

**Report to CABINET**

## **Contract Award: Replacement of Civic Centre Tower Block Lifts**

**Portfolio Holder:** Councillor J Stretton, Economy & Enterprise

**Officer Contact:** Helen Lockwood, Executive Director Economy, Skills & Neighbourhoods

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### **Reason for Decision**

To seek Cabinet approval to accept a successful tender and award a contract for lift replacement works at Civic Centre Tower Block, as part of the Priority Backlog Maintenance Program previously reported and approved by the Council's Capital Investment Program Board (CIPB) on the 8<sup>th</sup> May 2016 (to commence replacement of the first lift) and the 20<sup>th</sup> March 2017, for the replacement of the second lift.

### **Executive Summary**

As aforementioned, in May 2016 CIPB approved the first lift replacement and the second on 20<sup>th</sup> March 2017 to fund the second lift replacement works at Civic Centre Tower Block. To seek economies of scale the replacement of both lifts were included in one tender package. This report is seeks Cabinet approval to accept / approve the recommended tender received from Schindler Lifts.

### **Recommendations**

For Cabinet to accept / approve the recommended tender received from Schindler Lifts and to enter into a contract to replace the two Civic Centre Tower Block lifts.

**Contract Award: Replacement of Civic Centre Tower Block Lifts****1 Background**

- 1.1 The lifts in the Civic Centre Tower are now 40 years old and beyond their designed service life by over 10 years. Both lifts are now experiencing constant minor failures with parts becoming obsolete. There is now a significant risk of failure with no possibility of effecting repairs, which could put one, or, both of the lifts out of service for several weeks rendering a serious business continuity issue.
- 1.2 In May 2016 CIPB approved the first lift replacement and the second on 20th March 2017 to fund the second lift replacement works at Civic Centre Tower Block. To seek economies the replacement of both lifts were included into one tender package on completion of required structural assessments and completion of the design phase.
- 1.3 In response to the procurement exercise, Schindler Lifts returned a price for the replacement of both lifts, not inclusive of the associated project design and project management fees incurred which identifies a full project cost.
- 1.4 It is estimated that the installation/ on site construction period it will take circa 26 weeks in total to replace both lifts. Once work starts on the first lift, there will only be one operational lift functioning to serve the Civic Centre Tower, which will present significant disruption to services with associated risks during the project; particular until such time as the first new lift is installed.
- 1.5 To mitigate these risks, the project team will be developing a lift use protocol to encourage staffs to make more use of the stairwell to walk shorter distances (if able), only to use the remaining functional lift for travelling greater distances to reduce the demand and pressure this one lift will encounter. A full staff communications plan will also be developed and implemented in advance of site works commencing. It is acknowledged that these works will cause disruption and delays to staff travelling to their workplace for the duration of the works, but every effort will be made to mitigate this disruption within the project plan.
- 1.6 Although, once the first lift is decommissioned the parts will be salvaged to repair any faults that might occur to the second lift, the failure of this second lift could present a significant risk to operations and business continuity to services located to higher floors to the Civic Centre Tower Block.
- 1.7 In addition to storing the spare parts of the first decommissioned lift, routine servicing to the second existing lift will also be intensified to a weekly activity, to mitigate as far as can be practically achieved, a failure occurring to the second existing lift, until such stage as the first new lift is installed, commissioned and put into service.
- 1.8 Acknowledging this risk, a further quotation to install/ provide a construction site lift (constructed off the roof of the West Street Level 4 building) for use only in the event of a failure to the remaining lift has been considered as an emergency option
- 1.9 Given the mitigation measures that will be put into place as aforementioned in Section 1.8, until such time as the first new lift is fitted (estimated at a 13 week period), and in consideration of the current economic pressures the Backlog Maintenance Budget is

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facing, it is difficult to justify the additional costs associated with including the temporary emergency lift option.

- 1.10 Subject to Cabinet approval, a fully detailed Construction Phase Plan will be developed with the selected contractor (Schindler Lifts), which will identify an intended start date commencing early May/ June 2018, due to contractor and project management lead-in and manufacturing requirements.

