

Part A report: For General Release

REPORT TO:	Cabinet Member for Homes, Regeneration and Planning 22.06.15
AGENDA ITEM:	Background report to Cabinet agenda item 14
SUBJECT:	Housing Passenger Lift Renewal Programme – Phase 1 and 2.
LEAD OFFICER:	Jo Negrini – Executive Director for Place
CABINET MEMBER:	Cllr Alison Butler, Deputy Leader (Statutory) – Homes, Regeneration & Planning
WARDS:	Addiscombe, Norbury, Selhurst, Shirley, Thornton Heath, Woodcote, Woodside
<p>CORPORATE PRIORITY/POLICY CONTEXT This forms part of Croydon Landlord Services' Service Plan 2015/16 and as such comprises a substantial on-going commitment to maintain the safety and structural fabric of all the Council's Housing Stock.</p>	
<p>AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: To enhance the tenants wellbeing and safety, improve reliability and contribute savings year on year to the Housing Revenue Account.</p>	
<p>FINANCIAL IMPACT: The work carried out under this contract is charged to the HRA Capital budget approved each year by the Council. The details of the contract award are detailed in Part B of the report. This will contribute in the region of 25% savings to the on-going maintenance costs of the lifts to these blocks.</p>	
<p>KEY DECISION REFERENCE NO.: <i>N/A This is not a Key Decision.</i></p>	

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Homes, Regeneration & Planning in consultation with the Cabinet Member for Finance and Treasury is recommended to approve the contract award to renew nine residential Housing passenger lifts to the contractor and upon the terms detailed in the associated Part B report in the combined total for both phase 1 and 2, including the stated percentage reduction of 1 %, of £765,313.56.
- 1.2 The Cabinet Member for Homes, Regeneration & Planning is asked to note that the name of the successful contractor will be released once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 This report advises of the outcome of the procurement to select a specialist Contractor to carry out both phases one and two comprising the installation of nine (9) new replacement lifts to seven blocks of Housing accommodation.
- 2.2 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
11 May 2015	CCB0996/14-15

3. DETAIL

- 3.1 The work contained within this scheme comprises of an award of contract for a specialist contractor to replace the nine passenger lifts at four blocks of sheltered accommodation and at three further blocks of Housing accommodation, split into two phases:
Phase1: The first phase comprises four blocks at Arun Court, 12 Howard Rd, Laxton Court, 1 Parchmore Rd, Purvis House, 70-150 Cromwell Rd and 133-176 Gordon Crescent, Morland Rd.
Phase 2: The second phase comprises three blocks at 170-224 Laurel Crescent, 1269-1285 London Road and Gilbert Court, 25 Lion Green Rd.
- 3.2 These lifts are now starting to reach the end of their useful life and as such the potential for breakdowns and more frequent maintenance is increasing. Taking into account these factors, the lifts will become an increasing financial burden

and have ongoing safety implications and social consequences for the residents of the blocks in question.

- 3.3 A majority of the lifts have been in service in the region of forty years with the exception of Gilbert Court. This was an acquired block not constructed by the Council and the Pickering lift that was originally installed in 1991 is becoming increasingly unreliable and unfortunately we are finding it difficult to source replacement parts. All nine lifts are now becoming beyond economical repair and require renewal.
- 3.4 The work will be undertaken in two separate phases, this is intended to maximise quality and organisational control over a large overall contract, which by the nature of the works requires long lead in times and will necessitate high levels of liaison and co-ordination to ensure the minimum of disruption to residents.
- 3.5 Both phases have been incorporated into one specification which allowed the tendering contractors to provide a separate price for each phase and potentially offer a price reduction against the possibility of being awarded both phases.
- 3.6 The successful contractor(s) will provide all labour, materials, plant, equipment, design, testing, commissioning, supervision, delivery, off-loading, positioning, installation, setting to work and everything necessary to comply with the specified works that will be detailed with in the specification and shown on the tender drawings. This work will encompass the replacement of all the components of the lifts including dismantling the redundant components, the supply, delivery to site, off-loading, storing, installing, connecting, testing and commissioning of all necessary components and materials to replace the specified existing Lifts including all associated builders work. The new lifts shall be electric traction, top-driven type at Arun Court, 133-176 Gordon Crescent, Purvis House, 3 Laxton Court and 170-224 Laurel Crescent. Hydraulic Lifts will be installed at Gilbert Court and 1269-1285 London Road. In addition to replacing the lifts, the contractor shall have to allow for renewing all electrical services associated with each new lift.
- 3.7 Of the Sheltered blocks: Arun Court is a 3 storey block and contains one passenger lift; 133-176 Gordon Crescent is a 10 storey block and contains two passenger lifts, each serving alternate floors; Purvis House is a 4 storey block containing one passenger lift and Laxton Court has two lifts serving a 5 storey block on alternate floors.
- 3.8 The three further blocks at 1269-1285 London Road, 170-224 Laurel Crescent and Gilbert Court all have 1 lift each serving the 3 storeys.
- 3.9 The projected timeline has been calculated at approximately 20 weeks for the work required in each Phase, however, this may in part be allowed to run concurrently dependent on the offer ultimately agreed and accepted. HRA Finance has been identified to allow this work to complete within the financial years 2015/16. Total contract period will not exceed 40 weeks.

