



NOTICE OF MEETING

Cabinet Procurement Committee

TUESDAY, 27TH NOVEMBER, 2007 at 18:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Adje (Chair), Diakides, Meehan and Santry.

AGENDA

1. APOLOGIES FOR ABSENCE (if any)

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 12 below. New items of exempt business will be dealt with at item 19 below.

3. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

4. MINUTES (PAGES 1 - 4)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 23 October 2007.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. FURTHER UPDATE ON THE PROCUREMENT OF AN ICT MANAGED SERVICES PROVIDER FOR THE BUILDING SCHOOLS FOR THE FUTURE PROGRAMME (PAGES 5 - 10)

(Report of the Director of the Children and Young People's Service): To update Members on the procurement procedure currently underway and progress made to date in the procurement of an ICT Managed Service Provider for the BSF Programme.

7. TETHERDOWN PRIMARY EXPANSION - PHASE 2 (PAGES 11 - 22)

(Report of the Director of the Children and Young People's Service): To seek a sub-delegation of authority to the Director of the Children and Young People's Service in consultation with the Cabinet Member for Children and Young People to award the contract for the Phase 2 Expansion, Tetherdown Primary School.

8. OATFIELD HOUSE AND TWYFORD HOUSE - REWIRING SCHEME (PAGES 23 - 34)

(Report of the Director of Urban Environment): To seek approval to award the contract for rewiring works at Oatfield House and Twyford House.

9. KENLEY AND NORTHOLT, BROADWATER FARM ESTATE - LIFT IMPROVEMENTS (PAGES 35 - 44)

(Report of the Director of Urban Environment): To seek approval to award the contract for lift modernisation works at Kenley and Northolt, Broadwater Farm Estate.

10. RE-PROCUREMENT HIGHWAYS AND STREET LIGHTING CONTRACTS (PAGES 45 - 54)

(Report of the Director of Urban Environment): To seek approval to the procurement of new contracts for both highways and street lighting works and the extension of the existing contracts to allow sufficient time for full procurement processes.

11. REACTIVE AND PLANNED MAINTENANCE CONTRACTS FOR THE OPERATIONAL BUILDING PORTFOLIO (PAGES 55 - 68)

(Report of the Director of Corporate Services): To outline the future options available for the efficient delivery of an integrated reactive and planned maintenance system across the operational building portfolio managed by Corporate Property Services and to seek endorsement for the preferred option and the action plan for the delivery of the proposals.

12. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at 2 above.

13. EXCLUSION OF THE PRESS AND PUBLIC

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

The following items allow for consideration of exempt information (if required) in relation to items 7 – 11 which appear earlier on this agenda.

14. TETHERDOWN PRIMARY EXPANSION PHASE 2 (PAGES 69 - 72)

(Report of the Director of the Children and Young People's Service): To seek a sub-delegation of authority to the Director of the Children and Young People's Service in consultation with the Cabinet Member for Children and Young People to award the contract for the Phase 2 Expansion, Tetherdown Primary School.

15. OATFIELD HOUSE AND TWYFORD HOUSE - REWIRING SCHEME (PAGES 73 - 78)

(Report of the Director of Urban Environment): To seek approval to award the contract for rewiring works at Oatfield House and Twyford House.

16. KENLEY AND NORTHOLT BROADWATER FARM ESTATE, LIFT IMPROVEMENTS (PAGES 79 - 84)

(Report of the Director of Urban Environment): To seek approval to award the contract for lift modernisation works at Kenley and Northolt, Broadwater Farm Estate.

17. REACTIVE AND PLANNED MAINTENANCE CONTRACTS FOR THE OPERATIONAL BUILDING PORTFOLIO MANAGED BY CORPORATE PROPERTY SERVICES (PAGES 85 - 88)

(Report of the Director of Corporate Services): To outline the future options available for the efficient delivery of an integrated reactive and planned maintenance system across the operational building portfolio managed by Corporate Property Services and to seek endorsement for the preferred option and the action plan for the delivery of the proposals.

18. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

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19 November 2007

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 23 OCTOBER 2007**

Councillors *Adje (Chair, *Diakides, *Meehan and *Santry

*Present

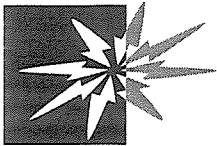
MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC26.	<p>DECLARATIONS OF INTEREST (Agenda Item 3)</p> <p>A declaration of interest was made by Councillor Adje in respect of agenda item 7 – Children’s Centres Phase 2 South Haringay Infant School Award of Contract - (see Minute PROC.29 below).</p> <p>Declarations of interests were also made by Councillors Adje, Diakides and Meehan in respect agenda item 10 – Provision of Banking Services – Award of Contract (see Minute PROC.32 below).</p>	HLDMS
PROC27.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED:</p> <p>That the minutes of the meeting held on 4 September 2007 be approved and signed.</p>	HLDMS
PROC28.	<p>APPOINTMENT OF DESIGN TEAM PARTNER TO HARINGEY'S BUILDING SCHOOLS FOR THE FUTURE PROGRAMME (Report of the Director of the Children and Young People’s Service - Agenda Item 6)</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
PROC29.	<p>CHILDRENS CENTRES PHASE 2 - SOUTH HARRINGAY INFANT SCHOOL AWARD OF CONTRACT (Report of the Director of the Children and Young People’s Service - Agenda Item 7)</p> <p>Councillor Adje declared a personal interest in this item by virtue of being a Governor of South Haringay Juniors School.</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <p>1. That, in accordance with Contract Standing Order 11, approval be granted to the award of the contract for the refurbishment and remodelling of an existing Annexe building to form a</p>	DCYPS

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 23 OCTOBER 2007**

	<p>Children's Centre at South Harringay Infant and Junior Schools to Bolt and Heeks Ltd in the sum of £673,729.23 (excluding VAT).</p> <p>2. That it be noted that the contract period was 23 weeks.</p>	
<p>PROC30.</p>	<p>TIVERTON ESTATE NORTH (2 - 240 TIVERTON ROAD N15) - ENVIRONMENTAL WORKS (Report of the Director of Urban Environment - Agenda Item 8)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>We expressed our displeasure at the absence of any representatives from either the Directorate of Urban Environment or Homes for Haringey and we asked that a protocol be developed for the submission and presentation of reports to our Committee in relation to housing contracts which were being managed by Homes for Haringey.</p> <p>Clarification was sought of the variations in the following elements of the estimated block costs vis a vis the lowest and the second lowest tenders and we asked that a response be provided outside the meeting –</p> <ul style="list-style-type: none"> • Demolition • Access roads and paths new paving • Steel fencing, gates and screens <p>Concern was expressed that while nine firms had returned pre-qualification questionnaires and four firms invited to tender, only two tenders had been submitted and we asked that officers review the tendering exercise undertaken to ensure the outcome represented value for money.</p> <p>RESOLVED:</p> <p>1. That, in accordance with Contract Standing Order 11 and subject to final consideration of any leaseholder observations at the expiry of the second Section 20 Notice period on 5 November 2007, approval be granted to the award of the contract for environmental works at Tiverton Estate North (2 - 240 Tiverton Road N15) to Crowley Gabriel in the sum of £353,342.09 with a contract period of 19 weeks.</p> <p>2. That the Director of Urban Environment be authorised to approve the award of contract after expiry of the Second Section 20 Notice period and the consideration of comments received from leaseholders.</p>	<p>DUE</p> <p>HPr</p> <p>HPr</p> <p>DUE</p> <p>DUE</p>
<p>PROC31.</p>	<p>REACTIVE AND PLANNED MAINTENANCE CONTRACTS FOR THE</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 23 OCTOBER 2007**

	<p>OPERATIONAL BUILDING PORTFOLIO MANAGED BY CORPORATE PROPERTY SERVICES (Report of the Director of Corporate Services - Agenda Item 9)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <p>That consideration of the report be deferred to the next meeting of the Committee on 27 November 2007 to enable the following information to be included in it –</p> <ul style="list-style-type: none"> • Comments of Homes for Haringey • Details of all the contracts involved by value and length together with the names of the contractors • Cost implications of novating the contracts 	DCS/ HPS
PROC32.	<p>PROVISION OF BANKING SERVICES - AWARD OF CONTRACT (Report of the Acting Director of Finance - Agenda Item 10)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>Councillors Adje, Diakides and Meehan each declared a personal interest in this item by virtue of being a member of the Co-operative Society.</p> <p>Arising from our consideration of paragraph 8.4 of the report we asked that officers supply all Members of our Committee with copies of the ethical record sections of the Pre-Qualification Questionnaires submitted by the 5 banks who bid for the provision of banking services to the Council.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the award of the banking services contract to the Royal Bank of Scotland in the sum of £172,000 (excluding VAT). 2. That authority to decide the commencement date of the contract be delegated to the Acting Director of Finance following discussions with the preferred supplier. 	ADF ADF ADF



Haringey Council

Agenda item:

[No.]**Procurement Committee****On 27 November 2007**

Report Title: A Further Update on the Procurement of an ICT Managed Services Provider for the Building Schools for the Future Programme

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

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

Wards(s) affected: **N/A**

Report for: **Information**

1. Purpose

1.1 This report is the third in a series of four reports (three for information and the fourth for award of contract) and seeks to update Members on the procurement procedure currently underway and progress made to date in the procurement of an ICT (Information and Communications Technology) Managed Service Provider (MSP) for the Building Schools for the Future (BSF) Programme.

