - fixed price contract, for a period of 28 weeks.

Tender ‘B’ – contractor’s offer period

17.3 Three out of four contractors invited to tender submitted a tender.

17.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 52%.

17.5 All tenders are open for acceptance for a period of six months from 8 October 2007, the closing date for receipt of tenders. Therefore tenders should be accepted by 8 April 2008.

17.6 The lowest firm price tender received with a contract period of 28 weeks is recommended for acceptance.

17.7 Full details of the tendering exercise are laid out in paragraph 3.0 of Appendix A.

## **18.0 Leasehold Implications**

18.1 As a result of applications made under the Right to Buy legislation, there are 31 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

18.2 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.

18.3 In accordance with the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices, and subject to the Procurement Committee's agreement the Council will award this contract to the lowest tender.

18.4 The Housing Service issued to the following Section 20 Notices to the leaseholders:

Notice of Intention issued on 24/5/2007 and expired on 23/06/07. A second Section 20 Notice (Notice of Estimates) is due to expire on 29 November 2007.

The notice will give a description of the proposed works and provided details of two estimates for the costs of the works. The leaseholder consultation process will not be complete until 30 days after the date of the Second Notice. The Legal Service is satisfied that leaseholder consultation has been carried out to date in accordance with the relevant legal requirements.

18.5 The total amount estimated to be recovered from 31 leaseholders is detailed in paragraph 5.1 of Appendix A.

18.6 The charges to all 31 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.



## **19.0 Health and Safety Implications**

- 19.1 All contractors invited to tender 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.
- 19.2 The Construction (Design and Management) Regulations 1994 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor before works start on site.

## **20.0 Sustainability Implications**

- 20.1 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products. The existing trunking and conduits will be used to run the wiring where possible, thereby retaining any equipment which still has a useful life.

The dwellings will be fitted with two low energy light fittings to the kitchen and bathroom areas. The new light fittings to the landlord's area will be more energy efficient and will have a longer life expectancy.

- 20.2 The majority of the existing wiring is buried within the fabric of the buildings and this will be left in situ. The new wiring contains an element of copper, a material that can be recycled at the end of its useful life.
- 20.3 The new wiring will reduce the need for maintenance as testing of the electrical system will only need to be carried out after ten years for dwellings and five years for the landlord's services.

## **20. Conclusion**

- 20.1 That the procurement committee accept the recommendations outlined in section 3 above.

## **21.0 List of Appendices**

**Appendix A** Exempt information

**Appendix B** Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate at junction of Seven sisters road and St Anns road

**Appendix C** Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate