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| <b>Committees:</b>  | <b>Dates:</b>   |                     |
| Choose an item.<br>Corporate Projects Board<br>Community and Children's Services<br>Project Sub                           | <b>Under Urgency – December 2018</b><br><b>11 January 2019</b><br><b>18 January 2019.</b> |                     |
| <b>Subject:</b><br>Avondale Square Windows<br>Overhaul (project ID 11549)   | <b>Gateway 5 and Issues<br/>report<br/>Authority to Start Work<br/>Regular</b>            | <b>Public</b>       |
| <b>Report of:</b><br><b>Director of Community &amp; Children's Services</b><br><b>Report Author:</b><br>Lochlan MacDonald |   | <b>For Decision</b> |

### Summary

#### Recommendations

1. Note the reasons for the increase in estimated project costs from £161,437.50 to £279,840
2. Note the increased works cost of £110,900 from the original works estimate of £143,500 to £254,400
3. Approve the increased total project cost from £161,437.50 to £279,840
4. Approve the costed risk figure of £110,900 and risk register
5. Approve the appointment of Metwin Limited to carry out the window overhaul works at Avondale Square Estate.

#### Dashboard

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| Project Status         | Red  |
| Projected Time Line    | <i>January 2019 – Approval to appoint contractor</i><br><i>January 2019 – Appoint Contractor, Let Contract</i><br><i>January 2019 – Start works on site</i><br><i>August 2019 – Complete Works</i>   |
| Programme status       | Pending Approval of Gateway 5 to appoint contractor  |
| Approved budget        | £3000 staff fees   |
| Latest estimated costs | <ul style="list-style-type: none"> <li>• Works - £254,400</li> <li>• Staff Fees £25,440 (10%)</li> <li>• <b>Total Estimated expenditure £279,840</b></li> <li>• <b>Previously Estimated Costs (gateway 4)</b></li> <li>• Works £143,500</li> <li>• Staff Costs: £17,937.50.</li> <li>• <b>Total Previously Estimated Costs: £161,437.50</b></li> </ul> |

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| Expenditure to date | Staff costs: £0<br>Fees: £0<br>Total: £0 |

### **Progress to date.**

In 2016, approval was given for a tender based on a schedule of rates for minor repairs and overhauling of windows to be undertaken. This was favoured over the previously agreed approach of appointing a consultant to carry out a detailed survey and establish the exact scope of works required. However, as this would have been more expensive and disruptive to residents, it was rejected in favour of the schedule of rates approach.

For the initial tender exercise, only one response was received. A second exercise was then carried out, and again, only one response was received. Leaseholders were concerned at the potential costs of the works and asked the City to look at this again.

Pellings Ltd were subsequently appointed to carry out an inspection of the windows across the estate, and extrapolate an estimated cost for carrying out window repairs. Pellings reported an estimated cost of £212,000 for overhauling works. Pellings also estimated a cost of £9.2m for window replacement at all affected dwellings

A meeting was held and the leaseholders who attended this were advised of the above. They indicated a desire to proceed with the window overhaul works and asked that only firms approved by Crittal Windows should be invited to tender. City Procurement undertook the tender based on this criteria and only one firm responded.

### **Proposed Way Forward.**

That Metwin Limited are appointed and, based on their priced schedule of rates, carry out the window overhaul works at Avondale Square Estate. Whilst exact costs cannot be known at present a budget of £254,400 is sought to carry out the works, plus staff costs as detailed below.

