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| <p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET MEMBER DECISION</p> <p align="center">8 February 2019</p> |  |
| <p>MODERNISATION OF 3 PASSENGER LIFTS, CLEM ATTLEE ESTATE SW6 (STAFFORD CRIPPS HOUSE A&B, ELLEN WILKINSON HOUSE)</p> | |
| <p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p> | |
| <p>Open Report A separate exempt report provides confidential financial and other information.</p> | |
| <p>Classification - For Decision Key Decision: Yes</p> | |
| <p>Consultation Legal, Procurement, Finance, ICT</p> | |
| <p>Wards Affected: Avonmore and Brook Green</p> | |
| <p>Accountable Director: Jo Rowlands, Strategic Director, Growth and Place</p> | |
| <p>Report Author: Vince Conway, Asset Manager, Growth and Place</p> | <p>Contact Details: Tel: 020 8753 1915 E-mail: vince.conway@lbhf.gov.uk</p> |

AUTHORISED BY:

Councillor Lisa Homan

DATE: **1 March 2019**

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to let a contract to modernise the existing passenger lifts serving two blocks on the Clem Attlee Estate SW6, Stafford Cripps House and Ellen Wilkinson House.
- 1.2. The procurement strategy for this project was approved by Cabinet on 8th May 2017. The delay in proceeding to tender is due to the need to undertake a review of the original lift specification, including consultation with Building Control, and provide enhanced fire safety measures where feasible.

- 1.3. The proposed works will form part of the 2019/20 Housing Capital Programme for which the Cabinet Member for Housing has responsibility.

2. RECOMMENDATIONS

- 2.1. That approval is given to award a contract for replacement of the lifts on the Clem Attlee Estate to Rubax Lifts Ltd in the sum stated in the exempt report for an anticipated contract period of 41 weeks.
- 2.2. That approval is given to the inclusion of a contingency sum stated in the exempt report in the overall budget, making a total sum for approval as stated in the exempt report.
- 2.3. To note that this award is subject to completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act 1985.

3. REASONS FOR DECISION

- 3.1. These works need to be undertaken because major components of the existing equipment associated with each lift are obsolete, with many parts having passed their economical useable life span of 25 years, resulting in an increased risk of lift breakdowns. Further, in the event of breakdown, the components required for maintaining these lifts are increasingly difficult to obtain as they are not readily available from the respective manufacturers with some having to be made to order. This may potentially result in prolonged delays to return lifts to working order.
- 3.2. The increased number of breakdowns and unreliability of these lifts causes inconveniences to residents, visitors and impacts on their quality of life as the lift installations are the only means for some residents to access their homes, particularly elderly and disabled people.
- 3.3. The Council's contract standing orders (CSOs) provide for cabinet members to sign off tender acceptance reports over £100,000 and up to £5m, where Cabinet has previously approved the procurement strategy and the actual contract value is within 10% of the contract estimate set out in the Strategy. Cabinet on the 8th May 2017 approved the procurement strategy for this report and a budget as stated in the exempt report.

4. PROPOSAL AND ISSUES

Properties

- 4.1. The subject properties form part of the Clem Attlee Estate SW6. Both built circa 1955, Stafford Cripps House comprises 63 flats or maisonettes arranged over

seven floors and is served by two lifts while Ellen Wilkinson House provides 30 bedsits or maisonettes, is five storeys in height and is served by a single lift.

Proposed Works

- 4.2. The works include the dismantling and removal of the existing lift installations within each block, including the main drive units, control systems, lifts cars, landing equipment, associated wiring, and the installation of new modern equipment that can be supported for the foreseeable future. The works do not include renewal of the existing guides and counter weights which are serviceable, and are therefore to be retained.
- 4.3. The new equipment selected is more energy efficient than the existing. The new drive machines come with variable frequency motors, the proposed new lifts control systems are equipped with Eco-friendly facilities, which at given times shut down unwanted circuits, such as car lighting, fans and power factors, which will all resume back to normal functions upon call demand, thus saving energy usage.
- 4.4. Associated equipment such as Elevator Monitoring Units (EMUs) to enable remote monitoring of performance and early detection of faults, automatic phone call system used in the case of emergencies will be upgraded as necessary. The contract also allows for the installation of new CCTV in lift cars, linked to the Council's central control room, and for the provision of new information display panels in lobby areas.