2. Introduction by Cabinet Member

2.1 Securing an ICT Managed Service Provider in Haringey secondary schools is central to the Council's vision to achieve transformation in teaching and learning. The process of procuring this service has included extensive dialogue with schools and is a regular item on key stakeholder groups.

2.2 Good progress is being made through the competitive dialogue procurement process to shape a service that meets the needs of the Council and its schools. I fully support this process and the progress that is being made and recommend the report to the Procurement Committee.

3. Recommendations

3.1 That Members note the purpose of this procurement is to let a contract to a single supplier to provide a solution to supply and install all the required ICT equipment, software and networks for secondary schools in the borough and provide maintenance and associated services for a minimum period of 5 years.

3.2 That Members note that this is the third of four reports (three for information and the fourth for award of contract) for presentation at Procurement Committee to be

scheduled at key stages of this procurement to keep Members informed of progress.

3.3 That Members note the procurement procedure currently underway and progress made to date as outlined in this report.

3.4 That Members note the outcome of this procurement will lead to seek Members' agreement as a key decision to award the contract for an ICT MSP for the BSF programme with a total contract value of approximately £26 million for a 5 year contract term.

Report Authorised by:



Sharon Shoemith
Director
The Children and Young People's Service

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4. Chief Financial Officer Comments

4.1 As this report again recommends noting of the procurement procedure, there are no direct financial implications. The eventual awarding of the contract is, however, significant and will need to be fully and properly considered in the light of BSF funding availability.

5. Head of Legal Services Comments

5.1 The contract to which this report relates was advertised in Europe, using the competitive dialogue procedure – a procedure, introduced under the Public Contracts Regulations 2006 for use in the procurement of complex contracts, which allows a procuring authority enter into dialogue with interested contractors prior to awarding a contract.

5.2 The Head of Legal services notes the progress to date made in respect of the procurement of the ICT Managed Service Provider.

6. Head of Procurement Comments

- 6.1 The Head of Procurement notes the process and progress made so far in this procurement and supports the recommendations outlined in paragraph 3.
- 6.2 The Competitive Dialogue process is a relatively new process, and lengthier than other procurement processes hitherto used by Haringey. It is therefore prudent that officers inform members as to the progress made and that they advise of the expected timescales and desired outcomes.

7. Local Government (Access to Information) Act 1985

- 7.1 The following background documents were used in the preparation of this report:
None

8. Strategic Implications

- 8.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and Haringey Council has secured approximately £194 million of funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £26 million.
- 8.2 The outcome of this procurement intends to provide the Council with an innovative managed services solution to promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

9. Background

- 9.1 The BSF programme was launched by the Department for Education and Skills (DfES), now the Department for Children, Schools and Families (DCSF), in February 2003 and is the biggest single government investment in improving school buildings for over 50 years. The aim is to enable every local authority in England to rebuild, renew or renovate every secondary school over a 10-15 year period to bring the learning environment for Haringey's young people aged 11-19 into the 21st century.
- 9.2 Partnerships for Schools (Pfs) is a Non-Departmental Public Body (NDPB), wholly owned by the DCSF but jointly funded by DCSF and Partnerships UK. Pfs provide a range of specialists to work with local authorities to help develop the education vision and ensure that the BSF programme is delivered in the most cost-effective way for the taxpayer.
- 9.3 The investment is in the design and construction of school buildings and also in ICT to support the government's educational reform agenda. Haringey Council is a wave 2 and 4 local authority and has secured approximately £194 million of funding (including contributions from the DfES, Learning and Skills Council and other associated funds), to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £26 million.

9.4 The procurement of the construction and ICT elements are being managed as separate procurement projects under the BSF programme. This report aims to inform Members of the Procurement Committee of the procurement procedure for the ICT element only.

