

**MUNICIPAL YEAR 2014/2015 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**PORTFOLIO DECISION OF:**  
Cabinet Member for Environment

**REPORT OF:**  
Director – Regeneration &  
Environment

**Agenda – Part: 1**

**KD Num: KD 3842**

**Subject:**  
**Award of Barrowell Green Household  
Waste Recycling Centre Management  
Contract**

**Wards: All**

Contact officer and telephone number: Peter Robinson, Contract  
Manager, Public Realm and Sustainability. Tel 020 8379 1884  
E mail: [Peter.robinson@enfield.gov.uk](mailto:Peter.robinson@enfield.gov.uk)

**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the background to Barrowell Green management Contract award. The LBE corporate procurement process has been followed in line with OJEU requirements and the recommendation is to award the contract to one of the contractors who have submitted tender returns as part of the procurement process. This contract will provide management and recycling services for the Barrowell Green Household Waste Recycling Centre.
- 1.2 Tender evaluation and pricing details are contained within the enclosed Part 2 report.

**2. RECOMMENDATIONS**

To award the Management contract to the successful tenderer

### 3. BACKGROUND

- 3.1 The Council has a duty under the Environmental Protection Act 1990 to provide places for residents to deposit Household Waste. The provision of the Household Waste Recycling Centre (HWRC) at Barrowell Green meets this obligation.
- 3.2 Since December 2012 following the suspension of Enfield Council staff from the site and an investigation, Barrowell Green Household Waste Recycling Centre (HWRC) has been staffed and managed on a day to day basis by an interim contractor, currently Biffa Municipal, until 31 September 2014
- 3.3 In May 2013 officers commenced a Public Contracts Regulations compliant procurement process to let a contract to manage Barrowell Green HWRC initially from June 2014 for a period of eight years plus the option to extend by a further eight, one year periods.

- 3.4 The procurement timetable was as follows:

16/09//2013	PQQ issued
25/10/2013	Return of the completed PQQ
25/11/2013	Issue ITT documents
20/01/2014	Deadline for submission of Tenders
07/02/2014	Evaluation Moderation
26/03/2014	Formal award of contract
June 2014	Contract commencement

- 3.5 10 companies returned the PQQ of which 6 were shortlisted and issued with the ITT documents. Of the 6 shortlisted, 3 companies returned the ITT documents. 2 companies formally withdrew from the procurement process due to other project commitments and one failed to return the tender documents.
- 3.6 Following evaluation of the returned tender documents and responses to clarifications sought by the authority it became apparent that the ITT process would need to be re-run to ensure best value for the authority. This process was discussed in detail in report ENV13.122
- 3.7 The revised remaining procurement timetable is as follows:

15/05/2014	Evaluation Moderation
30/06/2014	Formal award of contract
October 2014	Contract commencement

- 3.8 All 6 of the originally shortlisted companies were reissued revised ITT Documents. Of these 2 companies returned the ITT documents. 2 companies formally withdrew from the procurement process due to other project commitments and 2 failed to return the tender documents.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Continue with the current interim arrangements with Biffa Municipal. This is not viable as it is contrary to Public Contracts Regulations and would be likely to result in the Council being challenged by the bidders in the procurement process.
- 4.2 Recruit permanent or agency staff to run the site, managed by the PRS contracts team. However, agency staff are unlikely to have the necessary skills or experience to deal with the public and ensure compliance with the Environmental Permit for the site and would need to be closely supervised for the entire operational week, Tuesday to Sunday, including evening opening. Therefore, additional management resources would need to be provided. It is officer's view and experience that the private sector is best placed to run this particular service.
- 4.3 To approach the NLWA to include the HWRC in the main waste disposal contract. However a Council decision was taken not to go down this route in 2012, due to the contract length (30 years) the lack of certainty over price in after 5 years as this was not fixed and the costs were higher than the Councils current operating costs.

#### **5. REASONS FOR RECOMMENDATIONS**

To ensure compliance with the UK Supply Contracts Regulations, maintain and improve service levels and maximise value for money and recycling performance.

#### **6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS**

##### **6.1 Financial Implications**

Please see Part 2 report.

##### **6.2 Legal Implications**

- 6.2.1 The Council has a duty under the Environmental Protection Act 1990 to provide places for residents to deposit Household Waste. The provision of the Household Waste Recycling Centre (HWRC) at Barrowell Green meets this obligation. In addition, section 111 of the Local Government Act 1972 permits the Council to do anything (whether or not involving the expenditure of money) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. Therefore the appointment of the provider is in accordance with these powers.
- 6.2.2 The Council has complied with the Councils Constitution, in particular Contract Procedure Rules and the Public Contract Regulations 2006

(and amendments thereof), with regards the procurement of this service.

