

**To:** City Executive Board

**Date:** 20 May 2009 **Item No:**

**Report of:** Head of Oxford City Homes

**Title of Report:** Airey Houses, Littlemore - Tender Approval

### Summary and Recommendations

**Purpose of report:** To advise the Board on the tenders received for strengthening the concrete frame, the fixing of external wall insulation, new windows and new roof covering to Airey houses in Littlemore. This project is part of the HRA Capital Programme for 2009/10.

**Key decision?** Yes

**Executive lead member:** Councillor Ed Turner

**Report approved by:**

**Finance:** David Higgins  
**Legal:** Jeremy King

**Policy Framework:** More housing, better housing for all.

**Recommendation(s):** That the lowest tender for the structural works to the Airey Houses, Littlemore in the sum of £662,871:65, submitted by Fergal Ltd be accepted.

### **Background –**

1. This project was approved by the Executive Board and Council in February 2009 as part of the HRA 2009/10 Capital programme. The budget allocated for work to non-traditional properties is £820,641, the estimated breakdown of spend is shown in the Financial implications section below.

2. Following a detailed inspection of the properties by a specialist consultant, it was found that the concrete frame needed urgent strengthening, which will extend the life of the structure for another 30 years. As the external cladding needs to be removed to carryout this work, insulation will be installed and new external cladding fixed, together with new double glazed PVCu windows and a new roof covering with increased insulation in the loft space.
3. In early April, Officers met tenants in the local Church Hall to discuss details and implications of the scheme and to agree the external finishes with them. There are no leaseholders involved with this project and therefore no need for the statutory leaseholder consultation. Owners of adjacent properties have the right to negotiate directly with the contractor if they wish to undertake the works on their property.
4. Competitive tenders have been received for this work, the results of which are shown in the Financial Implications section below. Five tenders were invited and all five submitted tenders by the due date.

#### **Legal implications -**

5. The contract will be a fixed price contract under the JCT Intermediate Form of Contract and the contract will be for a period of 44 weeks.

#### **Financial implications –**

6. The following tenders were received:
  - A. £662,871:65
  - B. £666,336:00
  - C. £799,799:00
  - D. £800,748:00
  - E. £837,567:00
7. The tenders have been checked and although there are a few anomalies these have been checked with the contractors and do not affect the tender sums.
8. Out of the total Capital budget of £820,461 for non-traditional properties this financial year, it is estimated that £95,936 will be needed for retention on the BISF contract and a further £50,000 for works in progress. This leaves a predicted £674,525 for the Airey houses of which £646,300 is predicted to be spent in this financial year with a retention sum of £16,572 carried forward into 2010/11.

### **Environmental implications -**

9. Additional insulation will be installed during the works which are expected to give a carbon saving of 21 tonnes per annum.
10. Under Part L of the Building regulations it is important to prevent air leakage from the building and consequent heat loss. Particular care will be taken during construction work to keep gaps to a minimum and air pressure tests will be carried out on sample buildings before and after the work to enable accurate heat loss/carbon saving calculations to be made.
11. There is a waste management plan for this scheme which will be closely monitored by the supervising officer.

### **Equalities impact -**

12. There are no equalities issues generated by this project.

### **Level of risk -**

13. The level of risk to the project is low but due to scaffolding and demolition works, the health and safety risks are relatively high for the likelihood of an accident taking place but due to the precautions being taken there is a medium risk of harm. The contractor's assessments will be closely checked and will be monitored as the works proceed by the Council's Clerk of Works and Project Surveyor. Oxford City Homes' Health and Safety Advisor will also take an active role in this by carrying out on-site inspections.
14. The Risk Register is shown in Appendix 1.

### **Appendices -**

15. Appendix 1 - Risk Register

### **Recommendation -**

16. That the lowest tender for the structural works to the Airey houses in the sum of £662,871:65 submitted by Fergal Ltd be accepted.

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Background papers: Specification and tender documents.



### CEB Report Risk Register – Airey Houses Tender

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic    **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action:	Outcome required:	Q 1	Q 2	Q 3	Q 4	I	P
1	Fail to meet decent homes	2	1	Structural repair not achieved	Mitigating Control: On site supervision Level of Effectiveness: H (HML)	1	1	Action: Action Owner:  Mitigating Control: Control Owner:	Outcome required: Milestone Date:	☹	☹	☹	☹		
2	Fail to meet decent homes	3	2	Contract ceases due to contractors insolvency	Mitigating Control: Pre-contract checks & effective financial monitoring Level of Effectiveness: M (HML)	2	2	Action: Action Owner:  Mitigating Control: Control Owner:	Outcome required: Milestone Date:						
3	Fail to meet decent homes	3	1	Loss of budget due to savings within HRA capital	Mitigating Control: Confirmation of budget before signing budget Level of Effectiveness: H (HML)	3	1	Action: Action Owner:  Mitigating Control: Legal team Control Owner:	Outcome required: Milestone Date:						
4	Fail to meet decent homes	3	2	Contract ceases due to poor performance by contractor.	Mitigating Control: On site supervision / monitoring Level of Effectiveness: M (HML)	2	1	Action: Action Owner:  Mitigating Control: Control Owner:	Outcome required: Milestone Date:						