

Agenda item:

[No.]

Cabinet Procurement Committee

On 27th October 2009

Report Title. **Framework Agreement for Asbestos Surveys, Bulk Material Analysis, Asbestos Air Sampling and Monitoring and Periodic Inspections**

Report of **Director of Corporate Resources**

Signed :

Contact Officer : Jey Jeyakumar, 020 8489 1070

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report (That is, the decision required)

- 1.1. To seek Cabinet Procurement Committee approval to award framework agreements for the provision of asbestos surveying services for buildings owned or managed by the Council and Homes for Haringey; and other instances where the Council may have a public duty.

2. Introduction by Cabinet Member (if necessary)

- 2.1. I note the recommendations set out in this report.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. The opportunity to procure long term agreements for asbestos surveying services was identified through the Council's Category Management strategy.
- 3.2. The framework agreement complies with the Homes for Haringey and Haringey

Council Corporate Asbestos Policies. These documents are included as appendices to the contract document for this framework agreement.

4. Recommendations

- 4.1. In accordance with CSO 11.03 that framework agreements for asbestos surveys, bulk material analysis, asbestos air sampling and monitoring and periodic inspections be awarded to those companies listed in Appendix 1
- 4.2. That the framework agreement be awarded for a period of 2 years with an option to extend for a further 2 years and with an estimated total value of £200,000 per year.

5. Reason for recommendation(s)

- 5.1. The Council currently procures construction project-related asbestos surveying services through the use of a pre-qualified list of contractors that is managed the Construction Procurement Group (CPG). The Council's Category Management strategy has identified asbestos surveying as an area of spend where benefits can be achieved through the procurement of a long term procurement arrangement.
- 5.2. The framework agreement will provide a mechanism for the procurement of asbestos surveying companies for individual projects. Commissions will normally be let on a call-off basis. Selection will be on the basis of the most economically advantageous tender (MEAT) based on the results of the procurement process for the framework agreement and performance measured through key performance indicators (KPI). The framework agreement will also allow for the option to let commissions via mini-competitions.
- 5.3. The use of a framework agreement will provide a robust contract management process, with key performance indicators used to monitor contractor performance in order to maintain a quality service for the Council and to inform the decision making process taken in selecting companies through the call-off process (see 5.2 above).
- 5.4. The framework agreement will be available to all Council directorates and Homes for Haringey.
- 5.5. The framework agreement will also be able to provide routine inspections to Haringey schools in order to maintain an annual schedule of inspections.
- 5.6. It is intended that an asbestos database is to be provided by one of the successful contractors, using a separate procurement process through this framework agreement. This will provide details of surveys carried out for Council assets for future record, which will be utilised in any future construction work that may be carried out. It will also be used to monitor the schedule of inspections for

Haringey schools.

6. Other options considered

6.1. The Construction Procurement Group examined the option of using other public sector arrangements for the provision of asbestos surveying. No such arrangements were discovered within the public sector that catered for asbestos surveying services and which Haringey could legitimately access.

7. Summary

- 7.1. The procurement followed an EU tender process. A contract notice was published on 20th February 2009 via the Official Journal of the European Union (OJEU).
- 7.2. Pre-qualification Questionnaires (PQQ) were received from 20 companies. The pre-qualification questionnaires were assessed by officers from CPG, the Children & Young People's Service and Homes for Haringey.
- 7.3. The 8 companies with the highest scores following evaluation of pre-qualification questionnaires were invited to tender for the framework agreement on 31/07/09. Valid tenders were received from 7 companies. One tender was received after the deadline for the return of tenders.
- 7.4. Please see Appendix 1, point 1.2
- 7.5. Tenders were assessed on a 60% Quality: 40% Price basis.
- 7.6. Quality evaluation was based upon tenderers' responses to questions relating to their proposed delivery of the framework agreement (see Appendix 1, 1.5 for questions). The content of the questions related to both business delivery and specialised asbestos surveying expertise. The potential marks available for each question were specified in the tender documents. The quality responses were evaluated by officers representing the Children & Young People's Service and Homes for Haringey.
- 7.7. Price was evaluated using a schedule of rates submitted by each tenderer. The schedule of rates related to specific types and quantities of work that may be carried out through this framework agreement. The calculation of tender scores for price was undertaken using calculation factors for each item that were specified in the tender documents.
- 7.8. The 3 companies with the highest scores following the tender evaluation are being recommended to be appointed under this framework agreement.