10. Summary of the Procurement Procedure reported to previous Procurement Committees

- 10.1 This is the third of four reports (three for information and the fourth for award of contract) for presentation at Procurement Committee scheduled at key stages of the procurement procedure to keep Members informed of progress. The first report was presented to Procurement Committee on 13 March 2007 [Minute No. PROC44.] and the second on 27 June 2007 [Minute No. PROC11.].
- 10.2 The procurement is being conducted using the competitive dialogue procedure and commenced in December 2006 with the advertisement of the Contract Notice in the Official Journal of the European Union (OJEU).
- 10.3 Evaluation of suppliers' Pre-Qualification Questionnaires (PQQs) resulted in a long-list of 6 bidders to Invite To Participate in Dialogue (ITPD) ; the first of two stages in the Dialogue phase of the procurement which commenced in March 2007.
- 10.4 Evaluation of bidders' written responses to the ITPD and presentations resulted in a recommendation for a short-list of three bidders to be Invited To Continue Dialogue (ITCD); the second stage in the Dialogue phase of the procurement.
- 10.5 The recommendation for the long-list and short-list of bidders was approved by the BSF Programme Board on 13 March and 22 May respectively.

11. Progress Made in the Procurement Procedure since the last report

- 11.1 The Invitation To Continue Dialogue (ITCD) was issued to the 3 short-listed bidders on 22 June 2007.
- 11.2 An intensive succession of meetings have been held with each of the bidders to assist in them in the information gathering exercise and preparation of their Initial Bids which were submitted to Haringey on 12 October.
- 11.3 Meetings that were held include:
- 11.3.1 generic dialogue streams meetings including Technology, Transformation, Innovation, Managed Services, Integration;
 - 11.3.2 meetings with the Evaluation Team (otherwise known as the Core Group);
 - 11.3.3 visits to the three sample schools; Gladesmore, Northumberland Park/The Vale and St Thomas More;
 - 11.3.4 specific dialogue streams meetings on Technology, Construction, Funding/Affordability, Services (including training, managed services and TUPE);
 - 11.3.5 Pre-Initial Bid meetings

- 11.4 The Initial Bids are currently being evaluated by the Core Group, comprised of representatives from Haringey secondary schools, CYPS and IT Services.
- 11.5 A presentation by bidders to the ICT Forum, comprised from representatives from all Haringey secondary schools, is scheduled for 06 November and will be evaluated by both the Core Group and the ICT Forum.
- 11.6 The purpose of evaluating the Initial Bid stage of the procurement is primarily to inform the remaining period of the Dialogue phase, expected to continue for another 3-4 months, whereby bidders' ICT solutions will be further defined and refined before Dialogue is formally declared as concluded.
- 11.7 Following conclusion of the Dialogue phase bidders will be required to submit Final Tenders for evaluation on the basis of the most economically advantageous tender (MEAT), prior to selection of a preferred bidder and subsequent approval from Procurement Committee for the award of contract anticipated to be in May 2008.

12. Financial Implications

- 12.1 There are no direct financial implications of this report.

13. Legal Implications

- 13.1 There are no direct legal implications of this report.

14. Equalities Implications

- 14.1 There are no direct equalities implications of this report.

15. Consultation

- 15.1 Consultation continues throughout the procurement process with stakeholders in the BSF programme, including but not limited to representatives from Haringey secondary schools, the Council, PFS, Eversheds and Members of the Procurement Committee.
- 15.2 Further consultation with Members of the Procurement Committee will continue with the presentation of a fourth and final report (anticipated to be in May 2008) to recommend the award of contract to the Preferred Bidder.

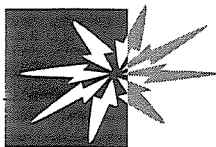
16. Conclusion

- 16.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and Haringey Council has secured approximately £194 million of funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £26 million.
- 16.2 This report seeks to update Members of the Procurement Committee of the procurement procedure currently underway for the ICT element of the BSF Programme and progress made to date.

16.3 The outcome of this procurement intends to provide the Council with an innovative managed services solution to promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

17. Use of Appendices / Tables / Photographs

17.1 None



Haringey Council

PROCUREMENT COMMITTEE REPORT

Tetherdown Primary Expansion Phase 2

Agenda item:

[No.]**Procurement Committee****On: 27th November 2007**Report Title: **Tetherdown Primary Expansion Phase 2**Forward Plan reference number (if applicable): **N/A**Report of: **Sharon Shoesmith, Director of The Children and Young People's Service**Wards(s) affected:
Muswell Hill and Fortis GreenReport for: **Key Decision****1. Purpose**

- 1.1 This report seeks Member approval to assign delegated authority to the Director of Children and Young People's Service (C&YPS) in consultation with the Cabinet Member for Children and Young People to award the contract for Phase 2 Expansion, Tetherdown Primary School on the basis that it does not exceed the maximum construction value, as defined in Appendix A Exempt Information.

