

Norwich City Council
SCRUTINY COMMITTEE

Item No 6

REPORT for meeting to be held on 20 June 2013

Normandie tower lifts

Summary:

This item is a follow up to a member request for scrutiny of the process and the contract for the installation and ongoing maintenance of the lifts and the subsequent outcomes of consideration of the issue at the NPS Norwich Ltd liaison board.

The 11 April 2013 meeting of the scrutiny committee requested that the NPS Norwich Ltd liaison board address the concerns that had been raised by the request for scrutiny and that Councillor Lubbock attend that meeting.

Conclusions:

Members are requested to note the points raised and agreed outcomes as a result of the liaison board meeting. These are contained within this report.

Recommendation:

That the scrutiny committee notes the report and comment on the outcomes of the liaison board meeting with regard to the contract and lifts at Normandie tower.

Also to note and comment on the improved communication process that is now in place

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1 Background

- 1.1 Councillor Lubbock made an initial request to the scrutiny committee on 6 December 2012, on behalf of a leaseholder. She asked that the committee considers the ongoing issues relating to the lifts at Normandie Tower and the awarding of the contract for repairs.
- 1.2 An explanation from the deputy chief executive (operations) and information had been received at that stage by the leaseholder, under the Freedom of Information requests procedure. Councillor Lubbock was concerned that some of the questions had not been answered fully.
- 1.3 As there were now new contract arrangements for property services with NPS Norwich, the scrutiny committee agreed that as the issue was operational, the cross-party liaison board could consider it and report back its findings to the scrutiny committee.

2 Notes of the meeting of the recent Norfolk property services Norwich liaison board in relation to the lift contract for Normandie towers

- 2.1 Cllr Lubbock joined the meeting for this item. A report (appended) has been compiled as a result of questions raised at scrutiny committee which was explained by Chris Rayner.
- 2.2 The board were asked to note the content of the report and to identify any matters they wish to raise with the councils' scrutiny committee.
- 2.3 The lessons learnt summary from section 8 of the report is below:
- 2.4 Signing of contracts – The city council procurement team are now responsible for administering this part of the contract process. They keep a log of all tenders and liaise closely with NPLaw to ensure that all contracts are signed in a timely manner where possible.
- 2.5 Enforcement of contract – there was a lack of knowledge on the part of the contract administrator with respect to the form of contract used. Property Services now ensure that Contract Administrator's familiarise themselves with the terms and conditions prior to work starting on site.
- 2.6 Supervision – specialist consultants will be engaged to fill the resource gap when works are on site but clearly this will result in increased project costs of which leaseholders will have to share the cost of.
- 2.7 A LOLER inspection is generally carried out by the council's insurance assessor every six months however after an upgrade the commissioning inspection by the upgrade contractor is sufficient.

Property Services must ensure that the insurance assessor is aware of the timing of upgrade works and when inspections should recommence.

- 2.8 Looking ahead the current vacancies will be filled on a permanent basis so that the service is fully resourced. In addition, following the Property Teams transfer to NPS all teams will have access to a wider pool of knowledge and experience within NPS Group. Also Property Services will carry out an audit of their contract management procedures, making improvements where necessary, in order to gain accreditation as part of the NPS Group Information and Business System.
- 2.9 The defects liability period for the work undertaken on the lifts is 12 months, within this period there is no charge, after this period the upkeep is included in the normal service charges. Ongoing monitoring will be within the NPS audit process.
- 2.10 In addition to the items identified within the lessons learnt the board were informed that more open and frequent communication processes have been implemented with a significant increase in the information provided. The process is much more open and has been implemented on the upgrade of the lift in Winchester Tower (which is currently ongoing) with great effect. The board agreed that this new process was reassuring and there were no matters to raise with the councils scrutiny committee.

**NPS NORWICH LTD
LIAISON BOARD
COVERING TEMPLATE FOR REPORTS**

Title of report	Normandie Tower Lift Upgrade
Name of report author	Carol Marney
Proposed date for Liaison Board consideration	29 May 2013
Estimated time for Liaison Board discussion and decision	30 mins

Purpose of report

To explain the background, analyse the problems and outline the lessons learned from this project as requested by the Councils Scrutiny Committee.

Background

1.0 Introduction

1.1 NPS Norwich Property Services maintains approximately 15,700 tenanted, 2,600 leasehold homes, and 1,200 corporate properties with an anticipated budget of around £50m for 2013/14 (including around £30m capital budget). The service is provided to almost one third of all homes in Norwich. Over the next year the service will manage the installation of the following as part of the "Norwich Standard":

1,500 kitchen replacements
650 bathroom replacements
900 new boilers
430 electrical rewires

In addition to this approximately 1200 void properties are prepared for relet in a very short turnaround time and a wide range of structural repairs are carried out. The team maintain 16 lifts in tower blocks, 11 lifts in high rise blocks, multi storey car parks and offices, and 15 smaller lifts in sheltered housing and other miscellaneous buildings.

