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08 February 2007

To: All Members of the Executive
c.c. All Other Persons Receiving Executive Agenda

Dear Councillor,

Executive Procurement Committee - Tuesday, 13th February, 2007

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

**12. APPOINTMENT OF CONTRACTOR PARTNERS TO BSF
FRAMEWORK AGREEMENT (PAGES 1 - 6)**

(Report of the Acting Director of Finance): To inform Members of the Procurement activity currently underway which will eventually lead to the appointment of contractor partners to a framework agreement.

**18. VARIATION TO THE SECONDARY SCHOOLS PFI AGREEMENT
(PAGES 7 - 58)**

(Report of the Director of the Corporate Resources): Purpose To seek approval to vary the PFI agreement to permit the designers and contractors to enter the schools and carry out works. Also to adapt the output specification, payment mechanism and other aspects of the agreement to reflect the work done.

Yours sincerely

Richard Burbidge
Member Services

HARINGEY COUNCIL

Agenda item: **[No.]**

Procurement Committee

13 February 2007

Report Title: **Appointment of Contractor Partners to BSF Framework Agreement**

Forward Plan reference number (if applicable): **N/A**

Joint Report of: **Director of Children and Young People's Service**

Ward(s) affected: **All**

Report for: **Information**

1.0 Purpose

1.1 To inform Members of the Executive Procurement Committee of the procurement activity currently underway which will eventually lead to the appointment of contractor partners to a framework agreement. The contractors on the framework agreement will be appointed to undertake the construction work associated with the schools projects within the BSF programme.

2.0 Introduction by Executive Member

2.1 In view of the importance of the BSF programme to the Council I shall be informing/consulting this Committee at regular intervals as the programme progresses.

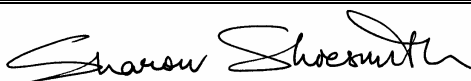
I recommend you approve the process for appointment of contractor partners to a framework agreement.

3.0 Recommendations

3.1 That Members note and approve the process undertaken to date, as outlined in this report for information.

3.2 That Members note that the Executive Procurement will be informed on a regular basis about the procurement activity being undertaken through the BSF programme, and agree that this process continue.

4.0 Report Authorised by:



Sharon Shoesmith
Director
The Children and Young People's Service

Contact Officer: **Hilary Gillies, Head of Capital Procurement & BSF Procurement Lead, ext 1824.**

5 Executive Summary

- 5.1 Haringey has confirmed £179m of DfES funding from the Building Schools for the Future (BSF) programme, aimed at transforming the delivery of secondary education in the Borough.
- 5.2 Following the appointment of a framework of Design Team Partners at the end of 2006, the programme is now progressing the procurement of contractor partners to form a Contractor Partner framework agreement. A mix of new build and refurbishment / remodelling will be included in the package, and a mix of contractor competencies is therefore required on the framework.
- 5.3 A framework agreement of approximately 5 Contractor Partners will be appointed to deliver the construction work.

6 Reasons for any change in policy or for new policy development (if applicable)

- 6.1 N/A

7 Local Government (Access to Information) Act 1985

- 7.1 List of background documents:
- OGC Achieving Excellence Procurement Guide 09 "Design Quality"
 - Haringey "Building Schools for the Future" Outline Business Case
 - OGC Guidance for the use of Framework Agreements

8 Background

- 8.1 The Building Schools for the Future (BSF) programme was launched by the DfES in February 2003, with the objective that "School buildings should inspire learning. They should nurture every pupil and member of staff. They should be a source of pride and a practical resource for the community".¹
- 8.2 BSF is a long term programme of investment and change, aimed at transforming educational standards, via 21st century learning environments. BSF is not merely a building programme. However, it does require that schools are designed and built to be flexible and adaptable to deliver current and future needs within the community.
- 8.3 The London Borough of Haringey (Haringey) has secured £179m of programme funding from the DfES through the BSF project, which will involve rebuilding,

¹ David Milliband, Schools Minister at the time of the programme launch.

remodelling and new build schemes for twelve secondary schools. Quality of design is paramount to the successful outcome of Haringey's BSF programme, and a framework of Design Team Partners has now been appointed

- 8.4 In order to translate quality design into the built schools environment, the BSF programme now needs to appoint contractor partners with the right vision, capacity and capability to deliver the transformational outcomes required.

9.0 Contractor Partner Procurement

- 9.1 The BSF Procurement Sub-Group proposed that the most suitable procurement route for the delivery of remodelling, rebuilding and new build construction work - given the significant skills and capacity demands of such a programme - is via a framework of Contractor Partners. This framework is procured in accordance with EU public procurement regulations.

