



## **ADVANCED PUBLICATION OF REPORTS**

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members  
and operational key decision makers.

Once signed all decisions will be published on the Council's  
Publication of Decisions List.

- 1. PASSENGER LIFTS REPLACEMENT SCHEME AT BURGUNDY,  
NORMANDY & PICARDY HOUSES (Pages 1 - 14)**

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**London Borough of Enfield****Operational Report****Report of:** Joanne Drew - Director of Housing & Regeneration

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**Subject:** Passenger lifts replacement scheme at; Burgundy, Normandy & Picardy Houses**Executive Director:** Sarah Cary**Ward:** Chase**Key Decision:** 5192

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**Purpose of Report**

1. To obtain approval to award a Contract for the replacement of six passenger lifts at three buildings (Burgundy, Normandy & Picardy Houses).
2. To obtain approval to award a consultancy contract to provide lift engineering design, contract administration and quality assurance services.

**Proposal(s)**

3. That approval be given to award the contract to Contractor A as set out in Appendix 1.
4. That approval be given to pay a consultancy fee as detailed in Appendix 1.
5. That a client held contingency be approved as detailed in Appendix 1.
6. To approve a total estimated project cost including fees and contingencies as detailed in Appendix 1.

**Relevance to the Council's Corporate Plan**

7. The contract will support the following objectives from the Corporate Plan:
8. Good homes in well-connected neighbourhoods: The programme will improve the quality of existing homes and therefore positively impact on the quality of life for our residents.
9. Sustain strong and healthy communities: Improving the existing homes where people desire to live will help to create and maintain strong sustainable communities.
10. Build our local economy to create a thriving place: Ensuring residents are able to fully participate in activities within their neighbourhood.

## **Background**

11. The Housing Asset Management team following a review of stock condition data and the recent repairs for the blocks have identified a need for the replacement of the lifts at Burgundy, Normandy & Picardy Houses to prevent further service failures.
12. Two hundred and seventy-six properties will benefit from the scheme, including one hundred and twelve which are leasehold properties.
13. The scope of works includes a full replacement of the current passenger lifts.
14. Building Control agreed with the current proposal for the replacement of the lifts following a review by the lift consultant, which confirmed that the lifts can not be bought in line with current fire fighting lift requirements.
15. The Council have issued both a Notice of Intent (NOI) and Notice of Estimate (NOE) under Section 20 of the Landlords & Tenant Act and this fulfilled its duty to consult.

## **Main Considerations for the Council**

16. These lifts were first installed in 1997 with an expected lifecycle of approximately 22 years.
17. Due to heavy usage the lifts are now at the end of their economic life and given the increasing costs of maintenance and difficulty sourcing parts, it is considered that there is no other viable alternative but to fully replace the lifts.
18. It is important that works commence at the earliest opportunity to ensure works can be completed during the summer months, allowing for an extended delivery window, due to the CV-19 social distancing requirements.
19. The recommended contractor has been evaluated based on quality and price. The contractors Covid Secure site operating procedures have also been reviewed, in line with Government and CLC guidance.

See Appendix 1 for further details.

## **Safeguarding Implications**

20. There are no safeguarding implications as these works are within the communal area only. The contractors will not need to enter resident's homes to complete these works.

## **Public Health Implications**

21. Lifts will give residents access to their homes which is a basic human necessity. Ideally, lifts would be a second option to stairs as a means of increasing levels of physical activity.

### Equalities Impact of the Proposal

22. The decision to award the contract to renew the lifts is not relevant to the Public Sector Equality Duty and therefore there is no need to complete an EQIA or other equality analysis.

See appendix B

### Environmental and Climate Change Considerations

Consideration	Impact of Proposals
Energy consumption in delivering service	Neutral  There could be minor energy savings in operation due to improved efficiency of new lifts. However, this is likely to be offset by increased use due to lower out of service periods.
Measures to reduce carbon emissions	Positive  None are specifically proposed although the move to REGO certified energy supply for Council communal housing by 2022 should reduce the emissions arising from the use of these lifts.
Environmental management	Neutral  The new lifts are predominantly made from recyclable materials and the redundant lift equipment will be recycled where possible.
Climate change mitigation	Neutral  Due to likely low in operation emissions from the new lifts, mitigation is not proposed.

### Risks that may arise if the proposed decision and related work is not taken

23. The primary risks that may arise if the decision and works are not taken are set out below:

Risk	Likelihood	Impact
Increased levels of resident dissatisfaction with the condition of their homes	High	Medium
May lead to increased number of repairs and therefore future costs	Medium	Low

## Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

24. The primary risks that may arise if the decision and works are approved and mitigating actions are set out below:

Item	Risk	Impact	Probability	Mitigation	Owner
1	Quality Issues	H	M	Set benchmark, monitor site meetings through Contract Administrator (CA) & Clerk of Works (COW) reports, measure continuous improvements using KPIs.	Project Manager
2	Cost Overrun	M	M	Applied lessons learned from previous scheme, early reporting, comprehensive specification, inclusion of contingencies, tender analysis	Project Manager
3	Time Overrun	H	M	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	Project Manager
4	Coronavirus	M	M	Service continuity maintained. Please refer to Part 2	Project Manager

### Financial Implications

25. The project is included in the 30yr HRA Business Plan, which was detailed in Housing Revenue Account (HRA) Business Plan Budget 2020/21, Rent Setting and Service Charges report (KD5008) and was approved by Cabinet and Council in February 2020.

