



Haringey Council

REPORT TEMPLATE

Agenda item:

(No.)

Procurement Committee

On 15th May 2008

Report Title: **Hornsey Decent Homes Works Phase HOPH3**

Forward Plan reference number (if applicable):

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

Wards(s) affected: **Hornsey**

Report for: **Key Decision**

1. Purpose

1.1 To inform Members that the Decent Homes Programme for Grove House will commence on 2nd June 2008.

2. Introduction by Cabinet Member (if necessary)

2.1 In accordance with our commitment to achieve Decent Homes standards to our homes, properties within this phase have been surveyed and works will include, roof renewal, new kitchens, new bathrooms, boiler replacement, rewire, new front and rear doors and the installation of extractor fans to kitchen and bathrooms.

3. Recommendations

3.1 That members agree to award the contract for the above Project to the contractor named in Appendix A Paragraph 2.1 as allowed under Contract Standing Order (CSO) 11.03.

3.2 That the total Agreed Maximum Price excluding fees as detailed in Paragraph 2.2 of Appendix A be noted.

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

Contact Officer: **Pauline Hinds**
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4. Chief Finance Officer Comments

- 4.1 It should be noted that on 13th Feb 2007, this committee approved framework agreements to Decent Homes contractors and 4 compliance teams, to cover 4 areas. This report details the specific works needed to the 26 houses in the Hornsey area (para 15.2), priced in accordance with the framework agreement.
- 4.2 Members will be aware that CLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £23m has been approved for 2008-09. The cost of this scheme totalling £597k in 2008-09 is included in the schedule for 2008-09 and will be funded from the approved budget. A small amount of fees (£1.4k) is phased to be paid in 2009/10 and will be first call on the Decent Homes funding allocation for that year.

5. Head of Legal Services Comments

- 5.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at Grove House Road (see Appendix A) which is in the Hornsey area of the borough, to the contractor recommended in paragraph 3 of this report.
- 5.2 Cabinet Procurement committee had on 13th February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.
- 5.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 5.4 The contractor recommended in Paragraph 3 of this report was awarded the Framework Agreement in respect of the Hornsey area of the borough.
- 5.5 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that in accordance with CSO 11.04, details of this contract have been included on the Forward Plan (Version 71).

5.6 As the value of the proposed contract exceeds £250,000 the award must be agreed by the Procurement Committee in accordance with CSO 11.3.

5.7 The report states that there are no leaseholders in respect of this phase of works, therefore the requirement to consult leaseholders under Section 20 of the Landlord and tenant act 1985 does not apply.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation as to the award, as set out in paragraph 3 of this report.

6. Head of Procurement Comments

6.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

6.2 The Client needs ensure that a risk register is in place for the works and are monitored on a regular basis

6.3 An agreed Maximum price has been agreed by the parties prior to start on site in accordance with the process allowed under the form of contract.

6.4 The Head of Procurement therefore state that the recommendations in this report offer best value for the Council.

7. Local Government (Access to Information) Act 1985

7.1 The background papers relating to this project are:

- 'The Award of Framework Agreements to four Decent Homes Constructors Partners'.
- Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.
- Short List Report dated October 2006
- Invitation to Tender Document dated October 2006
- Tender Reports dated February 2007

These can be obtained from Pauline Hinds - Strategic Client Representative on 020 8489 1151.

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):

8. Strategic Implications

8.1 The works within this phase form part of the Decent Homes Programme, which will take place over a duration of 5 years.

9. Financial Implications

9.1 This scheme is estimated to cost the amount set out in paragraph 2.3 of Appendix A.

9.2 Provision for the main works and fees exists within the Decent Homes Capital Budget for 2008/2009. A small amount of fees is to be paid in 2009/10 and will be met from the Decent Homes allocation for that year.

10. Legal Implications

10.1 See section 5 above

11. Equalities Implications

11.1 The works will ensure that all tenants and leaseholders living throughout the borough will reside in a decent home by the end of this programme of work.

11.2 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.

13. Background

13.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003. The objective of the Decent Homes Standard is that every tenanted home should be decent in accordance with the guidelines of the ODPM (now DCLG) by December 2010.

13.2 The Decent Homes Programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.

13.3 Managing and delivering the Decent Homes programme to cost, time and to the expectation of the tenants and residents of

Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other Local Authorities/ALMOs.

- 13.4 On 13th Feb 2007, this committee approved the framework agreements to four Decent Homes contractors and 4 compliance teams, to cover 4 areas. This report details the specific works needed to the 83 properties in the NT area, priced in accordance with the framework agreement.
- 13.5 The procurement and delivery of the Decent Homes Constructors has been managed by Homes for Haringey under the terms of its management agreement with the Council.

Number of dwellings in project

26

Total estimated construction cost (excluding fees) para 2.2Appendix A

Anticipated Contract start on site

2nd June 2008

Anticipated Contract completion

22 August 2008

Contract duration

12 weeks

Contractor

Wates Construction Ltd

14. Agreed Maximum Price

- 14.1 The Agreed maximum price is based on the schedule of rates contained within the Contractors tender returned on 30th November 2006.
- 14.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the PPC2000 (Project Partnering Contract) form of contract. The PPC2000 form of contract was formed from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.
- 14.3 It is designed to allow for a multi party approach by the client constructor, consultants and specialists to provide a consistent approach to working within a partnering ethos.
- 14.4 PPC2000 provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

15.0 Proposed Work

- 15.1 The works will include, roof renewal, new kitchens, new bathrooms, boiler replacement, rewire, new front and rear doors extractor fans to kitchen and bathrooms.

| Type of Dwellings | No. of Units |
|------------------------|--------------|
| 2/3 bedroom properties | 26 |

15.2 The properties in this project are located at:

Grove House Road N8 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16, 17, 18, 20, 21, 22, 24, 25, 26, 27, 29, 30, 31, 32

16.0 Leasehold Information

16.1 There are no leaseholders in this phase of works.

17.0 Project Management

17.1 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.

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

Pauline Hinds - Strategic Client Representative – Homes for Haringey
Murray Farrant - Compliance Team - Ridge & Partners

18.0 Health and Safety Implications

18.1 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.

18.2 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.

19.0 Sustainability

19.1 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products.

19.2 The existing trunking and conduits will be used to run the new wiring where possible, thereby retaining any equipment which still has a useful life. The new wiring contains an element of copper, a material that can be recycled at the end of its useful life.

19.3 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.

19.4 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings.

19.5 The selected kitchen, Premier, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of twenty years.

19.6 The contractor is registered and complies with the Considerate Constructors Scheme.

20. Conclusion

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

21. Use of Appendices/Tables/Photographs

Appendix A Exempt information