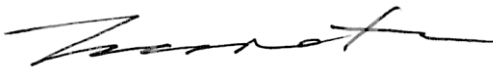


**Report for:** Cabinet Member Signing – 14<sup>th</sup> March

**Item Number:** 3

**Title:** Housing Lift Modernisation Programme 2016/17



**Report authorised by:** Tracie Evans, Chief Operating Officer

**Signed:**

**Date:**

**Lead Officer:** David Sherrington, Director of Asset Management  
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**Ward(s) affected:** Bounds Green, Bruce Grove, Northumberland Park and Tottenham Green

**Report for Key/  
Non Key Decision:** Key Decision

**1. Describe the issue under consideration**

1.1 To seek the Cabinet approval to award the contract for the above project as allowed under CSO9.06.1(d) (contracts over £500k).

**2. Cabinet Member Introduction**

2.1 Through the housing capital programme the council provides essential improvements to the housing stock. This report approves the appointment of contractors to deliver the next phase of the lift replacement programme, which will see the replacement of 15 lifts serving over 600 flats.

**3. Recommendations**

3.1 That the Cabinet approves the award of contract to Temple Lifts Limited for the lift replacement for the sum of £1,677,459. The professional fees have been set at £126,514. Therefore the total project cost is £1,803,973.

**4. Reasons for decision**

4.1 Approval of the successful competitive tender scheme is required to allow the contract to be awarded and the planned lift replacement work to be ordered.

4.2 To comply with current lift regulation that has come into force.

4.3 The current housing lifts within this programme have reached the end of their useful life and replacement parts are becoming obsolete. The maintenance will not be sustainable in the years to come and breakdowns of the lifts will increase with the lifts being out of service.

## 5. Alternative options considered

5.1 The alternative option to full replacement is to refurbish. However, this is not recommended as this could lead to increasing maintenance costs, increased risk of breakdowns and the health and safety implications of lifts being out of service for long periods in the future.

5.2 This alternative option will not fully comply with the current changes to the lift regulations.

## 6. Background information

6.1 The Council has an annual capital programme of lift renewals to ensure that its assets are in good working condition

6.2 The lift systems at these sites are extremely old, which makes repairs difficult, expensive and spare parts are not readily available. The modernisation works will improve the reliability and efficiency of the lifts and reduce the risk of breakdowns. Furthermore the replacement of lifts is part of the landlord's long term planned programme strategy to ensure that they comply with current accessibility standards

### Proposed Work

6.3 The scope of the work includes the renewal of lift cars and motors to the following blocks:

Block	Number of Units	Number of Lifts
Newbury House	85	2
Millicent Fawcett Court	186	2
William Rainbird House	16	1
Thomas Hardy House	85	2
Stellar House	106	2
Rothbury Walk	93	4
Blenheim Rise	50	2
<b>Total Number of Units:</b>	<b>621</b>	<b>15</b>

### Consultation

6.4 Consultation for this scheme will be undertaken by newsletters.

### Tender

6.5 Competitive E-tenders were invited from six firms who have been subsequently checked on Construction line by the Haringey Council Corporate Procurement

Unit using “price” and “Quality” award criteria based on a mandatory requirement to meet the quality requirements of the Specification. The tender will be let on the basis of 60% Quality and 40% Price.

6.6 The contractors invited to tender are listed below in alphabetical order:

Express Lifts Alliance  
Jackson Lift Services  
Pickering Europe Ltd  
Schindler Ltd  
Temple Lifts Ltd  
ThyssenKrupp UK Ltd

6.7 The tenders received are listed below in value order:

Contractor A	£1,541,400.70
Temple Lifts Ltd	£1,677,459.00
Contractor B	£1,777,353.00
Contractor C	No Tender Submitted
Contractor D	No Tender Submitted
Contractor E	No Tender Submitted

6.8 Tender documents included evaluation criteria and methodology for quality assessment to establish a quality score for each of the tenderers. A quality and price assessment was conducted by an evaluation panel. The detailed evaluation is set out in the exempt section of this report.

6.9 The contractors were required to submit a written qualitative delivery proposal (QDP) submission to meet all the criteria in the QDP as set out below against which the evaluation took place:

Criteria	Criteria Weighting
1 - Contract Management	40%
2 – Supply Chain Management Proposals	10%
3 – Stakeholder Engagement	10%
4 – Health & Safety	20%
5 – Quality Management	
Compliance with quality of work specified	10%
6 – Site Waste Management	10%

6.10 The panel for the quality evaluation was made up of three officers, one each from Homes for Haringey, Frankham Consultancy Group and Stace. The panel assessed the responses to the questions that were sent with the tender documents.