2. Introduction by Cabinet Member

- 2.1 I recommend the proposals in this report to the Committee. It is essential that works commence at the start of January 2008 in order to be completed for reception admissions in September 2008

3. Recommendations

- 3.1 That Members agree to award the contract subject to the Agreed Maximum Price which will be delegated to the Director of C&YPS in consultation with the Cabinet Member for C&YPS, as allowed under Contract Standing Order (CSO) 11.03 and in accordance with the recommendations stated in paragraph 20 of this report.
- 3.2 To award approval based on a robust cost plan not to exceed a maximum construction value as defined in Appendix A.

Report Authorised by:



Sharon Shoesmith
Director
The Children and Young People's Service

Contact Officers:

Ian Bailey - Deputy Director, CYPS – Business Support and Development

Claire Barnes - Project Manager, CYPS Tel: 020 8489 1962

4. Director of Finance Comments

4.1 The Director of Corporate Finance has been consulted in the preparation of this report. The current approved budget for this project is £5.8m. A review of spend to ensure that all essential and appropriate works had been incorporated into the cost plan, identified the need for additional funding of £775k, bringing the total revised project cost to £6,576k. The additional funding required has been identified from existing resources within the overall C&YP capital programme. (This does not take account of the recent 3 year capital allocation which is higher than expected). The cost of the phase 2 contract is included in the revised project total cost of £6,576k.

5. Head of Legal Services Comments

- 5.1 The Framework Agreement to which this report relates has been tendered in the EU in accordance with the Public Contracts Regulations 2006.
- 5.2 Regulation 19 of the Public Contracts Regulations, 2006, provides that selection of contractors for specific projects under a Framework Agreement may be undertaken by mini-competition.
- 5.3 Under the Council's Contract Standing Orders, any contracts (whether let under a Framework Agreement or otherwise) with an estimated value of over £250,000 must be awarded by the Procurement Committee.
- 5.4 This report is seeking that the Procurement Committee delegates its power under CSO 11.03 to award contracts for specific projects to contractors selected from the BSF Contractor Partners Framework Agreement, on receipt of an agreed maximum price for each package, to the Director of Children's and Young People Service.
- 5.5 The report states that the Construction Procurement Group has developed a rigorous selection process for the selection of contractors from the Framework. Appendix B to the report sets out this process. CSO 11.01(b) allows for tenders to be accepted on the basis of providing most benefit to the Council, as determined

by such criteria as are relevant to the type of works.

5.6 Under Part 3E of the Council's Constitution, the Procurement Committee may delegate its powers to an officer. This power is derived from Section 15 of the Local Government Act, 2000.

5.7 This contract appears in the Forward Plan version 65, 27th November.

5.8 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations in Paragraph 20 of this report.

6. Head of Procurement Comments

6.1 The contractor selected to undertake the works outlined in this report has been selected in accordance with the correct selection procedure for the operation of the framework agreements.

6.2 The Head of Procurement therefore supports the recommendations made at paragraph 3.

7. Local Government (Access to Information) Act 1985

7.1 List of background documents:

- ❖ Cost report prepared by the cost consultant.
- ❖ Framework Agreement for major Works, January 2006 (Project banding £1,000,000 - £2,499,999m)

7.2 This report contains exempt and non-exempt information. Exempt information is under the following category (identified in amended Schedule 12A of the Local Government Act 1972). S.(3) Information relating to financial or business affairs of any particular person (including the authority holding that information). Exempt information is, however, held in an Appendix to this report (Appendix A).

8. Executive Summary

8.1 Tetherdown Primary School is a popular and successful school in Muswell Hill. The Council identified that due to a high demand for school places in the area, the school would need to be expanded from a one form entry school to a two form entry school.

8.2 The expansion project was divided into 2 phases. Phase 1 was approved by Procurement Committee in March 2006 and is scheduled for completion on the 20th November 2007.

