

Report of: Head of Mechanical and Electrical

Report to: Director of Resources and Housing

Date: 20th August 2018

Subject: Lift Replacement programme 2018/19-2020/21:- Year 1 delivery plan

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. A 3 year programme for passenger and goods Lift Replacement has been identified across multiple high and low rise blocks in several wards of the City– these works are required as the current installation of lifts are in need of significant repairs or replacement to ensure the continual service provided to residents and visitors.
2. A Key Decision was signed by the Director of Resources and Housing on 21st June 2018 that became effective from 7th July 2018. This gave approval to utilise the Term Partnering Contract for Passenger Lift Servicing with CHIC (Central Housing Investment Consortia) Contract to for the procurement of a new three year the lift replacement work contract delivered by Lifts Engineering Services (LES). This mechanism has successfully been utilised previously in the year to deliver works at Roxby Close.
3. This report seeks to outline and obtain approval for the delivery of the lift replacement works for Year 1 of the programme. The Year 1 plan is to undertake works on approximately 10 lifts servicing 5 blocks.

1 Recommendations

The Director of Resources and Housing is requested to:

- 1.1 Approve the delivery of year 1 lift replacement programme by the issue of a task order in August 2018 to instruct Lifts Engineering Services (LES) via the use of the CHIC (Central Housing Investment Consortia) Term Partnering Contract for Passenger Lifts. This will allow the delivery of an agreed programme of works for lift replacements in year 1 (2018/19) to the sum of £1,969,440.00.
- 1.2 To note and approve the reduction of leaseholder charges in Year 1 of the programme to a maximum of £250 per leasehold address due to the time limited nature of the lift replacement works required.
- 1.3 To note that subject to satisfactory performance of the year 1 programme that it is planned to agree a subsequent programme of works with the contractor to deliver further lift replacement works in years 2 and 3 (2019/20 and 2020/21) that will be subjected to full leaseholder consultation.
- 1.4 To note that details of subsequent years programmes will be the subject of a further report for approval to place annual task orders and it is anticipated that this will be brought back in December 2018 or January 2019 in an attempt to secure and maximise spend.

2 Purpose of this report

- 2.1 The purpose of this report is to seek approval to issue a task order for the delivery of the year 1 programme to be able to place orders for the manufacture, supply and installation of new passenger and goods lifts.

3 Background information

- 3.1 A Key Decision was signed by the Director of Resources and Housing on 21st June 2018 that became effective from 7th July 2018, that approved the use of the Term Partnering Contract for Passenger Lift Servicing with CHIC (Central Housing Investment Consortia) for the procurement of three year agreement for Lifts Engineering Services (LES) to deliver lift replacement work.
- 3.2 Contained within the key decision report was reference to a £9.25m budget within the capital programme available for the refurbishment and replacement of domestic and non-domestic lift over the next 3 years 19/20 to 21/22.
- 3.3 The estimated value of the works within year 1 is approximately £1.97m.
- 3.4 In order to maximise spend in the current financial year 18/19 (year 1) and considering the 16 weeks order and manufacture requirement, no formal leaseholder consultation will be undertaken through the S20 notice process (Commonhold & Leasehold Reform Act 2002) thereby limiting the total recharge of costs incurred to £250 per leaseholder.

- 3.5 It is intended that the S20 notice process will be adhered to for Years 2 & 3 of the programme to allow consultation to take place, thereby permitting recharge costs to be sought in excess of £250 per leaseholder.

4 Main issues

- 4.1 In discussion with senior managers within Leeds Building Service, Operational Managers within Property and Contracts, and the Procurement Team including Legal representatives, and in line with the Key Decision report effective from 7th July 2018, it is proposed to utilise Council's Participant/Client status on the Term Partnering Contract for Passenger Lift Servicing with CHIC (Central Housing Investment Consortia) for the duration of the three year the lift replacement work programme
- 4.2 Under the terms of this contract, the works will be delivered by Lift Engineering Services (LES). Each year of the programme will be subject to an individual Delegated Decision Report as a Significant Operational Decision (SOD) to outline costs and seek approval for proposed replacements in years 2 and 3, in line with CPR 3.1.6.
- 4.3 Subsequent to approval of a Significant Operational Decision (SOD) individual Task Orders will be issued to the contract service provider (LES) for that year's or combined years programme in accordance with the terms of the CHIC Term Partnering Contract

