

CABINET MEMBER SIGNING

Friday, 18th March, 2022, 11.00 am

Members: Councillors Isidoros Diakides – Cabinet Member for Finance and Transformation

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

3. AWARD OF CONTRACT FOR ALEXANDRA HOUSE AND 48 STATION ROAD REFURBISHMENT WORKS (PAGES 1 - 6)

4. EXCLUSION OF THE PRESS AND PUBLIC

Item 5 is likely to be subject to a motion to exclude the press and public from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

5. EXEMPT - AWARD OF CONTRACT FOR ALEXANDRA HOUSE AND 48 STATION ROAD REFURBISHMENT WORKS (PAGES 7 - 10)

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Thursday, 10 March 2022

Report for: Cabinet Member Signing – 18 March 2022

Title: Award of Contract for Alexandra House and 48 Station Road Refurbishment Works

Report authorised by: David Joyce, Director of Housing, Regeneration & Planning

Lead Officer: Andrew Meek, Head of Organisational Resilience

Ward affected: Noel Park, Wood Green

**Report for key/
non key decision:** Key Decision

1. Describe the issue under consideration

- 1.1 Following the approval of the Station Road Refurbishment Works Programme at Cabinet in November 2021, it is proposed to award a contract to carry out refurbishment and fit-out works at Alexandra House and 48 Station Road, in order to meet the objectives of the programme.

2. Cabinet Member Introduction

N/A

3. Recommendations

The Cabinet Member for Finance and Transformation is asked:

- 3.1 Pursuant to Contract Standing Order 16.02, to approve an award of contract to Alcema Ltd for the sum of £3,665,316 to deliver the part refurbishment and redecoration of Alexandra House and the full refurbishment of office floors in 48 Station Road.
- 3.2 Pursuant to Contract Standing Order 16.02, to approve the issuance of a letter of intent for up to 10% of the contract value, totalling £366,531.
- 3.3 To approve the contingency sum as set out in the exempt part of this report (Part B).
- 3.4 To approve the delegation as set out in the exempt part of this report (Part B)

4. Reasons for decision

- 4.1 The report “Station Road Refurbishment Works” approved at Cabinet on 9th November 2021 gave three reasons for programme.
- 4.2 Firstly, to deliver office accommodation improvements, noting the poor standard of existing office accommodation, and the need for essential maintenance as well as interior redecoration.

- 4.3 Secondly, to enable the continued adoption of flexible working, so that officers can work in and for the borough, whilst maintaining a good work-life balance through the adoption of Hybrid working. The plans will modernise audio-visual equipment, office layouts and furniture to provide a variety of work settings to enable greater cross-service collaboration and partnership working.
- 4.4 Thirdly, it supports short-term goals in the Accommodation Strategy, such as the release of 40 Cumberland Road to be repurposed as an Enterprise Hub. This aligns with the overall aim of relocating core office and civic functions to the refurbished Civic Centre in 2025, by ensuring the buildings the Council occupies in the interim are maintained in suitable condition.
- 4.5 The proposed contract enables the Council to meet these objectives and achieve value for money and delivery of the works within an acceptable timeframe.
- 4.6 The letter of intent is required to enable the preferred contractor to begin mobilisation at an early stage, thereby expediting delivery of the programme.
- 4.7 The rationale for the additional recommendation is also set out in the exempt part of the report.

5. Alternative options considered

5.1 Do Nothing

- 5.5.1 This option, which is not to appoint Alcema Ltd to undertake the proposed works, is not recommended as the Council would fail to achieve the agreed Accommodation objectives as set out in the November cabinet report.
- 5.5.2 This would mean the Council would be left without suitable office workspace for its staff, and significant operational difficulties in achieving plans for more flexible working.
- 5.5.3 Further information on why this is not recommended is set out in the Exempt Part B.

5.2 Other redecoration / refurbishment options

- 5.5.2 Other options for proceeding with a different scope of works were considered and rejected at an earlier stage and are set out in the November Cabinet Report.

6. Background Information

6.1 Context

- 6.1.1 In the November cabinet report "Station Road Refurbishment Works" it was noted that the Covid-19 pandemic had had a major impact on how staff carried out their work. We noted that staff working much more frequently was expected to be a long-term trend, but at that time, staff were beginning to work more frequently in the office.
- 6.1.2 Over the winter of 2021/22, it was necessary to ask staff again to work from home wherever possible, in response to the government's Plan B measures. These have now been lifted, and planning is able to resume towards greater presence of staff in the borough, working more directly with residents.
- 6.1.3 For these reasons, the overall strategy described in the report as "Hybrid Working" remains important, as does the need for flexibility.

6.1.4 We continue to engage with the workforce and the trades unions, to ensure we understand staff concerns, and take full account of equalities issues through the delivery of the programme.

6.2 Progress to date

6.2.1 As indicated in the November cabinet report, a number of contracts have been issued or will be issued for enabling works.

6.2.2 These have included work on fire safety matters, reception area improvements, and work to create a new cycling hub to enable more staff to cycle to work as part of our commitment to active travel.

6.2.3 It has also included early refurbishment of two office floors to facilitate gaining vacant possession of spaces needed for the programme to progress in a timely way.

6.3 Scope of works

6.3.1 As per the previously approved cabinet report from November 2021, the majority of the work will be delivered through the appointment of a main contractor, proposed in this report. The proposed scope of works are as follows.