See Appendix 1 for details.

### Legal Implications

26. The Council has the power to alter, improve or repair its housing stock in accordance with section 9 of the Housing Act 1985 as amended. The

Council also has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles, and under s.111 Local Government Act 1972 it has the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

27. The contract which is the subject of this report is below the threshold where an EU procurement process is required under the Public Contracts Regulations 2015 (currently £ £4,733,252 for works).
28. The procurement must therefore be conducted in compliance with the Council's Contract Procedure Rules (CPRs). CPR 14 stipulates that for works contracts above £500,000, five quotations are required.
29. As the Council has not received five quotations, in accordance with CPR 14 officers must seek the relevant level of approval within their service to award and demonstrate that value for money has been demonstrated/achieved. The decision must be recorded in writing and all documentation supporting the decision retained in the E-Tendering Portal.
30. In order to manage risk, officers should consider requiring the contractor to provide 'sufficient security'. Sufficient security is defined in the CPRs as one of the following:
  - (i) Parent company, ultimate holding company or holding company guarantee where their finances prove acceptable;
  - (ii) Director's guarantee or personal guarantee where their finances prove acceptable;
  - (iii) Performance Bond, retained funds or cash deposit; or
  - (iv) Any other security as determined by Financial Management Services and/or Legal Services.
31. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes.
32. The contract with both the successful contractor and the consultant should be in a form approved by Legal Services on behalf of the Director of Law and Governance.
33. As the award is a Key Decision the Council must comply with the Key Decision as set out in its Constitution.
34. The Council is responsible for undertaking the repair, maintenance and improvement of its housing blocks and installations therein including the lifts (Part 2 of the Housing Act 1985).
35. Under section 20 of the Landlord and Tenant Act 1985, when the works are considered to be qualifying works, the Council must consult if these works will cost over £250 for any one contributing leaseholder (Regulation 6, Consultation Regulations). When dealing with a long-term qualifying agreement, the Council must consult where the amount payable by any one

contributing leaseholder under the agreement in any accounting period exceeds £100 (Regulation 4, Consultation Regulations).

36. The Council may have to serve consultation notices on leaseholders at the following three stages in the process of awarding a contract:
- the pre-tender stage – notice of intention where Leaseholders are usually given a period of 30 days consultation period to put forward any observations.
  - the tender stage – notification of landlord's proposals (estimates); again, leaseholders should be given a period of 30 days consultation period for any observations.
  - in some cases, the Council must send a notice of reasons for awarding the contract within 21 days of the contract being entered and/or awarded.
37. If the Council fails to carry out the full consultation procedures in the correct manner, it may not be able to collect or recover service charges above the level of the statutory minimum amounts – £100 per leaseholder per year in respect of a long-term contract, or £250 per leaseholder for works to the building.

### **Workforce Implications**

38. There are no workforce implications in the awarding of this Lift Replacement scheme to Contractor A.

### **Property Implications**

39. Nil return from Corporate Property.

### **Other Implications: Procurement**

40. The procurement was undertaken using London Tenders Portal (ref DN447362).
41. As the contract is over £500k the service must ensure that sufficient security has been considered to manage risk.
42. The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
43. As less than 5 quotes were received the Service must seek the relevant level of approval within their service to award and demonstrate that VFM has been demonstrated/achieved. The decision must be recorded in writing and all documentation supporting the decision retained in the E-Tendering Portal.
44. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
45. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

## Options Considered

46. Consideration was given to the procurement of the works through a competitive tender process.
47. In terms of procurement options there were two main routes for consideration:
  - Use of a suitable consortia framework agreement, with appointment via direct award or mini tender.
  - Unilateral tendering of a bespoke contract utilising either the open or restricted process.
48. Using a framework can save time and money, while still delivering a service specified to local requirements. Contractors are assessed for suitability prior to joining the framework and have signed up to pre-agreed terms and conditions. Standard documentation is also provided as well as support from the framework itself.
49. The replacement of these lifts is important to reduce the impact the breakdowns are having on the residents and to reduce the maintenance costs and recharges to these residents.
50. The recommended contractor has been evaluated on their price submission and a review of the responses to the quality questions was carried out and marked. The winning contractor has been judged capable of complying with the specification and quality requirements.

## Conclusions

51. Taking into account all of the above the procurement process for the Lift Replacement 3 scheme has been conducted in accordance with the Council's Standing Orders and therefor recommend award to the winning bidder.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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