Programming

- 4.5. The works will be programmed to be completed as quickly as possible in order to minimise the inconveniences to residents and visitors to the buildings whilst the lifts are out of service during works. Where a block is served by a single lift, it follows that there will be no lift service available to residents throughout the duration of the construction period. The contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents with their shopping and transporting of heavy loads via the stairs. The resident liaison officer will also deal with complaints and resident queries on a daily basis between the hours of 9am – 5pm (Monday to Saturday).
- 4.6. For Stafford Cripps House, which is served by two lifts, it is proposed to phase the works so that only one lift in is decommissioned and worked upon at a time. This will maintain a lift service throughout the duration of the scheme, albeit a reduced one. Works to the second lift in Stafford Cripps House will only start after a successful trial period of one week following completion of the first lift. Further, where there are two lifts serving the building we are aware of the risk of failure of the in-service lift and of the inconvenience this would cause should breakdown occur. Accordingly, it is a requirement in the contract for the successful contractor to respond to breakdown repairs on the in-service lift within one hour of notification of same. In addition, redundant parts removed from the decommissioned lift will be kept on site as spares used to maintain the in-service lift.

- 4.7. A detailed impact assessment will be carried out by officers to establish how the loss of the lift service will affect residents, particularly vulnerable, with appropriate measures put in place to minimise inconveniences to their daily lives. In some cases this may require a temporary decant to other suitable accommodation within the borough until completion of the lift modernisation works.

Tender Process

- 4.8. The procurement has been undertaken in accordance with the Public Contract Regulations 2015 using the Open Procedure. Invitations to tender were published on Contracts Finder and Capital sourcing portal on 24th October 2018 with a closing date for receipt of tenders of 23rd November 2018. Evaluation was undertaken using the most economically advantageous tender (MEAT) criterion with a weighting of 50% to qualitative and technical aspects of the tender submission and 50% to price. Tenders are on a fixed price basis and remain open for acceptance for four months from the closing date until 23rd March 2019.
- 4.9. Tender submissions were received from seven suppliers, all of which passed the first stage of evaluation, the minimum standards questionnaire (assessing matters such as minimum health and safety standards, insurance and financial standing).
- 4.10. The second stage of the tender process required the technical and commercial evaluation of all valid tenders. The table below sets out the scores achieved by each supplier as assessed by the evaluation panel.

| Overall Ranking | Contractor | Value of tender | Price Score | Price Rank | Quality Score | Quality Rank | Total Score (in rank order) |
|------------------------|-------------------|------------------------|--------------------|-------------------|----------------------|---------------------|------------------------------------|
| 1 | Rubax Lifts Ltd | £420,880 | 100.00 | 1 st | 73.6 | 3 rd | 86.80 |
| 2 | Tenderer 2 | £443,576 | 94.88 | 2 nd | 73.0 | 4 th | 83.94 |
| 3 | Tenderer 3 | £483,884 | 86.98 | 4 th | 77.0 | 1 st | 81.99 |
| 4 | Tenderer 4 | £449,754 | 93.58 | 3 rd | 70.2 | 5 th | 81.89 |
| 5 | Tenderer 5 | £527,842 | 79.74 | 5 th | 73.9 | 2 nd | 76.82 |
| 6 | Tenderer 6 | £596,200 | 70.59 | 6 th | 69.6 | 6 th | 70.10 |
| 7 | Tenderer 7 | £678,665 | 62.02 | 7 th | 68.6 | 7 th | 65.31 |

- 4.11. Some of the tenders received were potentially non-compliant because they qualified or sought amendments to the Council's Specification and contract terms. Those amendments that were acceptable, or helpful in providing clarification, were circulated to all tenderers with an opportunity to re-price, while for unacceptable qualifications, the tenderers concerned were advised that they had to withdraw the qualification or risk being disqualified. All such unacceptable qualifications were withdrawn.