- 6.2.3 The contract and lease are in a form approved by the Assistant Director of Legal Services.

### **6.3 Property Implications**

The successful contractor will sign a lease to enable access to and control over the site. A draft lease was included in the tender documentation.

## **7. KEY RISKS**

Please see Part 2 report.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

The objective of the proposals is to ensure continuity of service for the benefit of all residents

### **8.2 Growth and Sustainability**

The proposed arrangements are designed to increase the recycling rate beyond the current 40% figure and provide future efficiencies in service delivery.

### **8.3 Strong Communities**

None.

## **9. EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is not relevant or proportionate for the proposal

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The proposals are designed to improve both recycling performance and value for money in both the short and long term.

## **11. HEALTH AND SAFETY IMPLICATIONS**

The procurement process included arrangements to assess bidders' arrangements and track record in respect of Health and Safety for their HWRC operations elsewhere. Risk assessments, method statements and Safe Systems of Work have been submitted for approval by the

authority prior to contract award and the site will continue to be subject to periodic formal Health and Safety audits

## **12. PUBLIC HEALTH IMPLICATIONS**

None.

### **Background Papers**

None.



## MUNICIPAL YEAR 2014/2015

**PORTFOLIO DECISION OF:**  
Cabinet Member for Housing  
and Estate Regeneration

**REPORT OF: Ray James**  
Director of Health, Housing  
and Adult Social Care

**Contact officer:**  
Tom Steggles: 020 8375 8278  
Email: tom.steggles@enfield.gov.uk

<b>Agenda – Part: 1</b>	<b>Item:</b>
<b>Subject:</b> Lifts Renewal Programme Phase IV: The Renewal of Lifts in Scott House: Tender Acceptance Report	
<b>Ward: Upper Edmonton</b>	
<b>Cabinet Member consulted:</b> Councillor Ahmet Oykenner	

### 1. EXECUTIVE SUMMARY

This report seeks approval to accept the recommended tender for the renewal of the life-expired lifts in Scott House. This is a Key Decision of the Council and is on the Key Decisions List reference KD3887.

### 2. RECOMMENDATIONS

- 2.1 That approval be given to accept a tender and award the contract as per the published criteria to Contractor A in the sum of £340,888.00 as detailed in the part two report.
- 2.2 That it be noted that professional fees for this project will be incurred in the sum of £8,522.20 giving a total project cost of £349,410.20.

### 3. BACKGROUND

- 3.1 Enfield Homes manages a Lifts Renewal Programme within the Landlord Obligations Works Capital Programme. This project represents the next phase of lifts within this programme. Phase I (31 lifts) completed in 2011/12, Phase II (17 lifts) in 2012/13 and Phase III (18 lifts) in February 2014. Phase IV consists of the renewal of the two lifts at Scott House and will follow a scheme of major fabric repairs and energy efficiency measures including cladding at this block, which is nearing completion.
- 3.2 In 2011 the Frankham Consultancy Group were appointed as the Council's consultants for the lift renewal programme. Enfield Homes in conjunction with the Frankham Consultancy Group have reviewed the lifts portfolio and the capital programme and have identified Scott House as a priority for renewal in this phase of the programme. Lifts are prioritised for inclusion in the programme on a worst first basis, having regard to factors including age, reliability and the availability of spare parts, which affects the length of time required to deal with lift breakdowns.

- 3.3 The number of properties and the tenant and leaseholder split are as follows:

<b>Block</b>	<b>Tenants</b>	<b>Leaseholders</b>	<b>Total</b>	<b>Leaseholders as percentage</b>
Scott House	92	9	101	9% of block

- 3.4 Tenders were invited from six companies. Four tenders were returned and passed to the Council's consultants for analysis and recommendation based on price alone. An analysis of the tenders is contained in the Part Two report.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The alternative options considered for this project were:

- (a) Do nothing
- (b) Repair the lifts
- (c) Renew the lifts and equipment except for the guide rails (chosen option)
- (d) Completely renew the lifts, equipment and guide rails
- (e) Procure the works by alternative means

- 4.2 Scott House is a high rise block of 18 storeys. A reliable lift service is vital to ensure an acceptable quality of life for many residents who otherwise may not be able to leave their homes. The lifts are old and are beyond economic repair. There is an increasing frequency of breakdowns and the unavailability of many spare parts can result in extended periods of breakdown. Renewal is essential to ensure that the lift service remains reliable. Therefore the option of doing nothing and the repair option have both been discounted.