#### **Total Estimated Costs:**

- Works - £254,400
- Staff Costs: £25,440
- Total - £279,840

## **Main Report**

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| <b>1. Design summary</b> | To carry out basic window repairs and overhauling work in order to extend the life expectancy of the current windows. |
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|  | <p>The works are necessary to improve the condition of the windows and resident comfort.</p> <p>Any major repairs not covered by the schedule of rates will be referred back to the Community and Children’s Services Dept.</p>  |
| <p><b>2. Issue – Estimated Cost Increase</b></p> | <p>At gateway 4, the estimated cost of works was noted as £143,500, based on a figure presented as part of the 5 year monitoring plan agreed by committee. Housing Management and Almshouses Committee approved the recommendation to seek tenders for a schedule of rates contractor to undertake the works.</p> <p>It was not possible to get a definitive cost of works, and at the post tender consultation, leaseholders raised concerns at:</p> <ul style="list-style-type: none"> <li>• The overall estimated cost and;</li> <li>• The fact that only one contractor had tendered for the works.</li> </ul> <p>In view of these concerns, the City appointed Pellings consultants to carry out a partial survey of the estate and use their findings to determine an estimated cost of works. Pellings subsequently reported an estimated budget of £212,000 would be required. Given a further review of the report, and accepting that costs could be higher or lower than Pellings estimates based on the actual number of repairs required, a budget of £254,400 is now estimated as required to carry out these works.</p> <p>The findings from Pellings represent a more realistic overview of the likely works but it is best to still ensure that the risk of finding more required works than expected, is anticipated and provision made for this eventuality. All spending will be carefully monitored and an in-house clerk of works will be checking the works on a frequent and regular basis to ensure quality and value.</p> <ul style="list-style-type: none"> <li>• The previously reported budget at G4 was £143,500</li> <li>• Following the inspections by Pellings, the works revised estimate was £212,000.</li> <li>• However, account for risks as outlined in the attached risk register, a further amount of £42,400 is requested.</li> <li>• Total estimated works costs is now £254,400</li> <li>• Estimated staff costs of £25,440 are also required to bring the project to completion.</li> </ul> |
| <p><b>3. Delivery team</b></p>                   | <ol style="list-style-type: none"> <li>1. The contractor Metwin Limited has submitted the only tender and, subject to approval, will be contracted to undertake the work.</li> <li>2. The contractor will undertake the duties of Principal Designer and Principal contractor (if triggered) under the Construction Design and Management (CDM) Regulations 2015). CDM 2015 will need to be carefully managed alongside other contracts currently in place.</li> </ol>   |

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|  | <p><b>3.</b> The City's delivery team will be formed of a project manager and clerk of works from the DCCS New Developments and Major Projects team working closely with the local Estate Management teams.</p>  |
| <p><b>4. Programme and key dates</b></p> | <p>January 2019 – Appoint Contractor, Let contract<br/> January 2019 – Start works<br/> August 2019 – Completion of works</p>  |
| <p><b>5. Outstanding risks</b></p>       | <p>Lack of access to residential Properties to carry out works – the contractor will have a robust procedure for accessing properties, and will make several attempts to gain access, survey and undertake works. Estate staff will also help to ensure as many properties are accessed.</p> <p>Unknown costs of works – Until flats are surveyed, the extent of works required is not known. The contractor is to keep a sheet of works done and the Clerk of works will check this and ensure financial probity.</p> <p>Repairs not covered by the schedule of rates – Any such repairs are to be reported to the Project Manager/Clerk of Works and separate orders raised to cover these.</p> <p>That the amount of scheduled repairs will be higher than expected -as the extent of works is not known, a risk management budget of 20% is sought on top of the revised estimate as per the attached risk register. Budget and expenditure will be monitored weekly so that any potential financial risks can be addressed.</p> |
| <p><b>6. Budget</b></p>                  | <p>At Gateway 3/4, the estimated costs of the works was £143,500 plus staff costs and fees of £17,937.50. This estimate was made in the 5 year management plan in 2013, and costs will have increased since.</p> <p>Furthermore, the Pellings report, details a cost of £212,000 based on what was found when a sample of properties was inspected. As noted above, a risk management cost has been added to this, that will only be spent if necessary and is approved.</p> <ul style="list-style-type: none"> <li>• Works and risk Management - £254,400</li> <li>• Staff Fees – £25,440</li> <li>• Total: £279,840</li> </ul>   |
| <p><b>7. Success criteria</b></p>        | <ul style="list-style-type: none"> <li>• All windows checked and overhauled as necessary to extend life expectancy.</li> <li>• Resident satisfaction with the works and improved comfort within homes, as measured by a post works survey.</li> <li>• Works monitored to ensure all works done are necessary and are charged for accordingly.</li> </ul>   |

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| <b>8. Progress reporting</b> | Progress will be monitored on a monthly basis by the Housing Programme Board. |
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### **Appendices**

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| <b>Appendix 1</b> | Cover Sheet       |
| <b>Appendix 2</b> | PT8 Tender Report |
| <b>Appendix 3</b> | Risk Register     |

### **Contact**

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