5 Corporate considerations

5.1 Consultation and engagement

- 5.1.1 All local ward members will be notified of upcoming work to properties in their relevant ward areas.
- 5.1.2 Procurement and legal officers have been consulted and involved during the procurement route recommendation. The Mechanical and Electrical team from Property and Contracts has been involved in the preparation of specification documents.
- 5.1.3 Consultation with the Head of Commercial Management for Leeds Building Services, the Senior Management Team and Chief Officer for Property and Contracts, Housing Leeds on this approach has taken place.
- 5.1.4 Due to the time limited nature of year 1 of the lift replacement works, no formal leaseholder consultation will be undertaken through the S20 notice process (Commonhold & Leasehold Reform Act 2002) in year 1 thereby limiting the total recharge of costs incurred to £250 per leaseholder.
- 5.1.5 Full leaseholder consultation will take place for subsequent years to cover the remainder of the programme that will maximise scope for receipt of full leaseholder costs.

5.2 Equality and diversity / cohesion and integration

- 5.2.1 An Equality Diversity, Cohesion and Integration Impact screening has been undertaken. This identifies positive impacts for customers and vulnerable tenant

groups in terms of improving access to their homes through modern lifts complying with the Equality Act.

5.3 Council policies and best council plan

- 5.3.1 This contract will support and enable the council to maintain safe and cost effective access to its residential and commercial properties.

5.4 Resources and value for money

- 5.4.1 An estimated provision of £1.97m is included in the approved £9.25m capital programme.
- 5.4.2 The delivery of the new contracted works will be managed by the Leeds Building Services and overseen by the Mechanical and Electrical Team within the Property and Contracts division of Housing Leeds.

5.5 Legal Implications, access to information and call In

- 5.5.1 The decision to utilise the CHIC Contract was subject to call in as a Key Decision and was published on the Council's website in June 2018. There is no requirement for keeping the contents of this report confidential under the Access to Information Rules.
- 5.5.2 The yearly call offs will be dealt with as Significant Operational Decisions (SOD) and subsequently task orders will be placed by the Council with the Contractor (LES) for that particular years works as outlined in CPR 3.1.6. This report specifically relates to the works in year 1 and it is anticipated that a further report around the proposed programme for years 2 and 3 will be brought back in December 2018 / January 2019.

5.6 Risk management

- 5.6.1 A risk register will be developed as part of the contract implementation which will highlight all risks and register how contract risks will be managed.
- 5.6.2 The main risks associated with this work relates to the manufacturing timescales on the actual delivery of the lift replacement works. These risks are deemed to medium risks but will be escalated to a higher level should there be any delays in the procurement timescales.
- 5.6.3 A contract management plan as required under CPRs will be put in place to ensure robust and proactive contract management of the works.

6 Conclusions

- 6.1 There is a requirement to follow a compliant procurement route in order to deliver year 1 or the lift replacement programme. There are no current LCC owned contracts in place to draw down from to undertake this work.
- 6.2 The use of the CHIC Lifts Term Partnering contract in place with LES, will allow Leeds City Council to put in place by the issue of a task order arrangements to replace 10 lifts in year 1 whilst evidencing value for money and managing contractor delivery and performance.

- 6.3 It is proposed to use LES via the CHIC Lifts term partnership contract for future lift replacement needs over subsequent years 2 and 3 (19/20 and 20/21), subject to satisfactory contractor performance and delivery in year 1 and that task orders for an agreed work programme and cost for each year will be issued subsequent to a further Significant Operational Decision (SOD).
- 6.4 The proposed approach will enable full leaseholder consultation for years 2 and 3 and therefore ensuring that the Council will be able to achieve the maximum income under the leaseholder legislation and process.

7 Recommendations

The Director of Resources and Housing is requested to:

- 7.1 Approve the delivery of year 1 lift replacement programme by the issue of a task order in August 2018 to instruct Lifts Engineering Services (LES) via the use of the CHIC (Central Housing Investment Consortia) Term Partnering Contract for Passenger Lifts, to deliver an agreed programme of works for lift replacements in year 1 (2018/19) to the sum of £1,969,440.00.
- 7.2 To note and approve the reduction of leaseholder charges in Year 1 of the programme to a maximum of £250 per leasehold address due to the time limited nature of the lift replacement works required.
- 7.3 To note that subject to satisfactory performance of the year 1 programme that it is planned to agree a subsequent programme of works with the contractor to deliver further lift replacement works in years 2 and 3 (2019/20 and 2020/21) that will be subjected to leaseholder consultation. This will be the subject of a further report for approval to place a task order.
- 7.4 To note that details of subsequent years programmes will be the subject of a further report for approval to place annual task orders and it is anticipated that this will be brought back in December 2018 or January 2019 in an attempt to secure and maximise spend.

8 Background documents¹

- 8.1 N/A

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.