



## Key Decision Report of the Interim Corporate Director of Housing and Adult Social Services

<b>Officer Key Decision</b>	<b>Date:</b> 8 January 2019	<b>Wards:</b> Highbury West, St. Georges and Tollington
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### **SUBJECT: Procurement Strategy and Contract Award for the Refurbishment of 7 Passenger Lifts at Hind House, Margery Fry Court, Sussex Close and Blackstock House**

#### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the refurbishment of passenger lifts, at Hind House, Margery Fry Court, Sussex Close and Blackstock House, in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 The contract will include the refurbishment and modernisation of Hind House (2 Lifts), Margery Fry Court (2 Lifts), Sussex Close (2 Lifts) and Blackstock House (1 Lift). Seven in total.

#### **2. Recommendation**

- 2.1 To approve the procurement strategy for the refurbishment of the passenger lifts as outlined in this report.

#### **3. Date the decision is to be taken**

8 January 2019

#### **4. Background**

- 4.1 The lift programmes mentioned in 1.2 have been selected for refurbishment as part of on-going lift refurbishment programme. The lifts have been identified based on a point scoring methodology, which consists of consideration given to, the age of the existing lifts, the number of reported breakdowns over the past two years (April to March) and the geographical locations, to ensure best value.

Feasibility studies have concluded that the lifts relating to the lift programmes within this report have all reached their end of life cycle. Difficulties with obtaining original manufactured parts for repairs and the cost of general repairs means that refurbishment is required.

- 4.2 The estimated value of the works is £1,000,000 which will be funded by the capital budget. One block has a single lift within the block. If this lift should break down, there is no alternative but to use the stairs. The remaining three blocks have two lifts, one block being a high rise block. Refurbishment will provide improved service and reliability, but also lead to savings on future maintenance, and reduced power consumption from modern controls. Certain items of equipment will be retained resulting in cost savings and a reduction in the time the lift is out of action.
- 4.3 In accordance with the Public Contracts Regulations 2015 this is a contract for works, with an estimated start date of October 2019. It is anticipated the works will take around forty-eight (48) weeks to complete.

The commissioning team have consulted with the Home Ownership Team, LBI Lift Maintenance Section, Housing Investment Team and Legal Services. As landlord, the Council is obliged to consult with all leaseholders who are affected by the works. A formal "Section 20" consultation process will be undertaken during which the Council will notify all leaseholders why the works are necessary and give the opportunity for any observations from leaseholders to be raised. At the end of the tender process a second consultation will be carried out to notify all leaseholders the reason for the selection of the successful contractors and responses to any observations raised. This consultation will also mean that the Council will be able to recover relevant service charges from leaseholders.

- 4.4 The feasibility studies considered the advantages and disadvantages for refurbishment compared to on-going maintenance. The drawbacks of not carrying out the refurbishment include worsening service and reliability (including increased downtime), increased maintenance costs, and reputational damage to the Council. The refurbishment works will ensure compliance with modern safety standards; improve living quality within the blocks, and also enhance the internal appearance of the blocks.
- 4.5 The refurbished lifts will take into account environmental factors and improvements in technology. They will be fitted with low energy lighting, LED and voice indication that requires little or no maintenance. They will also incorporate many modern controls and features including floor levelling accuracy which would be almost guaranteed with a modern motor and control panel set up. An alarm that enables voice contact to the rescue service, and non-contact door safety edges will be installed as standard features. The complete landing entrances will require full replacement, which will allow the complete entrances to be fire rated to 120 minutes. Social considerations include the installation of a mirror, handrail and bright lighting to both enhance the appearance of the car and improve the safety of residents.

Proposed modernisation and improvements are beneficial to all users and are particularly helpful to the elderly and less mobile. As the lift owners, the Council has the duty to ensure adequate health and safety for users of the lifts and engineers who maintain and inspect them. The refurbished lifts will comply with all the latest current safety standards and relevant requirements of the Equality Act 2010.

The London Living Wage will be applicable to all employees working directly on the contract.

TUPE, Pensions and Staffing implications are not applicable to this procurement strategy.

- 4.6 There is no corporate contract, and no suitable framework has been identified. Therefore, a competitive tender process will be undertaken.