6.3.2 Alexandra House

- a. Full refurbishment of Floors 1, 2 and 8 to provide Corporate Touch Down and Collaboration Spaces
- b. The remaining floors will be redecorated with new paint, carpets and tea points, with the exception of level 9 which is being refurbished as a separate project to accommodate the CCTV team
- c. Toilets of floors 1, 2 and 8 will be reconstructed to provide fully accessible and gender-neutral facilities
- d. Toilets on the remaining floors will be refurbished to include sensor taps, hand dryers and soap dispensers

6.3.3 48 Station Road

- a. Full refurbishment of all floors to provide service specific fit out requirements
- b. All floors to include painting, carpets and confidential and public meeting rooms
- c. Toilets on the ground floor and touchdown floor are to be fully reconstructed to provide accessible and gender-neutral facilities
- d. Toilets on the remaining floors will be redecorated and include sensor taps, hand dryers and soap dispensers

6.4 Procurement approach

6.4.1 For this main contract, tender documents were prepared including Employers Requirements and Pricing Documents which were issued to Main Contractors through a competitive tender process.

6.4.2 These works were tendered under the LHC Public Buildings Construction and Infrastructure Framework (PB3) as a JCT Design & Build Contract.

6.4.3 Our originally anticipated tender return was delayed from 17th January 2022 to 4th February 2022, due to capacity constraints in the construction market.

- 6.4.4 The LHC PB3 Framework is compliant with the Public Contracts Regulations 2015 and covers all public buildings such as schools and community buildings. It is available for use by all local authorities, housing associations and other public sector bodies.
- 6.4.5 In order to qualify to participate in the LHC PB3 Framework, all contractors have met the pre-qualification form PAS91 setup by British Standards Institute and Government. The Framework is compliant with the PCR 2015.
- 6.4.6 In terms of complying with the requirements of the Procurement Process, the tender includes a stage called the Selection Questionnaire in which Suppliers provide evidence on their ability to deliver the requirement of the Framework. The Framework used was for different types of buildings, Offices and other buildings for social infrastructure being one of them. The Selection Questionnaire also took into account Turnover (not dropping below 2 times the value banding) and capability to deliver contract within the relevant value band (in this case, between £2million and £7million).

6.5 Evaluation criteria

- 6.5.1 When the tender was published, the following scoring criteria was utilised to analyse the tender returns to ensure compliance with the Council's requirements;
- Project Management Team – 10%
 - Site Logistics – 10%
 - Programme Management – 15%
 - Cost Management – 15%
 - Risk – 15%
 - Social Value – 35%

6.6 Procurement Outcome

- 6.6.1 Details of the evaluation of the tender return are set out in the Part B of this report. The assessment concludes with a recommendation to award a construction contract to Alcema Ltd up to the value of £3,665,316.
- 6.6.2 The independent Cost Consultant for this project (Fulkers Bailey Russell) is satisfied with the pricing offered by Alcema Ltd against the pre-tender estimate. A detailed analysis of the tender returns against the PTE is provided within the tender analysis report and summarised in Part B.

6.7 Social Value

- 6.7.1 As part of the council's commitment to promoting the use of local labour and resources, the Section Questionnaire specifically asked the contractors to advise how their organisation would create work-related opportunities, including job ready schemes/work placements/traineeships and/or apprenticeships and new recruits, targeted towards relevant socially excluded groups
- 6.7.2 Alcema Ltd participate in the Haringey Connected Communities Programme which they work with to support local communities into employment. They have also registered on the Haringey Careers Portal and will use this service to assist in creating and filling job vacancies for the project.

6.8 Overall Programme costs

- 6.8.1 The overall cost for the Programme remains within the budget set out in the November Cabinet report.
- 6.8.2 Further procurement activity is in progress to cover furniture, audio-visual equipment, logistical support for managing office moves and other items.

7. Contribution to Strategic Outcomes

- 7.1 This report contributes to the Borough Plan priority “Your Council” – Outcome 19 “Outcome 19: We will be an able, positive workforce with the skills needed to deliver for Haringey”. The Delivery Priority this supports is “Design smarter working environments to endorse modern and agile working”.

8. Statutory Officers comments (Director of Finance, Procurement, Head of Legal and Governance, Equalities).

8.1 Finance

The recommendation of the report is to award a contract to Alcema Ltd for the sum of £3.67m to deliver (1) the Part Refurbishment and Redecoration of Alexandra House and (2) the full refurbishment of office floors in 48 Station Road. In addition, a contingency sum will be recommended in the part b report. Both the contract sum, and the contingency can be accommodated within the overall budget for the accommodation strategy. As the contract is being awarded in March, the resources for the contract will need to be slipped into 2022/23.

8.2 Procurement

The procurement has been conducted in line with the authorities Contract Standing Orders and Public Contract Regulations.

Strategic Procurement support the award of contract to Alcema Ltd up to the value of £3,665,316.

8.3 Legal

- 8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 8.3.2 The Contract which this report relates to has been procured by a mini-competition under the LHC PB3 Framework. This is in compliance with the Public Contracts Regulations 2015.
- 8.3.3 Pursuant to Contract Standing Order 16.02 the Cabinet Member having the relevant portfolio responsibilities has authority to approve the recommendations in the report.
- 8.3.4 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Finance and Regeneration from approving the recommendations in the report.

8.4 Equality

- 8.4.1 The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not
- 8.4.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.4.3 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 8.4.4 Following the approval of the Station Road Refurbishment Works Programme at Cabinet in November 2021, it is now proposed to award of contract to carry out refurbishment and fit-out works at Alexandra House and 48 Station Road.
- 8.4.5 The November Cabinet report relating to the substantive decision to proceed with these works detailed how equalities considerations have been noted in the development of the programme, including addressing the specific needs of disabled people.
- 8.4.6 As an organisation carrying out a public function on behalf of a public body, the Contractor A will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the major works does not result in any preventable or disproportionate inequality.

9. Use of Appendices

- 9.1 Appendix 1 – Part B

10. Local Government (Access to Information) Act 1995

- 10.1. List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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