8. Chief Financial Officer Comments

8.1. The proposal to move to a framework agreement for asbestos surveying should provide better prices for this type of work as well as a more streamlined procurement process. All spend on this contract will be from the capital programme.

9. Head of Legal Services Comments

9.1. The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, allows local authorities to enter into framework agreements with service providers, and to select service providers in respect of specific projects from amongst those providers with which it has concluded framework agreements.

9.2. The framework agreement to which this report relates has been tendered in the EU in accordance with the Public Contracts Regulations 2006, using the restricted procedure, a tendering procedure whereby expressions of interest are invited by advertisement in the Official Journal of the EU, with a selection of the contractors who have expressed an interest being invited to submit tenders.

9.3. This report is recommending award of the framework agreement to the companies named in Appendix 1. These companies have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Public Contracts Regulations.

9.4. As the total estimated value of the contracts to be awarded under the framework agreement is likely to exceed £250,000, the proposed award must be approved by Members pursuant to CSO 11.3.

9.5. The award of this framework agreement is a key decision and the client has confirmed that it has been included in the Forward Plan.

9.6. The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of the report.

10. Head of Procurement Comments

10.1. This procurement exercise falls within the scope of the EC Public Procurement Directives and was advertised accordingly in the Official Journal of the European Union (OJEU).

10.2. As a result, 6 valid bids were received and evaluated and from which 3 companies have been selected to the Framework Agreement.

- 10.3. Asbestos surveys and related services are crucial to managing risks to public health and the well-being of the borough and the successful companies have been selected on the basis of quality (60%) and price (40%).
- 10.4. The Framework Agreement will be managed by Corporate Procurement and monitored using the Contract Management System.
- 10.5. There was robust competition and the recommendation to appoint the 3 firms in Appendix 1 offers overall best value to the Council.

11. Equalities & Community Cohesion Comments

- 11.1. All pre-qualification questionnaires were evaluated in terms of equality and diversity. The companies to be appointed under this framework agreement have demonstrated a commitment to equalities and diversity.
- 11.2. The framework agreement will benefit all wards within the borough.

12. Consultation

- 12.1. The procurement process for the framework agreement has been undertaken in consultation with the Children & Young People's Service, Homes for Haringey and Corporate Legal Services.
- 12.2. Following discussions with Corporate Legal Services and Homes for Haringey the decision was taken not to hold a Section 20 Leaseholder consultation (under Section 151 of the Commonhold and Leasehold Reform Act 2002) for this procurement. It is anticipated that asbestos survey work to communal areas will be of minimal value and therefore the minimum reimbursement of £100 per leaseholder will not be reached. If an instance occurs in which the Section 20 consultation applies a mini-competition will be held with the companies appointed to this framework plus a contractor nominated by affected leaseholders.

13. Service Financial Comments

- 13.1. The costs involved in the use of the framework agreement for future asbestos survey work will come from the capital budget for the directorate for which work is being carried out.
- 13.2. The prices submitted by the successful tenderers have been assessed and are competitive against the current market. The option for the use of mini-competition for the award of asbestos survey work is also available for projects covered by this framework agreement. This will provide further competition in terms of price.

14. Use of appendices /Tables and photographs

14.1. Appendix 1 of this report contains information exempt from public viewing. The information contained relates to the evaluation process for this procurement.

15. Local Government (Access to Information) Act 1985

15.1. Appendix 1 of this report contains exempt information and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

- *Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).*