- 4.3 The alternative option of complete renewal including the replacement of guide rails would not extend the 25-year design life of the lifts. This option was not pursued because it would entail unnecessary work, causing additional disruption to residents and deliver poor value for money for the Council.

- 4.4 As regards alternative methods of procurement, an assessment was made of any sub-regional, regional or national opportunities available at the time and no such opportunities were identified. The nature of these types of short duration contracts deters local authorities from building in access agreements or call-off arrangements for other local authorities, mainly due to the work involved in setting them up and in administering the call-off process.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 All contractors who tendered for this project have fulfilled the Council's criteria for undertaking this type and value of work.
- 5.2 The recommended contractor has submitted the lowest tender and has been judged capable of complying with the specification.

#### **6. COMMENTS OF THE DIRECTOR OF FINANCE RESOURCES AND CUSTOMER SERVICES DEPARTMENT**

##### **6.1 Financial Implications**

- 6.1.1 The tenders for this project were evaluated on the basis of the published criteria on lowest price.



6.1.2 The total cost of this project including fees is £349,410.20 (£340,888.00 for works, £8,522.20 for fees). This is comparable to the pre-tender estimate for works of £359,775.00 including fees, being £10,364.80 or approximately 2.9% below the pre-tender estimate. The contract duration is 42 working weeks and the project is expected to be completed in 2015/16. The table below provides information on the cost profile:

<b>Works / Fees</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Works	-	310,888	30,000	340,888
Fees	2,888	4,782	852	8,522
<b>Total Costs</b>	<b>2,888</b>	<b>315,670</b>	<b>30,852</b>	<b>349,410</b>

6.1.3 The scheme is included within the Housing Capital Programme for 2014/15, with an allocation of £345,000, which the recommended bid exceeds by £1,522 (£349,410 - £2,888 = £346,522 - £345,000 = £1,522). This difference will be contained within the overall capital programme. The cost of this work will be funded from the HRA capital resources.

6.1.4 The project will affect all 101 properties in Scott House, of which 92 are tenanted and 9 (or 9%) are leasehold. The financial implications for the leaseholders are set out in Section 6.4 of this report.

6.1.5 Unlike other major works projects, there is no retention in this contract. Instead there is a retention payment bond. This means that interim payments and payments at completion are made without any deduction for retention, so the full value of the works will be paid at or soon after completion of the works. The ensuing defects liability period will be covered by the retention bond.

## **6.2 Legal Implications**

6.2.1 The Council has the power to provide housing and to improve or repair it (section 9 of the Housing Act 1985). The provision of lifts is incidental to the housing provided (section 111 Local Government Act 1972). The Council is empowered to enter into contracts for the discharge of its legal powers (section 1 Local Government (Contracts) Act 1997). Pursuant to these powers the Council can enter into the contract for the maintenance of the lifts.

6.2.2 The contract with Contractor A must be in a form approved by the Assistant Director of Legal Services.

6.2.3 The client has confirmed that the engagement of the Consultant was in accordance with the Council's Contract Procedure Rules, as documented in a previous report.

6.2.4 The consultation process and compliance with statutory regulations are examined in Section 6.4 of this report. The duty to have regard to leaseholder observations, including nomination of contractor, has not been triggered as there have been no observations following service of the notice of intention; following service of the notice of estimates tenants are now unable to nominate any contractor.

6.2.5 Enfield Homes must ensure that the duty to have regard to observations is met, and take record of any observations received by 4 June 2014 to ensure full compliance with the consultation requirements and limit any challenges in respect of the consultation in the tribunal.

### 6.3 Property Implications

6.3.1 The obligation to maintain lifts in a proper safe condition is an important Corporate Landlord duty upon the Council. This includes their replacement when they become beyond practical or economic repair.

6.3.2 The provision of reliable lifts to Council housing stock in high rise towers is a component of the asset valuations.

### 6.4 Leaseholder Implications

6.4.1 Under the terms of the leases granted under the Right to Buy scheme the Council has a legal obligation to leaseholders to repair, maintain and replace the lifts and connected equipment.