## **2 Procurement**

- 2.1 This project was procured by an open tender route, advertised via the Councils Procurement Portal; The Chest.

- 2.2 The evaluation of the tender submissions has sought to identify the submission offering best value, based upon a combination of economy and effectiveness. The weightings applied to the tender submissions have been:

- Technical Assessment - 10%
- Program of works - 10 %
- Social Value - 5 %
- Early payment discount - 5%
- Contract Price - 70%

- 2.3 The tender evaluation was undertaken by Darren Judge (Procurement Manager) and Mark Stephens (Unity Partnership Project Manager).

- 2.4 In ascending order the following scores were agreed by the evaluators for the two companies that returned a submitted tender:

- 90.25% (Schindler Lifts)
- 68.97% (Jackson Lifts)

- 2.5 The outcome of the evaluation process has shown that the preferred tender proposal to Oldham Council is that offered by Schindler Lifts.

- 2.6 It is recommended that the contract is awarded to Schindler Lifts as noted above and that the terms of contract used will be JCT Intermediate Building Contract with Contractor's Design 2016 Edition.

## **3 Options/Alternatives**

- 3.1 Option 1 – Do nothing  
This is not considered a viable option, due to the reported current condition of the lifts as previously reported to CIPB.

Option 2 – Accept tender

This is the recommended option as works are deemed necessary to maintain service operations and guaranteed lift access to the Civic Centre Tower Block.

## **4 Preferred Option**

- 4.1 Option 2 – Accept tender

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This is the recommended option as previous approved financial budgets can be utilised to cover the total costs of these works.

**5 Consultation**

5.1 A full Communications Plan and Lift Protocol Plan will be developed and implemented before works commence on site. The technical aspects of the project will be submitted for building control approval.

**6 Financial Implications**

6.1 The replacement of the Civic Centre lifts will be capital expenditure and will be a charge against the Economy Skills and Neighbourhoods Capital Programme.

6.2 Replacement of the existing lifts should result in reduced revenue maintenance expenditure on an ongoing basis. Over the past 3 years revenue costs of £46k have been incurred to support the lifts until replacement. The Corporate Landlord budget is under continued pressure due to the ageing estate and the award of this contract and the subsequent works will assist in relieving the pressure. (Jamie Kelly)

**7 Legal Services Comments**

7.1 The Council has conducted an open and transparent tender process in accordance with the Council's Contract Procedure Rules and seeks to award the contract to the most competitive tenderer based on an evaluation using published evaluation criteria to select the most economically advantageous tender. (Elizabeth Cunningham-Doyle)

**8. Co-operative Agenda**

8.1 N/A

**9 Human Resources Comments**

9.1 None received.

**10 Risk Assessments**

10.1 No comments received

**11 IT Implications**

11.1 None

**12 Property Implications**

12.1 The Civic Tower Block lifts have surpassed their life expectancy and require replacement to satisfy building insurance requirements. The new lifts designed to meet current standards will enhance the property value of the Civic Tower and will mitigate the associated risks that recently occur due to a lift failure, or breakdown. (Peter Wood)

**13 Procurement Implications**

13.1 These works have been procured via open tender via the Chest.

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13.2 Ongoing due diligence and Company monitoring is being managed and undertaken by the Construction line initiative. Schindler Lifts Limited is registered with Construction line and maintains an active account. (Darren Judge)

14 **Environmental and Health & Safety Implications**

14.1 There have been no prosecutions or notices recorded on the Health and Safety Executive (HSE) enforcement website against Schindler Lifts within the past three years.

Health and Safety critical documentation such as risk assessments, safe systems of work etc. have not been assessed by the health and safety service as these checks must be undertaken by the relevant project manager as should relevant supervisory checks of any contractors/works. (Lauren Wood)

15 **Equality, community cohesion and crime implications**

15.1 N/A

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 ECEN-28-17

19 **Background Papers**

19.1 N/A

20 **Appendices**

20.1 N/A