- 4.12. Based on the evaluation process carried out in accordance with the procurement strategy officers recommend acceptance of the tender submitted by Rubax Lifts Ltd, which submitted the most economically advantageous tender on scoring against the evaluation criteria. Further scoring information is set out in Appendix 1 of the exempt report.

Programme

- 4.13. The anticipated Programme of Works for the project is as follows:

| Activity/Milestone | Estimated Date |
|-------------------------------------|-----------------------|
| Issue section 20 notices | 4 February 2019 |
| Expiry of section 20 notices | 11 March 2019 |
| Cabinet Member Meeting | 08 February 2019 |
| Contract Start | 13 March 2019 |
| Resident Consultation, on or around | 5 April 2019 |
| Start on site | 1 July 2019 |
| Completion | 23 December 2019 |

- 4.16 It should be noted that, following award of contract, there is a period of sixteen weeks during which the new lifts are designed and fabricated off-site.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. This tendering exercise has been carried out following an analysis of procurement options which were considered in the strategy report to Cabinet on 8th May 2017. The delay in proceeding to tender is due to the need to undertake a review of the original lift specification, including consultation with Building Control, and provide enhanced fire safety measures where feasible.
- 5.2. There is no realistic alternative to doing this work if a reliable lift service is to be provided for the longer term. The lifts proposed for modernisation are past their recommended life of 25 years. In the event of breakdown parts become increasingly difficult to source leading to lifts being out of service for prolonged periods.

6. CONSULTATION

- 6.1. There will be ongoing consultation with residents to explain the nature and scope of the works, programme, and timescales. Lift engineers and the contractor will liaise with housing management to arrange assistance during lift downtimes for any residents with specific needs.
- 6.2. Leaseholders have been notified in accordance with the statutory consultation legislation. Notices of intent were issued on 22nd June 2018 and expired 27th

July 2018. The Notices of Estimate are expected to be issued on 4th February 2019 and the consultation period will expire on 11th March 2019. The contract will not be issued until expiry of the section 20 notices.

- 6.3. Further information on leaseholders and estimated charges are set out in the exempt report.

7. EQUALITY IMPLICATIONS

- 7.1. The works will have a short-term negative impact on the elderly, people in wheelchairs, ambulant disabled people, pregnant women and people with very young children, as these groups are most reliant on lifts. Equally, these groups suffer most when breakdowns occur and the proposed works will ultimately reduce the frequency of such breakdowns.
- 7.2. Lift engineers and the contractor will liaise with housing management to arrange assistance during lift downtimes for any residents with specific needs.

Implications verified by: Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. The value of the contract outlined in this report is below the threshold for works contracts above which a tender has to be carried out in accordance with the EU public procurement regime. However a process generally complying with the open procedure (as set out in the relevant regulations) was followed.
- 8.2. The procurement has been carried out in compliance with the Council's Contract Standing Orders (CSOs), firstly through the approval of a Procurement Strategy as required by CSO 8.12, and secondly by the following of a process complying with the requirements of CSO 10 (to advertise the opportunity unless the Council's Housing Repairs contract is to be used). The open procedure was adopted.
- 8.3. As tenderers were advised that award would be made to the tenderer submitting the most economically advantageous tender on the basis of the published award criteria, Members need to be satisfied on the information in the public and exempt elements of the overall report that the recommended award is in accordance with that commitment.
- 8.4. As the procurement is not subject to the EU public procurement rules, it is not necessary to follow a formal standstill process. Accordingly the contract can be awarded on expiry of the standstill process for this report, assuming that the consultation with leaseholders pursuant to S.20 of the Landlord and Tenant Act 1985 is complete, though it would be good practice to follow a feedback process with the 6 unsuccessful tenderers.

- 8.5. The service department have received legal advice throughout the process and are recommended to use legal services further in order to produce a formal written contract as required by CSO 19.

*Implications verified/completed by: Deborah Down, senior associate with Sharpe Pritchard solicitors, on secondment to the Council
dtdown@sharpepritchard.co.uk*

9. FINANCIAL IMPLICATIONS

- 9.1 Further information is set out in the exempt report on the exempt agenda.