The works identified to be carried out in 2019/20 detailed in this report will be procured using a competitive tender process.

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage is Selection Criteria through a Selection Questionnaire (SQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ is

backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the SQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT and relates to how the contractor will deliver this programme of lift refurbishments. Award Criteria will be used and assessed to see who best meets the Council's requirements. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the award criteria in order to determine the most economically advantageous offer.

The contract will be advertised in a single lot, and the Council is looking to appoint one contractor.

The contract for each lot will be awarded to the Most Economically Advantageous Tender (MEAT) in accordance with the Public Contracts Regulations 2015. MEAT for this contract will be on the basis of cost 70% and quality 30%. Quality will be made up of:

- Proposed approach to quality management including social value 10%
- Proposed approach to workforce management 10%
- Proposed approach to health and safety, and monitoring 10%.

- 4.7 The main business risk associated with this contract is the supplier going into liquidation. The risk of this is being managed by carrying out financial checks before issuing orders and following strict payment guidelines. The commissioning team will also ensure that components used are not proprietary.

This contract offers the opportunity to improve the Council's lift stock, and reduce maintenance costs with consistency of parts used throughout the borough. This will be managed through the contract specification and regular contract monitoring.

Service users are considered in line with the Council's Guidance Note: "Supporting Residents during Lift Renewal".

- 4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

- 4.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	The refurbishment of seven (7) passenger lifts.  See paragraph 4.1
2 Estimated value	The estimated value £1,000,000  The agreement is proposed to run for a site period of 48 weeks.  See paragraph 4.2
3 Timetable	The timetable is outlined within this report  See paragraph 4.3

4 Options appraisal for tender procedure including consideration of collaboration opportunities	Outcomes of the options appraisal are described within this report.  See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Outcomes are described within this report.  See paragraph 4.5
6 Evaluation criteria	The cost/quality breakdown is: 70% cost 30% quality  The award criteria breakdown is more particularly described within the report.  See paragraph 4.6
7 Any business risks associated with entering the contract	Business risks are described within this report  See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	See paragraph 4.8

## 5. Implications

### 5.1 Financial Implications

From the total of seven lift refurbishments to be undertaken in the North of the borough, three have been selected from the approved HMT Lift refurbishment programme budgets for 17/18 and 18/19 and 4 lifts from future years' 20/21 and 21/22 programmes for lifts renewals to blocks of varied heights and to address the latest Fire regulation requirements for Lift lobby entrances.

The original lift replacement estimates for the four lifts brought forward from future years programmes total £520k for which an HMT amendment report will be issued.

### 5.2 Legal Implications

The council is responsible for undertaking the repair, maintenance and improvement of its housing properties and installations therein (Part 2 of the Housing Act 1985 and section 111 of the Local Government Act 1972). The Council has power to enter into contracts with providers of lift refurbishment services under section 1 of the Local Government (Contracts) Act 1997.

The proposed contract is a contract for supply of goods and services. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £181,302.00 for such contracts. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The council's Procurement Rules also require contracts over the value of £181,302.00 to be subject to competitive tender. The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

The contract is for a period in excess of 12 months and therefore will be qualifying long term agreements under section 20 of the Landlord and Tenant Act 1985. Accordingly, the council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

### 5.3 Environmental Implications

The refurbishment of the lifts will involve the use of energy (tools) and resources (parts and paint), the generation of waste and journeys to and from the site by the contractor, resulting in vehicle emissions.

These impacts are mitigated by the refurbished lifts being more energy efficient, for instance using smaller driver motors, low energy lighting and a lift controller that will automatically shut down during gaps in activity.

### 5.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The Resident Impact Assessment is attached as Appendix 1.

## 6. Reasons for the decision

6.1 To approve the procurement strategy for the refurbishment of seven (7) passenger lifts as outlined at paragraph 1.2.

## 7. Record of the decision: (to be completed after 5 days on the website and re-sent to Democratic Services)

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

## Appendices

- Resident Impact Assessment – Appendix 1

## Final report clearance

**Signed by:** Interim Corporate Director for Housing and Adult Social Services

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