

Council Report

Cabinet and Commissioners' Decision Making Meeting – 11 July 2016

Title

Approval of tender for external works to The Lanes, Herringthorpe, Rotherham

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Graeme Betts, Strategic Director of Adult Care and Housing.

Report Author(s)

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Ward(s) Affected

Rotherham East Ward

Executive Summary

The purpose of this report is to seek Cabinet approval for RMBC to accept the winning tender for external works at The Lanes. The tender submission covers works for re-covering of balconies, and some flat roofs to 67 properties at The Lanes, Herringthorpe, Rotherham.

Following evaluation the preferred tender was submitted by Hall Construction Group Ltd dated 24th March 2016. Details of all the bids submitted and reviewed are listed in **Appendix A**).

The tendered work covers essential capital investment improvement works ensuring the buildings remain safe and sustainable for RMBC and its tenants.

Recommendations

It is recommended that:

The tender submitted by Hall Construction Group Ltd dated 24th March 2016 (see Appendix A) is accepted and approved by Cabinet.

Cabinet approve the increase in budget for Communal Works, including fire risk assessment works (see Appendix B) to allow sufficient funds to undertake the required works.

Cabinet approve the reduction in budget for Munsbrough External Scheme (see Appendix B) which will fund the additional works and costs on The Lanes.

List of Appendices Included

Appendix A – (exempt) Commercial tender submissions

Appendix B – (exempt) Commercial information for The Lanes report

Background Papers

The works will be delivered as part of the Communal Works scheme which is identified in the Housing Investment Programme 2016/ 17 Report, which was approved by Cabinet on 11 April 2016.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

This report has not been considered by any other committee or panel.

Council Approval Required

No

Main Report

Approval of tender for external works to The Lanes, Herringthorpe, Rotherham.

1. Recommendations

- 1.1 The tender submitted by Hall Construction Group Ltd dated 24th March 2016 (see **Appendix A**) is accepted and approved by Cabinet.
- 1.2 Cabinet approve the increase in budget for Communal Works, including fire risk assessment works (see **Appendix B**) to allow sufficient funds to undertake the required works.
- 1.3 Cabinet approve the reduction in budget for Munsbrough External Scheme (see **Appendix B**) This will fund the additional works and costs on The Lanes.

2. Background

- 2.1 The Lanes, Herringthorpe, Rotherham is a low rise set of flats comprising 67 flats in 2 & 3 Storey Blocks. The site also contains garages underneath some of the blocks. The development also has external linking communal walkways to access some of the upper flats.
- 2.2 The flats were built in the late 1960's are flat roofed with brick cavity walls. The upper flats have large balconies over-sailing the flats below in a tiered style.
- 2.3 The existing balcony floors and their rubber tiled finish have caused problems for the residents with the tiles not draining rainwater away causing them to become slippery when walked upon. The water retention problem and the associated algae growth also leads to the tiles causing unpleasant odours and breeding ground for unwanted insects. The current thermal efficiency of some of the roofs is minimal and the current roof finish allows water to penetrate into the flats below. The proposed surface finish will resolve these issues and is an easy product to maintain.
- 2.4 Suppliers from the NEC3 New Engineering Contract were invited to place bids via Yortender, Rotherham MBC's e-tendering portal. NEC3 is a legally compliant suite of construction contracts intended to promote partnering and collaboration between the contractor and client.

3. Key Issues

- 3.1 This report covers approval of a contract for Re-covering of Balconies and flat roofs to 67 properties at The Lanes, Herringthorpe, Rotherham.
- 3.2 Detailed price submissions (see **Appendix A**) have been evaluated by Planning, Regeneration & Culture.
- 3.3 All Contractors invited to tender returned a valid tender submission (see **Appendix A**).

4. Options considered and recommended proposal

- 4.1 The most competitive tender is Hall Construction Limited (see **Appendix A**). The tendered figure has been checked and found to be arithmetically correct.
- 4.2 A Contingency sum has been included within the scheme costs to safeguard against any matters arising. If no cost implication matters arise, the contingency will not be spent. The scheme is being managed by the Regeneration & Environment Project Management Team, and the competitive tender element returned a realistic tender for the project.

The price also includes the cost of re-roofing the areas adjacent to the balconies. The project fees plus specialist design costs and contingency gives the Total Scheme Costs (see **Appendix B**). Scheme costs include the following items;