Financial Context

- 9.2 The plans set out in this report are not expected to adversely impact on the current projected level of HRA cashable reserves. The plans in this report are also not expected to adversely impact on the level of debt in the HRA as measured by the HRA Capital Financing Requirement (CFR), as the Capital Programme Monitor & Budget Variations, 2018/19 (Third Quarter) reported to Cabinet on 4 February 2019 has a sufficient budget allocation to fund the award of this contract.

- 9.3 Implications completed by: Sudhir Kafle, Housing Investment Accountant, Contact telephone 020 8753 4391.

- 9.4 Implications verified by: Emily Hill, Assistant Director, Corporate Finance, 020 8753 3145

10. IMPLICATIONS FOR BUSINESS

- 10.1. The award of this contract does not create any opportunities for local business other than the site team are likely to avail of local services such as shops and cafes.

Implications verified/completed by: Alben Karameros, Economic Development Team, tel. 020 7938 8583

11. COMMERCIAL IMPLICATIONS

- 11.1 The value of the contract is below the statutory thresholds for works, £4,551,413. Therefore, the full procurement regulations do not apply.

- 11.2 The procurement was undertaken in accordance with the Council's Contracts Standing Orders (CSOs), following an open procedure. The tender has been advertised on the Council's e-tendering system and Contracts Finder.

- 11.3 The proposal is to award the contract to the most economically advantageous tenderer, based on a 50%-50% quality-price ratio, following the meeting of the Tenders Appraisal Panel (TAP). Rubax Lifts Ltd is the highest ranking supplier and therefore the recommendation is in line with the Council's policies and the procurement strategy approved prior to the project commencement.
- 11.4 An award notice shall be published in Contracts Finder and a contract entry shall be created and adequately monitored in the Council's Contracts Register. This will ensure compliance with statutory transparency regulations.
- 11.5 The agreed KPIs shall be constantly monitored and evidence shall be kept in the system.

Implications completed by: Andra Ulianov, Procurement Consultant, 07776672876

12. IT IMPLICATIONS

- 12.1. IT Implications: If Rubax Lifts Ltd requires access to H&F IT equipment, systems and/or networks (example: for the Elevator Monitoring Units) H&F IT Services must be consulted to ensure all necessary safeguards, permissions and budgets are in place.
- 12.2. IM Implications: If Rubax Lifts Ltd will be processing personal data on behalf of H&F, (such as names and addresses of residents) a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks in relation to this proposal are properly assessed with mitigating actions agreed and implemented. For example, a contract data protection and processing schedule or an information sharing agreement template and a Supplier Security Checklist to ensure the systems used by the contractor comply with H&F's regulatory requirements.
- 12.3. The contract with Rubax Lifts Ltd will need to include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.

Implications completed by: Karen Barry, Strategic Relationship Manager, tel. 020 8753 3481

13. RISK MANAGEMENT

- 13.1. These works are required because major components of the existing equipment are obsolete, with many parts having passed their economical useable life span of 25 years, resulting in an increased risk of lift breakdowns, and are increasingly difficult to obtain, result in prolonged delays to return lifts to working order. The increased number of breakdowns and unreliability of these lifts causes inconvenience to residents, visitors and impacts on their quality of life as the lift installations are the only means for some residents to access their homes, particularly elderly and disabled people.

- 13.2 Risks relating to the project's pre-construction processes have been ascertained, and the project will not commence until the necessary actions identified on the register have been undertaken. A post-contract risk register will be developed jointly with the contractor once they have been appointed, in order that risks can be managed throughout the duration of the project.
- 13.3 As part of the tender evaluation process Rubax Lifts Ltd have provided all necessary insurances and accreditations to demonstrate that they have the capabilities to carry out the proposed works.
- 13.4 Improved efficiencies are referenced at 4.3. of the report and contribute to management of environmental risk through energy efficiency and Eco-friendly facilities, which at given times shut down unwanted circuits, such as car lighting, fans and power factors, which will all resume back to normal functions upon call demand, thus saving energy usage. These contribute to the Council Priority Taking Pride in Hammersmith and Fulham.

Implications verified by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.