

REPORT TEMPLATE

Agenda item: Kenley and Northolt, Broadwater Farm Estate – Lift Improvements

[No.]

Procurement Committee

On 27.11.07

Report Title: Kenley and Northolt, Broadwater Farm Estate – Lift Improvements	
Forward Plan reference number (if applicable): 12 Version 66	
Report of: Niall Bolger, Director of Urban Environment	
Wards(s) affected: West Green	Report for: Key
1. Purpose (That is, the decision required) 1.1 This report is seeking Members agreement to award the contract for Lift modernisation works at Kenley and Northolt, Broadwater Farm Estate to Precision Lifts Limited.	
2. Introduction by Cabinet Member (if necessary) 2.1 The project comprises the complete replacement of the existing lift systems at two high rise blocks on the Broadwater Farm Estate: Kenley and Northolt. The lift systems at the sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of lifts more efficient. The works will be carried out in two phases with the replacement of one lift in each of the blocks in the first phase, followed by the remaining lifts to the blocks in the phase two. Residents and leaseholders have been consulted on these works. HfH have carried out the procurement exercise on behalf of the Council. This project will be funded from the Lift Improvements budget within the Housing Capital Programme.	
3. Recommendations 3.1 That Members agree to award the contract for the above project based on the lowest price criterion, as allowed under contract standing orders (CSO) 11.01(a), to the contractor and for the sum and contract period indicated in Para 3.6 of Appendix A	

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

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4. Director of Finance Comments

4.1 The Director of Finance has been consulted and advises that provision for the spend in 2007/08 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 2008/09 and 2009/10 respectively. This will be a first call on the resources available in those years.

5. Head of Legal Services Comments

5.1 Two notices were issued to affected leaseholders (see paragraph 18.4 below) pursuant to section 20 of the Landlord and Tenant Act 1985 (as amended).

5.2 The notices were approved by the Legal Service before being sent to leaseholders. The Head of Legal Services is satisfied that the notices comply with the requirements of the Landlord and Tenant Act 1985 and with the Service Charge (Consultation Requirements) (England) Regulations 2003.

5.3 The estimated value of the contract works is below the threshold where EU tendering is required under the Public Contracts Regulations 2006 (currently £3,611,474). EU procurement rules are not applicable.

5.4 The contract has been tendered in accordance with Contract Standing Orders (CSO) in that contractors selected from the Approved List of Contractors were invited to tender. This procedure is expressly provided for by CSO 8.02(e).

5.5 Under CSO 11.01 an award may be made either on the basis of the lowest price tender or on the basis of the most economically advantageous tender. The contractor selected has been recommended for award of the contract on the basis that it submitted the lowest price tender in accordance with CSO 11.01(a).

5.6 As the contract value exceeds £250,000 the proposed award must be approved by the Cabinet pursuant to CSO 11.03. This says that the Cabinet must award all contracts over this value.

5.7 The Head of Legal Services confirms that there are no legal reasons preventing

members from approving the recommendation in paragraph 3.1 of this report.

6. Head of Procurement comments

- 6.1 Homes for Haringey have invited a good range of tenderers to bid for the lift improvement works; 7 tenderers were invited and six responded, representing a satisfactory response for such works.
- 6.2 Of some concern is the range of prices received in the 5 compliant tenders. These represent a 68% spread and the lowest price tender, which is to be accepted, is 35% lower than the pre-tender estimate.
- 6.3 Homes for Haringey have verified that the price received in this tender is viable, and have tested both the arithmetic and the compliance of the bid.
- 6.4 The Head of Procurement therefore notes that a satisfactory procurement process has been undertaken, and supports the recommendation made to members at paragraph 3.

7. Local Government (Access to Information) Act 1985

- 7.1 Tender Report by Design and Engineering, Homes for Haringey, September 2007
- 6.2 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) namely:
- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7.0 Strategic Implications

- 7.1 The lift replacement 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.

8.0 Financial Implications

- 8.1 This scheme is estimated to cost the amount set out in paragraph 2.1 of Appendix A and is projected to be phased as shown in paragraph 6.1 of Appendix A
- 8.2 Provision for this exists within the Building Services budget within the Housing Capital Programme.

9.0 Legal Implications

9.1[click here to type]

10.0 Equalities Implications

- 10.1 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.
- 10.2 The Tenancy Management Officer has been consulted about the scheme so that any issues that residents may have with mobility problems can be addressed in advance of the work.

