


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">4 FEBRUARY 2019</p>	
<p>MODERNISATION OF 6 PASSENGER LIFTS, SPRINGVALE ESTATE W14 (THACKERAY COURT A&B, ELGAR COURT, CALCOTT COURT, BRONTE COURT, WALPOLE COURT)</p>	
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>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</p>	<p>Contact Details: Tel: 020 8753 1915 E-mail: vince.conway@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award a contract to undertake works to modernise the existing passenger lifts serving five blocks on the Springvale Estate W14.
- 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 possible.
- 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 be given to award a contract for replacement of the lifts on the Springvale Estate to Liftec Lifts Ltd in the sum stated in the exempt report for

an anticipated contract period of 45 weeks. Following off-site design and fabrication of the new lifts the works are expected to start on site on 3rd June 2019, with a completion date of 23rd December 2019.

- 2.2. That approval be given to the inclusion of the 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 repairing 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 as a Key Decision. Cabinet on the 8th May 2017 approved the strategy for this report. However, the tender sum recommended for acceptance is more than 10% over the estimated value stated in the exempt report included in the procurement strategy. The increase is partly attributable to amendments to the original specification to enhance the firefighting capabilities of each lift and improve communications facilities within the lift car. Consequently, under CSO 17.3, Cabinet approval is required where the tender sum is more than 10% above the contract estimate.

4. PROPOSAL AND ISSUES

Properties

- 4.1. The subject properties are each multi-storey deck access blocks forming part of the Springvale Estate W14 which was built between 1952 and 1962. Thackeray Court comprises 48 flats arranged over eight floors and is served by two lifts. Elgar Court (24 flats), Calcott Court (24 flats), Bronte Court (11 flats) and Walpole Court (24 flats) are six storeys in height and are each 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, and 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 inconvenience 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. At Thackeray Court, 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 Thackeray Court 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.

Programme

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

Activity/Milestone	Estimated Date
Issue section 20 notices	07 January 2019
Expiry of section 20 notices	11 February 2019
Cabinet Meeting	04 February 2019
Contract Start	18 February 2019
Resident Consultation, on or around	25 March 2019
Start on site	03 June 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 possible.

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 sent out on 22nd June 2018 and expired on 27th July 2018. The Notices of Estimate are expected to be issued on 7th

January 2019 and the consultation period will expire on 11th February 2019. The contract will not be issued until expiry of the section 20 notices.

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.
- 7.3. Implications verified by: Peter Smith, Head of Policy & 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 reports 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 5 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.

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

9. FINANCIAL IMPLICATIONS

- 4.5 Further information is set out in the exempt report on the exempt Cabinet agenda

Financial Context

- 9.1. 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 (Second Quarter) report that went to Cabinet on 8 October 2018 has a sufficient budget envelope to fund the award of this contract.
- 9.2. Implications completed by: Sudhir Kafle, Housing Investment Accountant, tel. 020 8753 4391.
- 9.3. Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 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.
- 10.2. Implications verified Albena 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 quality-price ratio, following the meeting of the Tenders Appraisal Panel (TAP).
- 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.

- 11.5 The agreed KPIs shall be constantly monitored and evidence shall be kept in the system.
- 11.6 Implications completed by: Andra Ulianov, Procurement Consultant, tel. 07776672876.

12. IT IMPLICATIONS

- 12.1. IT Implications: If Liftec 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 Liftec 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 Liftec 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.
- 12.4. Implications verified/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 Liftec Lifts Ltd have provided all necessary insurances and accreditations to demonstrate that they have the capabilities to carry out the proposed works.

13.3 Implications verified/completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance on tel. 07817 507695 and tel. 0207 361 2389.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Procurement Strategy Report, Cabinet, May 2017 - <i>published</i>	Vince Conway, x1915	Growth & Place, 3 rd floor, HTH Extension

LIST OF APPENDICES:

Appendix 1 - Modernisation of 6 passenger lifts, Springvale Estate W14: Details of Tender Evaluation (*contained in the exempt report on the exempt Cabinet agenda*)