- Tender Cost
 - Provisional Sum (Tenant Liaison)
 - Professional Fees
 - Building Control Fees
 - Legal Fees
 - Contingency
- 4.3 The Housing Investment Programme 2016/ 17 Report, approved by Cabinet on 11 April 2016, identified a set sum (see **Appendix B**) to undertake investment to Communal Areas.
- 4.4 As part of this scheme a funding sum was allocated to this project from the Housing Revenue Account (HRA). The Total scheme cost (see **Appendix B**) is higher than the estimated budget.
- 4.5 The original budget figure was an estimate based on an initial trial that had taken place on one property during 2015/ 16. However the solution applied as part of the trial did not address all of the issues, therefore the specification had to be adjusted accordingly. This resulted in the scheme costing more than originally anticipated (see **Appendix B**).
- 4.6 Given the increase in costs following receipt of tender, it is recommended that the Communal Works (including fire risk assessment works) budget is increased to allow sufficient funds to undertake the required works (see **Appendix B**).
- 4.7 It is proposed that the increased costs are funded by reducing the Munsbrough External Scheme budget for 2016/ 17. The remaining budget shortfall will be funded from unallocated budget within the existing Communal Works budget (see **Appendix B**). Work will commence on the Munsbrough External Scheme in 2016/ 17 and then run on into 2017/ 18. The budget requirement for the Munsbrough External Scheme in 2017/ 18 will be included in the report seeking approval for the 2017/ 18 Capital Programme. Tenants have not yet been

consulted on this scheme therefore the impact of reducing the scheme in 2016/17 is minimal.

5. Consultation

- 5.1 Consultation with a limited number of tenants has taken place regarding their individual concerns. It is intended that following approval of this document a wider consultation with residents will take place.
- 5.2 A number of consultation meetings have taken place between the building's Neighbourhood Officers and Technical Officers from EDS.
- 5.3 Given the nature of the works there will inevitably be disruption to residents, consultation will be of paramount importance whilst delivering this scheme.
- 5.4 A Letter drop will be organised for all residents informing them of the proposed work, intended programme and future consultation meetings.
- 5.5 Further resident meetings are to be scheduled after tender approval. This will include a "Meet the Contractor" open day, where the full scheme works will be explained where residents will be able to raise any questions or concerns to Housing representatives, Technical Officers and the Contractor. Family members will be welcomed and reasonable arrangements can be made to meet anyone unable to attend the meetings.
- 5.6 Consultation has also commenced with the three leaseholders within the scheme who will also be affected by the works. This will enable RMBC to re-charge leaseholders for the works undertaken to their flats. This is in line with the statutory Section 20 Consultation framework.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The proposed programme for the work, subject to approval, is to commence on site in August 2016, for a period of 20 weeks, with a proposed completion date of December 2016. A delay in the time scale for the approval could have an impact on project delivery with a later completion of the works during winter bringing with it the risk of weather related delays.

7. Financial and Procurement Implications

- 7.1 Suppliers from the NEC3 New Engineering Contract were invited to place bids via Yortender, Rotherham MBC's e-tendering portal. NEC3 is a legally compliant suite of construction contracts intended to promote partnering and collaboration between the contractor and client.
- 7.2 Within the budget submitted to and approved by Cabinet on 11 April 2015, a funding to the sum is available from the Housing Revenue Account (HRA).
- 7.3 The Total scheme cost as detailed (see **Appendix B**) is higher than the estimated budget.

- 7.4 It is recommended that the Communal Works (including fire risk assessment works) budget is increased to allow sufficient funds to undertake the required works at The Lanes. This will be funded by reducing the 2016/ 17 budget allocation for the Munsbrough External Scheme (see **Appendix B**).
- 7.5 The budget requirement for the Munsbrough External Works Scheme in 2017/ 18 will be included in the report seeking approval for the 2017/ 18 Capital Programme. Works will commence on the Munsbrough External Scheme in 2016/ 17 and will then run on into 2017/ 18. Tenants have not yet been consulted on this scheme therefore the impact of reducing the scheme in 2016/ 17 is minimal.
- 7.6 The remaining budget shortfall will be funded from unallocated budget within the existing Communal works budget (see **Appendix B**)

Procurement (Helen Chambers) has reviewed the report and confirmed agreement with the recommendations on the 1 June 2016.

8. Legal Implications

- 8.1 A contract between the Council and the contractor will be drafted and endorsed. As the projected contract sum is greater than £100,000, the contract will be made under Seal. This will provide 12 years' protection for dealing with any latent defects

Legal Services (Ian Gleadhill) has reviewed the report and confirmed agreement with the recommendations on the 27 May 2016.

9. Human Resources Implications

- 9.1 None identified

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 None identified

11 Equalities and Human Rights Implications

- 11.1 None identified

12. Implications for Partners and Other Directorates

- 12.1 The delivery of investment works will further enhance the efforts being made to create and maintain a sustainable affordable housing offer within an area that is in demand and in supporting the long-term availability of quality, well-maintained homes. This will subsequently reduce the requirement for general repairs required from our partner contractors over the next few years.

13. Risks and Mitigation

- 13.1 A contingency sum which equates to 5% of the contract sum has been added to the Tender Price which is considered adequate for a scheme of this nature (see **Appendix B**)
- 13.2 The Contractor is experienced in carrying out works of this scale for RMBC. The Authority has always had a satisfactory outcome from works carried out by this contractor.
- 13.3 Asbestos has been identified within the site but it will fall outside the area requiring notification to the HSE and is considered low risk.

14. Accountable Officer(s)

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