6.11 Each of the QDP was marked separately by members of the evaluation panel. The scores were computed and transferred onto a quality evaluation matrix, an average score was ascertained and weighted in order to arrive at the final score.

6.12 The total weighted final score is the sum of the scores for each QDP and this is expressed as a percentage. This procedure establishes the quality score for each tenderer.

6.13 For the contract, the pricing document comprised of three parts which incorporated the following elements; Preliminaries, Main works, and Contingencies and dayworks.

6.14 The following table summarises the elevation process:

6.15 Quality Evaluation:

Contractor	QDP Score Out of 100	QDP%
Contractor A	55.80	33.48%
Contractor B	53.40	32.04%
Temple Lifts Ltd	69.00	41.40%

6.16 Price Evaluation:

Contractor	Revised Tender Sum(£)	Price%
Contractor A	£1,541,400.70	40.00%
Contractor B	£1,777,353.00	34.69%
Temple Lifts Ltd	£1,677,459.00	36.76%

6.17 The Final summary:

Contractor	QDP (60) %	Price (40) %	Total	Position
Temple Lifts Ltd	41.40%	36.76%	78.16%	1
Contractor A	33.48%	40.00%	73.48%	2
Contractor B	32.04%	34.69%	66.73%	3

6.18 Three of the six contractors invited to tender submitted their tender which are open for acceptance for a period of six months from 6th October 2015, from the tender submission date. Consequently a tender should be accepted not later than 9th April 2016.

6.19 Three contractors failed to provide a tender, one posted a confirmation letter on 5/10/15 and said they would not be tendering due to current workload as they do not have the capacity to provide a tender at this time.

6.20 The pre-tender estimate prepared by the HfH Lift Engineers in June 2015 was £1,620,000. The difference between the pre-tender estimate and the most economical advantageous tender received (£1,677,459) is £57,459.00 which is an increase of 3.49%. The pre-tender estimate was considered to be in line with normal variances.

6.21 The project team has concluded that the lowest Fixed Price tender in the sum of £1,677,459 with a Contract Period of 48 weeks, submitted by Temple Lifts Limited represent value for money and is considered to be satisfactory as the basis for a Contract.

### **Supervision and Management Costs**

6.22 Fees and services have been set for this project in accordance with the Construction Related Consultancy Services Framework. The detailed breakdown is within exempt section of the report.

6.23 The total fees for this project are £126,514 which represents 7.542% of the contract sum.

### **6.24 Project Team**

- Project Manager – Homes for Haringey
- Contract Administrator / Lift Engineer – Frankham
- Cost Consultant - Stace
- Clerk of Works – Homes for Haringey
- CDM Principal Designer – Homes for Haringey
- Tenancy Manager – Homes for Haringey
- Estate Services Officer – Homes for Haringey
- Quality Assurance Officer – Homes for Haringey

### **Leasehold Implications**

6.25 As a result of applications made under the Right to Buy legislation, there are 148 leaseholders living in the properties affected by the works described in this report, 11 in Stellar House, 60 in Millicent Fawcett Court, 28 in Rothbury Walk, 21 in Blenheim Rise, 15 in Thomas Hardy House and 13 in Newbury House. There are no leasehold properties in William Rainbird House,

6.26 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.

6.27 In accordance with The Service Charges (Consultation Requirements) (England) Regulations 2003, the Section 20 Notice of intention were served on 16/01/2015 and expired on 18/02/2015 and the Notice of estimates was issued on 03/12/2015 and expired on 05/01/2016.

6.28 The Notices gave a description of the proposed works and provided details of the costs of the works and leaseholders were given the 30 day statutory consultation period to make their observations.

- 6.29 No observations were received from leaseholders following the issuing of the Section 20 Notices.
- 6.30 The total amount estimated to be recovered from the 148 leaseholders is £388,913.

### Sustainability Comment

- 6.31 The procurement of materials and components to be used during the Capital Works programme will involve the selection of products that have a positive impact on the environment.
- 6.32 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

### Budget

- 6.33 This project will be funded from the Lift Improvement Budget within the 2016/17 Housing Capital Programme.

### 6.34 Phasing of Expenditure

Financial year	Works	Fees	Total
2015/16	£0	£61,536	£61,536
2016/17	£960,325	£39,675	£1,000,000
2017/18	£717,134	£25,303	£742,437
<b>Total</b>	<b>£1,677,459</b>	<b>£126,514</b>	<b>£1,803,973</b>

The Finance Manager for Homes for Haringey comments as follows:

- 6.35 This scheme is estimated to cost £1,803,973 and projected to be phased as set out in paragraph 6.36 of this report.
- 6.36 Provision exists for the projected spend of £61,536 in the H218 Lift Improvement budget within the 2015/16 Housing Capital Programme. The balance of £1,000,000 will be a first call on resources available in 2016/17 and £742,437 will be drawn from available resources in 2017/18.

