

Notice of KEY Executive Decision

Exempt Information: Appendix 1 to this report is classified as not for publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 on the grounds that it contains information relating to financial or business affairs of a particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	LIFT REFURBISHMENT & ASSOCIATED WORKS AT PETRA ESTATE (OVERSTRAND HOUSE; PARKVIEW HOUSE AND UPHAVERING HOUSE)
Cabinet Member:	Councillor Joshua Chapman - Cabinet Member for Housing
SLT Lead:	Patrick Odling-Smee - Director of Housing
Report Author and contact details:	Ade Oshinmi, Capital Projects Surveyor, Housing Services Ade Oshinmi@havering.gov.uk 01708 434323
Policy context:	Supports the outcomes within the London Borough of Havering's Corporate plan. <u>Places.</u> Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe.
Financial summary:	The anticipated cost of the whole work is £1,478,163.00. Funding will be from C28470, Task 9.0.

Key Executive Decision

Reason decision is Key	It is a key decision as expenditure will exceed £500,000
Date notice given of intended decision:	11 th January 2021
Relevant OSC:	Places
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Approval to award an 18 month contract, commencing 12th March 2021 for the provision of lifts replacement and associated works at Petra Estate in the sum of £1,478,163.00.

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 3.3 of the London Borough of Havering Constitution (Powers of Members of the Senior Leadership Team) (Contract powers) authorising members of the SLT to award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

- The original 6 lifts were installed in 1983 (and so are over 30 years old). Assessments of these lifts have highlighted a number of repair or replacement issues. The controllers were last replaced in 2006 suggesting components are no longer available, and should be replaced in their entirety to bring them line with all current regulations. Other replacement parts may also no longer be available. The Stock condition survey carried out by the Council's retained independent lift consultants suggested components are no longer available, and should be replaced in their entirety to bring them line with all current regulations. Other replacement parts may also no longer be available.
- Our Fire Safety officer has also advised changing one of the lifts in each block to firefighting lifts. There are two lifts in each block (Odd & Even), both of which serve the basement and ground floor, but above this level they serve alternate floors. As part of the refurbishment of the lifts, it is proposed to turn one of the lifts into a firefighting lift which will require that it serves all floors. This in turn will require the formation of new openings in the existing lift shaft walls.
- Additionally, the existing openings will need to be made taller to accommodate new doors to the lifts. It was decided therefore that it will be cost effective to bring forward the lift refurbishment /replacement programme at these three blocks.
- In order to deliver this project effectively, structural engineers (GDC Partnership) were commissioned to carry out a structural assessment of the existing lift shafts and buildings. The assessment was able to determine precisely how we can accommodate the new firefighting lifts. Our lift consultant (PCM) was on hand to assist the Programme Delivery Project Surveyor with preparing the tender documents, and evaluate the returned tenders, quality control and overall delivery of the programme.
- Contract duration will be 18 months. Due to the complexity of the building works and the structural implications, the contractor performing these works will need to be a lift contractor with extensive structural knowledge.

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2. Tender Process

- London Borough of Havering invited eight lift contractors from Constructionline to partake in a mini-tender competition, All bidders were informed of the project prior to tender stage. The tender documents were uploaded to Capital E Sourcing portal.
- The tender was open for a 4-week period, from 13th July 2020 to 13th August 2020. All bidders were instructed to visit the site prior to submitting their bid. On 13th August, the tender period was extended for 1 week to allow for further clarifications on tender documents. An additional 1 week was later added for generator costs to be received by bidders. The revised tender deadline, communicated to all bidders via the Capital E Sourcing portal, was 27th August 2020.
- No tender bids were eliminated, of the 8 tenderers who received the details of the tender documents; 3 tenderers submitted a response. Further details of the tender process (including the price and scoring information) are set out in Appendix 1, attached to this report.

3. **Proposed Contract:** The form of contract shall be the JCT Intermediate Contract 2016 with contractor design version. There will be no uplift of the contracted rates for inflation.

4. Project Risks

- Ongoing pandemic (COVID 19) and unforeseen circumstances could have an impact on the start date and outcome of the project. The Contractor will have to follow the central government guidelines on COVID 19. Social distancing must be observed within the communal area of the blocks.
- The project is very much reliant on an off-site fabrication of new lifts and delivery processes which would sit outside of the Council's direct controls, however, this new developing situation will be factored into any contract award going forward.

5. Tenant Engagement and Consultation

The section 20 stage 2 consultation process, mandated by the Landlord and Tenant Act 1985 (as amended), is complete. Programme delivery & Community Engagement teams are in communication with residents, and will continue to do so until the completion of the project.

6. Social Values

- Successful contractor is encouraged to use local supplier chains and recruitment of local staff within Havering in connection with this project.

Key Executive Decision

OTHER OPTIONS CONSIDERED AND REJECTED

To package this scheme with other new lift replacement projects – **Rejected** – on the grounds that other schemes are at different stages of procurement and would delay tendering.

Use of frameworks was discounted because S20 consultation with leaseholders is required. Leaseholders must be allowed to nominate a contractor to take part in the tendering process – this is incompatible with most frameworks which only permit tendering amongst framework members.

PRE-DECISION CONSULTATION

Key Council stakeholders have been consulted on the Capital programme delivery process in order to maximise good working relations, achieve effective compliance with the Council's standing orders and achieve value for money.

- New Contractor will apply for LA Planning and Building Regulation notices.
- Fire Safety Regulations will be applied and strictly adhered to.
- All affected residents will be consulted regarding the impact of the works. Two stage s.20 Consultation will be carried out in accordance with s.151 of the Common hold and Leasehold Reform Act 2002.

Proposals for the procurement of a specialist lift contractor for the lifts replacement and associated works at Petra Estate were presented to the Checkpoint panel and recommendations arising from that meeting were incorporated into the procurement process.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Ade Oshinmi

Designation: Capital Projects Surveyor

Signature:



Date: 17/12/2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval for the award of the contract, as stated in PART A of this report, at an estimated cost of £1,478,163.00. The contract value is below the EU's public procurement threshold for works, (£4,733,252); and the works will be funded from the HRA Capital Programme budget.

The procurement process appears to be in line with the Council's Contract Procedure Rules, thus satisfying the public procurement requirements in respect of this procurement.

The proposed form of contract is the standard JCT Intermediate Contract (2016 Edition with Contractor design), an industry standard form of contract, which will adequately protect the Council's interests.

Due to the value, the JCT contracts along with any contractor warranties will need to be sealed. Such contracts must be sent to Legal Services prior to conclusion for review and sealing.

FINANCIAL IMPLICATIONS AND RISKS

Contract

The award of this contract will help the Council to keep the stock in good order; clearly, failure to keep the housing stock in serviceable condition could lead to further financial liabilities being incurred.

Inflation

There will be no uplift of the contracted rates for inflation.

Financial Stability

As required by the Council's Contract Procurement Rules, a financial check has been carried out on the proposed contractor Lift Specialists Ltd and the company is classed as Very Low Risk.

Budget

The contract cost of £1,478,163.00 will be funded from the Housing Revenue Account Capital Programme (Projects Code: C28470, Task 9.0 and Project Code: C35860).

Key Executive Decision

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

See separate EqHIA checklist – Appendix 2

BACKGROUND PAPERS

Appendix 1 – Exempt Price and Quality Evaluation [Internal Use – Not for publication].

Appendix 2 – EqHIA checklist [Internal Use – Not for publication].

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Name: **Patrick Odling-Smee**

SLT Member title: Director of Housing

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____