6.4.2 When carrying out major works of this nature the Council is only allowed to recover the costs from the leaseholders if it carries out a consultation exercise, serving notice on leaseholders in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended). In this case a Notice of Intention was served on the leaseholders in the block on 6 September 2013. No observations were received to this Notice.

6.4.3 A Notice of Estimate was served on the 9 leaseholders in the block on 28 April 2014. The expiry date for receipt of further observations was 4 June 2014. No observations were received to this Notice.

6.4.4 The total rechargeable cost to leaseholders is estimated at £32,192.45. The average charge per leaseholder is £3,576.94, the lowest charge is £2,779.09 and the highest charge is £4,337.31. For bills above £3,000 leaseholders can spread the payments over up to three years from the date of the estimate.

## 7 KEY RISKS

The main risks to the scheme are presented below together with the corresponding mitigation actions.

Item	Risk	Impact	Probability	Mitigation	Owner
1	Non delivery of project	High	Medium	Develop project delivery plan, commission consultants and contractor early	ALL
2	Quality issues	High	Medium	Set benchmark and monitor at site meetings through CA & CoW reports. Measure	Project Manager

				continuous improvements using KPIs.	
3	Cost over run	Medium	Low	Rigorous cost planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis.	Project Manager
4	Time over run	High	Medium	Manage approvals stage. Monitor programme, monthly reports and damages.	Project Manager
5	Extended consultation	Medium	Medium	Establish key milestones and communication strategy at outset.	Leaseholder Services/ Project Manager
6	Additional work identified	Medium	Medium	Detail and agree scope of works, prioritise core works, use contingency	Project Manager

## 8 IMPACT ON COUNCIL PRIORITIES

### 8.1 Fairness for All

This project will contribute positively to the Council's priority of Fairness for All. The lifts have been selected for renewal on the basis of priority and the new lifts have been designed to better meet the needs of physically disabled users as far as the limitations imposed by the existing buildings reasonably allow. The new lifts will also be more reliable, better lit and will include automatic two-way communication with the callout service in the event of lift failure. This will benefit all residents of the flats, particularly disabled residents, parents with young children and the elderly. This will contribute towards residents' quality of life by ensuring they have a reliable means of entering and leaving their homes to allow them to participate in social and other activities.

### 8.2 Growth and Sustainability

The lift renewal works will assist in making the blocks more attractive to potential tenants and will help to instil a sense of pride in existing tenants and foster community co-operation through resident involvement in the various schemes. Improving the standard of housing stock enhances the sustainability of the area and promotes social cohesion.

### 8.3 Strong Communities

The project will contribute to strong communities by ensuring that residents are able to fully participate in the activities of the wider community.

## **9 PERFORMANCE MANAGEMENT IMPLICATIONS**

The project is expected to have a positive impact on resident satisfaction performance indicators collected by Enfield Homes, through the improved quality of the lift installations and the improved level of lift service.

## **10 HEALTH AND SAFETY IMPLICATIONS**

- 10.1 All construction work falls under the Construction (Design & Management) Regulations 2007. A project of this size also qualifies for notification to the Health and Safety Executive and this has been sent to the HSE by Enfield Homes appointed CDM Coordinator. Health and Safety considerations for this type of project include welfare facilities until the end of the project, various audits, inspections and reviews by both in house and third party professionals. The passage of accurate and specific information is also critical and this will include Asbestos Survey Reports in the form of an Asbestos register leading to specific refurbishment surveys, Fire Risk Assessments and any significant design changes.
- 10.2 A substantial amount of planning involving various agencies goes into the pre-construction phase e.g. the taking over of land which is adequate in both size and location for site offices/welfare facilities. Asbestos surveys will be carried out before the planned start date for the works, to avoid delay to the commencement of building works.

## **11 EQUALITIES IMPACT IMPLICATIONS**

It is not judged to be relevant and proportionate to carry out an equality impact assessment/analysis for this proposal as it refers to the direct replacement of an existing facility within existing limitations.

## **12 PUBLIC HEALTH IMPLICATIONS**

The new lifts will be more energy efficient and reliable than the existing lifts, and will offer a smoother and more pleasant ride, all of which will have a direct bearing on health and wellbeing. Unlike the existing lifts, the new lifts will be provided with a direct two-way intercom link with a call centre in the event of a breakdown resulting in a person or persons being trapped. This will enable trapped persons to be reassured and kept advised on the action being taken to release them. They will also benefit from the more stringent safety standards that apply to new lifts.

### **Background Papers**

Contain exempt information.