- 9.2 The procurement aims to achieve the engagement of approximately 5 Contractor Partners, with the relevant and appropriate skills, experience, capacity and capability to deliver the construction remodelling, refurbishment and new build schemes included in the programme. The construction works in the programme are valued at £149m.

- 9.3 The procurement process is designed to allow the Design Team Partners to progress designs to Stage E (the detailed design stage) after which stage the contractors provide a lump sum to complete the remaining design and construction works. This process is underpinned by a design and build contract, designed by Partnerships for Schools as part of the national BSF programme.

- 9.4 The successful Contractors will need to work closely not only with the BSF team, but also with a wider range of stakeholders (internal and external), including Legal, Technical and Financial advisors, and schools representatives.

- 9.5 Pre-qualification questionnaires have been received from 11 compliant tenderers, and are currently being evaluated by teams within the programme to assess their capacity and capability in a number of areas including Equalities, Health and Safety, Sustainability, Finance and Quality.

- 9.6 Tender documents were sent to tenderers on 19th January, with responses due back on 28th February, i.e. after the 40 day response period in line with the OJEU requirement

10.0 Consultation

- 10.1 There has been continuous consultation with a wide range of stakeholders – including school headteachers, governors and Members – during all phases of the DTP selection (defining the process, selecting the designers, and interviewing).

11.0 Benefits and Risks

- 11.1 The key benefits of implementing a framework agreement to manage the appointment of the schools construction works is that it will ensure sufficient capacity and capability to meet the demands of an extensive programme of work and within the tight deadlines, and for the duration of the programme.
- 11.2 A key risk of this programme is the tight deadlines and the impact on not meeting the defined milestones and targets.

12.0 Contract and Performance Management

- 12.1 The framework agreement contract will be tightly managed by the BSF Construction Lead and the recently appointed Project Managers within the programme. The Contractor Partners will be expected to build in KPI and performance measures into their programme.

13.0 Summary and Conclusions

- 13.1 The BSF programme requires transformational design, the construction elements of which are to be delivered by Contractor Partners with the suitable and sufficient skills, experience, capacity and capability.
- 13.2 The appointment of Contractor Partners onto a framework agreement will allow selection of suitable contractors, in a timely and cost effective manner, to a programme of work which has demanding and tight deadlines.
- 13.3 A wide range of stakeholders have been involved, and will continue to be involved at all key stages throughout this process.

14.0 Recommendations

- 14.1 That Members note and approve the process undertaken, as outlined in this report for information.
- 14.2 That Members note the intention to inform the Executive Procurement Committee, on a regular basis, about the procurement activity being undertaken through the BSF programme, and agree this way forward.

15.0 Equalities Implications

- 15.1 An intrinsic deliverable of the BSF programme is the delivery of improved equalities opportunities within a learning environment. Contractor Partners will be made aware of this requirement

16.0 Health and Safety Implications

- 16.1 The Contractor Partners will work to the specific requirements of the Construction (Design and Management) (CDM) regulations.

17.0 Sustainability Implications

- 17.1 A key requirement of the DfES funding, of the Mayor's office and of Haringey's own sustainability policy is to properly and fully consider all pertinent areas of sustainability.

17.2 Haringey's Sustainable Procurement Manager is involved in the delivery of the BSF programme at key points.

18 Financial Implications

18.1 There are no direct financial implications of this report.

19 Comments of the Director of Finance

19.1 The Director of Finance has been consulted and has no specific comments to make.

20 Comments of the Head of Legal Services

20.1 The Public Contracts Regulations 2006 allows local authorities to enter into framework agreements with contractors and to select contractors for specific projects from the contractors with which it has concluded framework agreements.

20.2 As the estimated total value of the contracts to be let under the BSF Contractor Partner framework agreement exceeds the threshold for Works specified in the Public Contracts Regulations (currently £3,611,319), the framework agreement has been advertised in the Official Journal of the EU, using the restricted procedure – a procedure by which expressions of interest are invited, with a selection of those who have expressed an interest being invited to tender.

20.3 The Head of Legal Services notes the progress to date in respect of the procurement of the framework agreement and confirms that there are no legal reasons preventing Members from approving the recommendations of this report.

21 Comments of the Head of Procurement

21.1 The Head of Capital Procurement has been closely involved in the procurement process for the Contractor Partners, and confirms to Members that the process has been undertaken in a compliant, transparent and equal manner.

21.2 The Head of Procurement supports the recommendations to Members as outlined above.

Appendices / Tables / Photographs

22.1 N/A

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