11.0 Consultation

- 11.1 Detailed consultations have been carried out on this project by newsletters.
- 11.2 Upon the appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and the Project Team so that any concerns can be addressed.

12.0 Background

- 12.1 The project comprises the complete replacement of the existing lift systems at two High rise blocks on the Broadwater Farm Estate: Kenley and Northolt. The lift systems at the sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of lifts more efficient.
- 12.2 The works will be carried out in two phases with the replacement of one lift in each of the blocks in the first phase, followed by the remaining lifts to the blocks in the phase two. It will be necessary for some residents to manage one flight of stairs on alternate floors for the duration of the lift replacement. Each lift replacement will take approximately 20 weeks. A lead in period of 22 weeks is expected for the manufacture of the lifts and the anticipated start date for installation is 12 June 2008 and the anticipated date for completion is 14 April 2009.
- 12.3 Seven contractors were invited to tender and six submitted a tender. The lowest tender received is recommended for acceptance.
- 12.4 This project will be funded from the Lift Improvements budget within the Housing Capital Programme.

13.0 Proposed Work

- 13.1
 - Number of dwellings in project: 207
 - Total estimated construction cost (excluding fees): See Para 2.1 Appendix A
 - Anticipated Contract start on site: 12 June 2008
 - Anticipated Contract completion: 14 April 2009
 - Contract duration: 40 weeks
- 13.2 There are 207 dwellings in this project which are made up of the following property types:

Type of Dwellings	No. of Units
High rise blocks	207

13.3 The properties in this project are located at:

1-102 & 103-105 Kenley, Broadwater Farm
1-102 Northolt, Broadwater Farm

14.0 Leasehold Information

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

Kenley 60, 74, (103, 104, 105 Newlon Housing Trust)
Northolt 21, 23, 34, 36, 48, 57, 61, 85, 95

15.0 Project Management

15.1 Homes for Haringey who are 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
Joe Quarini	Contract Administrator – Homes for Haringey
Paul Saward	CDM Co-ordinator – Gardiner & Theobald
Yvette Codrington	(Northolt) Housing Manager - Housing Services
Belinda Selormey	(Kenley) Housing Manager - Housing Services

16.0 Budget

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

17.0 Tenders

17.1 Tenders were invited from seven firms from the Approved List of Contractors.

17.2 Tenders were invited on the basis of the following:-

Tender 'A' - fixed price contract, for a period of 40 weeks.
Tender 'B' – contractor's offer period

- 17.3 Six out of seven contractors invited to tender submitted a tender. One of the tenders received was qualified as they failed to provide a tender in accordance with the fixed price contract period of 40 weeks and was therefore disqualified.
- 17.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 67.62%.
- 17.5 All tenders are open for acceptance for a period of two months from 9 August 2007, the closing date for receipt of tenders. Therefore tenders should be accepted by 9 October 2007. The lowest two compliant tenderers have been asked if they would hold their tender price for a further three months. These lowest tenderers subsequently confirmed in writing that they would hold their tender price until end of January 2008.
- 17.6 The lowest firm price tender received with a contract period of 40 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 fourteen 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 Homes for Haringey issued to the following Section 20 Notices to the leaseholders:
- Notice of Intention issued on 24/5/2007 and expired on 23/06/07.
Notice of Estimates issued on 14/09/07 which expired on 14/10/07.
The notices gave a description of the proposed works and provided details of the anticipated cost. No observations were received from leaseholders.
- 18.5 The total amount estimated to be recovered from 14 leaseholders is set out in paragraph 5.1 of Appendix A
- 18.6 The charges to all 14 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 2007 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

20.0 Sustainability Implications

- 20.1 The modernisation of the lifts is preemptive as some of the equipment is redundant. The replacement of the lifts will reduce the likelihood of the lifts being totally inoperable in the event of a breakdown which requires the replacement of parts that are redundant. The new lifts will be more reliable and efficient which will provide enormous improvements to residents, especially the elderly, disabled and parents with young children.
- 20.2 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 thus minimising the repair time in maintenance.
- 20.3 All 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.
- 20.4 All the replaced equipment is broken into constituent parts for recycling and disposed of through specialist organisations, this included all of the metallic components such as stainless cars, entrances and steel ropes, bronze tracks, lift motors and copper wiring to lift the machinery.

21.0 List of Appendices

Appendix A – Exempt Information

Appendix B – Map showing Location of Kenwood and Northolt and Broadwater Farm

Appendix C – Map showing Location of Kenwood and Northolt