2.0 Purpose of upgrading Normandie Tower lifts

2.1 The upgrade of the Normandie Tower lifts was part of a programme of upgrades for all housing lifts in tower blocks, high rise flats and sheltered housing. Lift systems like any other mechanical system deteriorate over time by wear and tear due to continued use. The Normandie Tower lifts were over 40 years old and in need of modernisation. Norwich City's independent insurance assessor had stated that the system did not meet current safety standards and recommended the lifts be assessed against the European standard for improving lifts. The results of the assessment formed the basis of the specification.

2.2 The works enabled compliance with the Disability Discrimination Act 1995 and improved door safety equipment, car levelling controls and overspeed safety systems.

The upgrade works included:

- Replacement of ropes (main hoisting and governor)
- Renewal of lift system controllers.

- Renewal of cables and wiring
- Renewal of lift car controls
- Renewal of landing call stations.
- Renewal of lift car communication system
- Renewal of motor room and shaft lighting
- Renewal of car/landing door operators and installation of edge detection systems
- Replacement of associated electrical switch gear in lift motor room
- Cosmetic works by replacement of the car flooring, cleaning the car stainless steel wall finishes and upgrading the car lighting.

3.0 Timeline

Date	Action
July 2011	Construction phase plan approved and F10 issued
22 August 2011	RH Lift (Odd floors) Contract start
20 October 2011	RH Lift completion
24 October 2011	LH Lift (Even floors) start
13 December 2011	LH Lift completion
7 January 2012	First fault causing lift to be out of use
27 February 2012	Withholding final payment
1 May 2012	Final payment approved
8 June 2012	Last fault causing lift to be out of use
9 August 2012	PMA Inspection report on 36 minor snagging items
18 January 2013	PMA Inspection report on snagging items
24 January 2013	Lifts incorporated into ongoing lift maintenance contract (Otis)

4.0 Tender Process

4.1 Companies were selected from Construction Line – a national online database of vetted contractors (in effect a select list). This was the council's method of selecting prospective tenderers at the time. Omega scored 9.16 against a national benchmark average of 8.00. They submitted the lowest tender which was thoroughly scrutinised. It was almost dismissed at evaluation stage due to the Construction Line permitted value of work being too low, however during the evaluation period the value was increased (completely independently from the evaluation process) by Construction Line to £750,000.

Tenders were invited from the following Contractors:

- Ace Lifts and Elevators
- Jackson Lifts
- Omega City Lifts
- Otis Ltd
- Schindler Lifts
- Stannah Lift Services

Tenders were returned from:

- Jacksons Lifts
- Omega City Lifts
- Otis Ltd
- Stannah Lift Services

The tender prices for the proposed works were:

- £184,240.00
- £215,347.00
- £217,012.00
- £231,976.00

The successful Tender was submitted by Omega Lift Services in the sum of £184,240.00.

5.0 Contractual Situation

5.1 The works were tendered using a full specification prepared by specialist lift consultant Peter McAllen & Associates and the form of contract was the General Conditions of Contract MF/1 Rev 4 2000 recommended by the Institution of Mechanical Engineers, Institution of Electrical Engineers and Association of Consulting Engineers.

5.2 Omega offered to carry out the works based upon the specification, terms and conditions that they tendered on. The offer was accepted by letter of intent and a purchase order. Omega did not apply to amend the terms and conditions. The documents were sent to Legal Services for formal signing but this did not get done due to high workload within Legal Services at the time. This does not mean that there was not a contract between the city council and Omega. Basic contract law states that if one party makes an offer and the other accepts the offer then a contract is formed and the conditions as drafted apply. This is a common situation in construction projects and sometimes contracts are not signed until after the contract is completed.

5.3 The eventual programme of works, prepared by Omega City Lifts, for each lift was adhered to with start and completions dates met accordingly.

Start date RH Odds Lift 22 August 2011 – Completion 20 October 2011

Start date LH Evens Lift 24 October 2011 – Completion 13 December 2011

6.0 Problems following handover

6.1 The defects liability and maintenance period started for the right hand lift on 20 October 2011 and for the left hand lift on 13 December 2011. These dates are when the lifts were examined by Omega and certified ready to return to service. The definition of completion (within the contract) was that the lifts be returned to service.

