

Report Title: Community Care Strategy-Red House Refurbishment

Report of: Director of Social Services

Introduction by Executive Member for Health and Social Services

- 1. The Community Care Strategy (October 2004) recommended as part of the Councils overall approach to improving the range of, and quality of services for Older People, that the Red House underwent considerable refurbishment.**
- 2. This refurbishment will modernise the accommodation and contribute to improving the quality of life for Older People.**
- 3. The proposed works will exceed the minimum standards set by CSCI.**
- 4. Officers have full appraised me of all tender submissions and as such I concur with the recommendation.**

Ward: St Ann's

1. Purpose

- 1.1 To seek Member approval for the award of the contract for the refurbishment of The Red House Residential Home.**

2. Recommendations

2.1 Members agree to award a contract for the refurbishment of The Red House Residential Home with a contract period of 28 weeks. See also Appendix I.10.

Anne Bristow
Report Authorised by: Anne Bristow, Director of Social Services

Contact Officer: Mary Hennigan, Assistant Director, Older Peoples Services
Telephone: 020 8489 2326

3. Access to information

Local Government (Access to Information) Act 1985

3.1 The following background documents were used in the production of this report:

The Care Standards Act 2000

Community Care Strategy for Older People : 5th October 2004

4 Background to project

- 4.1 The Council currently maintains three in-borough residential establishments with another in the process of rebuilding.
- 4.2 A condition survey and compliance assessment undertaken in 2002 identified necessary improvements that were required to bring these establishments into compliance with the National Minimum Care Standards as set out in the Care Standards Act 2000.
- 4.3 The Council's Community Care Strategy for Older People recommended the refurbishment of Cranwood, Broadwater Lodge and The Red House and the demolition and rebuild of Osborne Grove.
- 4.4 The refurbishment work at the Red House is considerably more extensive than the two other refurbishments, and as a consequence the design period was longer. It was therefore decided to carry out a separate procurement for The Red House. CSCI required commencement of the refurbishment works and therefore Cranwood and Broadwater Lodge have been undertaken ahead of this project. The decant of The Red House is dependent on the completion of these two homes' refurbishment.

5 Tenders

- 5.1 Five contractors were selected from the Council's approved list of building contractors, these are listed in Appendix I.I.
- 5.2 The contractors were invited to submit a tender based on a project construction programme of 28 weeks with alternative tenders A and B for keeping the tenders open for five and six months respectively.
- 5.3 Bids were evaluated on a Most Economically Advantageous Tender (MEAT) basis, with a quality: price ratio of 30% : 70%
 - a) recognising the budgetary interdependency of this project with the three other projects in the Community Care Strategy (Residential), and
 - b) following advice from Corporate Procurement Unit and Construction Procurement Group.
- 5.4 Contractors were asked to provide evidence in their response to a quality evaluation questionnaire. The questionnaire considered different areas relevant to the contractors' construction systems. The categories included:
 - Contract Management;
 - Supply Chain Management;
 - Client Liaison, Choice and Satisfaction;
 - Labour Resources, Recruitment, Training and Development;
 - Cost Management and Incentivisation;
 - Health, Safety and the Environment;
 - Sustainability and Quality.

- 5.5 The tenders, received on 27th October 05, are listed in Appendix 1.2 (these are exclusive of Contract Administrator, Quantity Surveyor, Planning Supervisor, Clerk of Works and Project Management fees).
- 5.6 The tendering records for the contractors for the six months from 28th April 05 to the receipt of tenders on 28th October 05 are listed in Appendix 1.3.

6 Evaluation

6.1 Quality Evaluation

- 6.1.1 The price/ quality split places a heavy emphasis on the importance of price and therefore the considerable gap between the third and fourth tender price made the fourth and fifth tender untenable. Based on the MEAT evaluation three contractors were invited to interviews held on the 7th November 05.
- 6.1.2 An evaluation panel comprising of the Construction Project Manager, Architect/ Contract Administrator, Quantity Surveyor and Internal Project Manager - evaluated quality submissions.
- 6.1.3 Each contractor was invited to an interview consisting of 14 questions prepared by the panel. The quality submissions and the interview responses were evaluated and marked by the panel and these scores contributed up to 30% of the collective scores for each contractor.