### Conservation Areas

- 6.37 The properties in this project are not within a conservation area.

### Health and Safety Implications

- 6.38 The contractors invited to provide tenders 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.

6.39 The Construction (Design and Management) Regulations 2015 apply to this project and the contractors Construction Phase Health and Safety Plan will be checked and approved by the Principle Designer before works commence on site.

## 7. Contribution to strategic outcomes

7.1 To create homes and communities where people choose to live and are able to thrive.

## 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

### Finance

8.1 The contract sum is £1,677,459 plus fees in the sum of £126,514, giving a total of £1,803,973.

8.2 If the project is approved then the contract will be awarded to the contractor that provided the most economically advantageous tender.

8.3 The pre-tender estimate prepared by the HfH Lift Engineers in June 2015 was £1,620,000. The difference between the pre-tender estimate and the most economical advantageous tender received (£1,677,459) is £57,459.00 which is an increase of 3.54%. The pre-tender estimate was considered to be in line with normal variances.

8.4 There are 148 leaseholders within this contract from whom a contribution to these works in the sum of £388,913 will be recoverable.

8.5 The phasing of this contract will be as noted in paragraph 6.34 of this report.

8.6 Financial provision exists for this project in the 2015/16 to 2017/18 Housing Capital Programme, within the Lifts Programme budget. The spend that will be programmed for 2017/18 will appear as a commitment in the Housing Capital Programme and will be part of the first call on resources for that year.

### Procurement

8.7 The contractors were checked for suitability for this type of work from Constructionline (a fully owned and managed by Capita, UK register of pre-qualified construction services database).

8.8 The tender has been prepared and tendered on a 60% Quality and 40% Price basis and represents value for money.

8.9 The Consultants were previously appointed under the Construction Related Consultancy Services Framework Agreement.

## Legal

- 8.10 The Assistant Director of Corporate Governance notes the contents of the report.
- 8.11 Due to the value of the contract which this report relates to it may only be awarded by Cabinet.
- 8.12 This is a key decision and Homes for Haringey have confirmed it has been included on the Forward Plan.
- 8.13 The terms of the Council's standard right to buy lease permit recovery of a proportion of the cost of these works from leaseholders, subject to compliance with the consultation requirements set out in the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003.
- 8.14 Those provisions set out a two-stage process for consultation with leaseholders, initially setting out the proposed works and inviting comments thereon and nomination of a contractor from whom to seek an estimate, and thereafter setting out estimates and inviting comments; in each case the leaseholder is to be given a minimum of 30 days to respond. The Council must have regard to any comments made, and obtain an estimate from a nominated contractor if one (or more) is nominated.
- 8.15 Details of the Council's compliance with those provisions are set out in the body of this report under "Leasehold Implications". Legal Services were consulted on and approved the form of the notices served.
- 8.16 Please see additional legal comments in the exempt part of the report.

## Equality

- 8.17 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- i. Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - ii. Advance equality of opportunity between people who share those protected characteristics and people who do not;
  - iii. Foster good relations between people who share those characteristics and people who do not.
- 8.18 This report relates to the award of a contract for lift replacement in 7 housing blocks. The improvement works are intended to improve lift operation and security for all residents and visitors to the properties, which includes those who share the protected characteristics.



- 8.19 In order to assist residents with a disability and/or elderly living in the sheltered accommodation block at William Rainbird House a temporary stair lift is to be installed for the duration of the works. The scheme Manager will also be on hand to provide assistance for residents.
- 8.20 In the general needs blocks where there are two lifts only one will be taken out service at any given time. Residents have been asked to advise the Tenancy Manager if they need additional support during the works. The contractor will also provide assistance with the carrying of shopping etc during the works.
- 8.21 The tendering process requires the contractors to provide their Equality and Diversity policy and statement as part of their tender return to demonstrate their compliance with the equalities legislation.

## **9. Use of Appendices**

9.1 N/A

## **10. N/A Local Government (Access to Information) Act 1985**

10.1 The background papers relating to this report are:

- Cabinet Report 12 February 2013 (Appointment of Consultants)
- Cabinet Report 10 February 2015 (Corporate Planning 2015/18)

10.2 This report contains exempt and non exempt information. The exempt information is not for publiciaction as it contains information classified as exempt under paragraph 3 and paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding the information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.