6.2 There were a number of faults with the lifts following completion that caused the lifts to go out of use. These are summarised below: The response time by Omega to attend site was frequently outside of the specified requirement.

Right Hand Lift (Odd numbered floors)

7 th January 2012	Call Out	Set up safety Gear
13 th February 2012	Call Out	Landing door abused at 13 th floor.
8 th June 2012	Call Out	various Items
28 th June 2012	Call Out	"Trap in" followed by various attendances to faulty controller issue. Finally resolved 5 th July 2012.
29 th June 2012	Call out	Faulty circuit board.
3 rd July 2012	Call out	New relay fitted – faulty card.
5 th July 2012	Call out	New relay fitted – faulty connection on circuit board.i

Left Hand Lift (Even numbered floors)

30 th January 2012	Call Out	Set up magnets
13 th February 2012	follow up from site survey	Motor encoder faulty, lift shut down. Omega attended again 17 th February 2012, replaced brake board but fault still existing, lift still switched off. No record of when brought back into service.
21 st February 2012	Call Out	Reset safety gear
22 nd February 2012	Call out	Broken motor windings, out of service
23 rd February 2012		replaced motor with new.
8 th March 2012	Call Out	lift car door fault
10 th May 2012	Call Out	lift car door fault
8 th June 2012	Call Out	Various items

6.3 As a result of the number of break downs the lift consultant, PMA, were engaged to carry out an inspection on 9th August 2012. They concluded that the lift cars had not been set up correctly and that rectification works were required. However, they also commented that the quality of equipment used was well above the minimum level specified and that, overall, the installation was good with no real recommendations.

6.4 Unfinished work or defects were, largely, resolved during the defects liability period. A further report from PMA, dated 18 January 2013, is evidence of this.

6.5 The type of contract used for this project was common in terms of lift upgrades but not in general construction use and the Contract Administrator for this project was not familiar with this contract form. Whilst this meant there were sometimes delays in terms of resolving issues and applying the contract terms (due to the need to continually refer to the contract conditions) it did not affect any decisions/actions taken.

6.6 A LOLER (Lifting operations and Lifting Equipment Regulations 1998) inspection of all the Councils lift installations is carried out every six months by Zurich (the Councils insurance provider), however due to the lifts in Normandie Tower being refurbished this did not happen at the scheduled inspection date of October 2011 (Zurich did attend but did not carry out the inspections). However the tests on completion, as detailed in the refurbishment specification, cover the first 6 months operation of the lift before another LOLER inspection is due. The commissioning inspection carried out by the lift installer (Omega) therefore covered this requirement in the case of the right hand lift to 20th April 2012 and the left hand lift to 13th June 2012. The LOLER inspections carried out by Zurich recommenced on both lifts on 1st May 2012.

6.7 The team within Property Services is relatively small (6 posts in total) and they had been carrying two vacancies following the restructure of the service and pending the transfer of property services. The result of this was that officers were not able to allocate the required time to manage this contract as we would have liked. Although this did not put any residents or the project at risk it did mean there were unnecessary delays in the contract management process.

7.0 Complaints

7.1 There have been relatively few complaints, and those received have been from one leaseholder who is a resident of Normandie Tower and the chair of the Norwich Leaseholders Association who is not a resident of the block.

8.0 Lessons Learned

8.1 Signing of contracts – The city council procurement team are now responsible for administering this part of the contract process. They keep a log of all tenders and liaise closely with NPLaw to ensure that all contracts are signed in a timely manner where possible.

8.2 Enforcement of contract – there was a lack of knowledge on the part of the contract administrator with respect to the form of contract used. Property Services now ensure that Contract Administrator's familiarise themselves with the terms and conditions prior to work starting on site.

8.3 Supervision – specialist consultants will be engaged to fill the resource gap when works are on site but clearly this will result in increased project costs of which leaseholders will have to share the cost of.

8.4 As outlined in paragraph 6.6 a LOLER inspection is generally carried out by the council's insurance assessor every six months however after an upgrade the commissioning inspection by the upgrade contractor is sufficient. Property Services must ensure that the insurance assessor is aware of the timing of upgrade works and when inspections should recommence.

8.5 Looking ahead the current vacancies will be filled on a permanent basis so that the service is fully resourced. In addition, following the Property Teams transfer to NPS all teams will have access to a wider pool of knowledge and experience within NPS Group. Also Property Services will carry out an audit of their contract management procedures, making improvements where necessary, in order to gain accreditation as part of the NPS Group Information and Business System.

Recommendations

The Board are asked to note the content of the report and to identify any matters they wish to raise with the Councils Scrutiny Committee.