6.2 Price Evaluation

- 6.2.1 Haringey Council's in house design team evaluated the contractors' cost submissions. These scores then contributed 70% towards the collective score for the contractor.
- 6.2.2 The three Tenders were checked for arithmetical errors. One of the tenders was found to have no errors in the tender submissions. One tender was found to contain arithmetical errors amounting to £2,723, which would have the effect of increasing their tender. The contractor confirmed that they would stand by their original tender price.

6.3 Summary

- 6.3.1 The results of the evaluation process are summarised in the exempt report elsewhere on this agenda.

7 Project proposals

- 7.1 The contract period for the refurbishment project is proposed to start on the 23rd January, 2006. Residents in the two first floor units of the Red House will be decanted into their temporary accommodation in the Intermediate Care Units at Cranwood and Broadwater Lodge. The total contract period is 28 weeks.

8 Design, supervision & scheme costs

- 8.1 The design, supervision and scheme costs are attached in the exempt report elsewhere on this agenda.

9 Funding

- 9.1 The total Community Care Strategy budget agreed by members is £5.65m. The budget for the strategy is funded partly from capital receipts of £5m from the proposed sale of two residential homes, as set out in the Council's medium term financial strategy for the capital programme. The Executive allocated the balance of £650k on 14th June 2005 from the Investment Fund in respect of building a day centre at Osborne Grove and funding furniture and equipment at all the homes. The recommendation for the award of the contract is within the budget. The budget will be monitored in detail as part of the Council's budget management process.

10 Recommendations

- 10.1 Details are in the exempt report elsewhere on this agenda.

11 Equal Opportunities Implications

- 11.1 The scheme has been designed to allow the Authority to meet its Statutory requirements in relation to the Care Standards Act 2000 and the Disability Discrimination Act 1995 (DDA). Building Regulations Approved Documents 2004, Part M regarding access to and use of buildings will be complied with.
- 11.2 The design of this project ensures that innovative uses of both design and colour are used to enhance the ambience of the building for all types of users.
- 11.3 The contractors have been assessed with regard to equality issues such as race relations, equal pay and the sex discrimination acts.

12 Health & Safety Implications

- 12.1 All contractors 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.
- 12.2 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 prior to the commencement of work on site.

13 Environmental and Sustainability Issues

- 13.1 Sustainability issues have been addressed as part of the detailed design within the constraints of adapting an older building. For example, the refurbishment of The Red House will result in a better quality of life for the residents of the home.
- 13.2 Disposal of waste, recycling and renewable issues have been discussed with the contractor and requirements relating to this project have been stipulated in the tender documentation.

14 Comments of the Director of Finance

- 14.1 The Director of Finance has been consulted in detail and concurs with the content of the report and the funding arrangements as set out in paragraph 9.

15 Comments of the Head of Legal Services

- 15.1 The estimated value of the contract is below the threshold for tendering in the EU under the Public Works Contracts Regulations 1991. The threshold is £3,834,411.
- 15.2 The contract has been tendered in accordance with Contract Standing Orders in that tenderers from one of the Council's Approved Lists were invited to tender [see CSO 8, 2 (d)].
- 15.3 Because the value of the contract is in excess of £250,000 any award must be approved by Members in accordance with CSO 11.3.
- 15.4 The recommendation is to award the contract on the basis of the most economically advantageous tender in accordance with Contract Standing Order 11.1 (b).
- 15.5 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations.

16 Comments of the Head of Procurement

- 16.1 This procurement has been carried out on the MEAT basis, which gives consideration to both price and quality. However, given its nature – i.e. that it is a refurbishment – it is reasonable to place more emphasis on the price element.
- 16.2 A thorough evaluation of the tenders has been undertaken, and supplemented with interviews of the appropriate suppliers.
- 16.3 A value engineering exercise has been undertaken to ensure that the procurement remains in budget, without significant detriment to the project requirements.
- 16.4 The Head of Procurement therefore supports the recommendation made at paragraph 10.