- 3.10 CCB approved the procurement strategy in October 2014 (CCB Reference Number: CCB0938/14-15). It was agreed that this works contract procurement would be through the 'Constructionline' database in conjunction with a more specialist contractor search and that the specification be based upon the 'most economically advantageous tender' with a 60% price and 40% quality split.

PROCUREMENT PROCESS

- 3.11 The project was tendered to six specialist lift contractors and yielded six valid returns. These tenders were evaluated on a most economically advantageous tender with Price 60% Quality 40%. The Quality criteria included Service Delivery 15%; Customer Engagement 15% and Social Value 10%. The tenders were evaluated by the Housing Tenders and Contracts Manager in accordance with agreed procedure and in conjunction with the Category Manager, Consultation Manager and Senior Electrical Engineer scoring Quality aspects. The evaluations have subsequently been ratified by the Head of Planned Maintenance and Improvements
- 3.12 As detailed within Part B of this report the recommended contractor has been found to have submitted a realistically competitive price based against the estimate for both phases along with a potential reduction of the maximum allowed contract period. This contractor had also obtained the highest scores in relation to the Quality aspect of its tender. They are an established contractor within this field, have worked for Croydon in the past and have always provided a good level of service. This contractor therefore possesses a level of experience which is expected to benefit and enhance the successful completion of this project. It is therefore the recommendation of this report that this tender submission is accepted

4. CONSULTATION

- 4.1 Consultation has been continually undertaken with tenants in the blocks with regard to the existing state of the lifts and the planned renewal. All feedback to date has proved positive and reassurance proved at every stage that all potential tenant access requirements during the work will be fully addressed. to best meet the aims and responsibilities of both the Council and the tenants where it is proved prudent for them to remain in situ. The sheltered blocks at Gordon Crescent and Laxton Court have two lifts serving alternate floors, only one would be taken out of service at a time. This will greatly reduce the disruption to residents.

5. FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

- 5.1 **The effect of the decision.** The award of this contract will commit the Council to the expenditure as detailed in Part B of this report.
- 5.2 The decision will enable the Council to continue to update and improve the level of reliability and access afforded to its tenants in the blocks of council

residential and sheltered accommodation listed. This additionally forms part of maintaining our on-going commitment to the Decent Homes Standard.

- 5.3 **Risks.** The main area of financial risk in relation to this contract is the financial viability of the selected contractor and ensuring that the cost of the contract and delivering the service do not exceed the budget. Due to the nature of the contract terms and conditions, intended works and method of payment, this is not considered a significant risk.

The details of the audited accounts of the recommended contractor which have been appraised by Finance are detailed within Part B of this report.

- 5.4 **Options.** The option to include this work within the scope of the Housing Planned Maintenance and Improvements re-procurement has been discounted owing to the specialist nature of the works. This scheme forms an essential part of the Council's commitment to maintain the safety & wellbeing of some of the council's most vulnerable residential housing tenants.

- 5.5 **Savings/Future Efficiencies.** There will be an initial saving year on year in the region of 25% relating to the ongoing maintenance cost to each of the nine blocks.

Approved by: Lisa Taylor, Head of Finance, on behalf of the Director of Finance.

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council advises that the procurement process as detailed in this report is in accordance with the requirements of the Council's Tenders & Contracts Regulations and meets the Council's duty to secure best value as provided under the Local Government Act 1999.

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Director of Democratic & Legal Services

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate human resources issues arising from the recommendations in this report for LBC Staff.

Approved by: Michael Pichamuthu HRBP on behalf of Heather Daley the Director of Workforce

8. EQUALITIES IMPACT

- 8.1 A full Equality Impact Assessment was undertaken on this scheme on the 17th September 2014 a copy of which was attached to Strategy report previously approved by CCB.. This analysis demonstrates the new works will provide the same level of service and benefit to all groups equally.
- 8.2 On completion of the work each resident will be able to give feedback and this includes equalities data which is then analysed for any service delivery gaps. The contract will be monitored by Council officers and will include ensuring individuals specific needs are met during the delivery phase.

9. ENVIRONMENTAL IMPACT

- 9.1 Work carried out under this contract is essential to maintain safety standards within the seven blocks of housing accommodation.
- 9.2 The contractor will be required to work in accordance with the Energy and Sustainability Housing Specification Guide. This is to include use of sustainable materials and recycled products.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no adverse Crime and Disorder impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 After a detailed analysis of the tender returns the recommended contractor as detailed within Part B of this report was found to have submitted a realistic price based against the estimate for both phase one and two of this project and scored the highest marks in the Quality assessment. This contractor has carried out work for Croydon in the past without problem and possesses a level of experience which can only benefit and enhance the successful completion of this project. It is therefore the recommendation of this report that this tender submission is accepted.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The option to include this work within the scope of the Housing Planned Maintenance and Improvements re-procurement has been discounted owing to the already stated specialist nature and the long lead in times required for this type of work.

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BACKGROUND PAPERS
None

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