- 8.3 Work is required under phase 2 to complete the accommodation and allow reception admissions in September 2008. This report relates to Phase 2 only, the refurbishment and conversion of the original school building.
- 8.4 The main contractor for the project has been selected under the Council's framework for major works of value between £1m and £2.499m. This contractor is in the process of collating detailed prices for the works, including those parts to be carried out by sub-contractors.
- 8.5 Works must commence at the start of January 2008 in order to be completed for reception admissions in September 2008. To allow this, we are seeking approval to the Director of the Children and Young People's Service, in consultation with the Cabinet Member for Children and Young People, to award the contract, providing the overall price is within the cost plan set out in this report. The scope of work has been defined within two packages (1) Phase 2a and (2) Phase 2b. These packages are being tendered by the selected contractor during November and December 2007.

9. Background

- 9.1 The expansion of Tetherdown Primary School forms an integral part of C&YPS's strategy of expanding schools to meet pupil place needs where they are greatest.
- 9.2 An opportunity arose to acquire land from the adjacent TreeHouse Trust. The Central Foundation Schools of London sold a redundant playing field to the TreeHouse Trust, a London based UK charity planning to build a school for children with autism. A surplus of land became available and this land was purchased by the Council to accommodate the expansion. The purchase of this land offered a unique opportunity to expand a successful school and meet parental aspirations in the West of the borough.
- 9.3 The expansion project was divided into 2 phases. Phase 1 incorporated the demolition of the single storey hall, servery and kitchen and construction of a new classroom building, hall and kitchen building which would be linked to the existing school. This phase was competitively tendered, presented to and approved by Procurement Committee in March 2006. The works on site are ongoing with an anticipated completion date of the 20th November 2007.
- 9.4 This report presents a proposal to implement Phase 2. The work will incorporate the remodelling of the existing Tetherdown School. The accommodation comprises of a three-storey Victorian classroom block and a later single storey timber cabin two-class reception annex. The original classrooms and facilities are very cramped, are well below current standards and due to age and limited investment opportunities are in need of extensive external and internal repairs.

- 9.5 The contractor competitively selected to complete Phase 1 was appointed prior to the introduction of the Council's Construction Framework Arrangements.
- 9.6 Phase 2 of the Tetherdown Primary School Expansion Project will be delivered under a call-off arrangement from the Council's Framework Arrangement for major construction work.
- 9.7 To enable completion of phase 2, the school will decant into Phase 1 accommodation during Monday 17th and Friday 21st December 2007.
- 9.8 Phase 2 is intended to commence on site from January 2008, offering completion for September 2008. Achieving this timescale is critical to meeting reception admission requirements for September 2008.
- 9.9 Phase 2 incorporates a complete redevelopment of the existing building:
- ❖ All internal walls will be demolished and realigned including enhancements to thermal insulation, new lighting, power and heating. It will offer an extension to 2 ground floor reception classrooms and a 2nd floor extension. Due to age and deterioration, the roof covering will be replaced as well as all sash windows. The project will attend to the removal of asbestos and previous treatment of dry rot.
 - ❖ The single storey timber cabin classrooms will be removed. This will incorporate the formation of a new retaining wall, landscaping of associated area and resurfacing of the existing key stage 2 play ground.
 - ❖ The external elevations of the existing building will be repaired and cleaned.
- 9.10 The design for phase 2 has been developed in parallel to Phase 1.
- 9.11 In order to achieve the critical milestone of September 2008, phase 2 will be divided into 2 elements:
- ❖ Phase 2a will incorporate the roof, windows and 2nd floor extension works. This phase is currently being tendered by the framework contractor and will be commissioned in December 2007, enabling commencement from Monday 7th January 2008.
 - ❖ Phase 2b will incorporate all internal redevelopment works, asbestos removal, thermal insulation within the walls and roof, mechanical and electrical services, removal of timber buildings and all external landscaping. This phase will be tendered during November and December 2007 with a programmed commencement of construction towards the end of January 2008.

- 9.12 Bennett Sef, who were appointed lead designer for phase 1 from the Haringey Construction Related Consultancy Services (CRCS) Framework Agreement will continue with phase 2.
- 9.13 Phase 2 tenders will be sought on agreed packages of work between the contractor and cost consultant. On receipt, the tender will be evaluated against the cost plan, design and measurement of works prior to reaching and agreeing an AMP.
- 9.14 Planning Applications Sub-Committee granted permission for the development of Tetherdown Primary School, including conservation area consent to demolish the hall and timber cabins on the 10th October 2006.
- 9.15 The project has been developed in accordance with the Department for Children Schools and Families (DCSF) Building Bulletin BB99 "Briefing Framework for Primary School Projects" and follows extensive consultation with key stakeholders including school staff and governors. A number of consultation events were previously held at the school, inviting parents, local residents and other interested parties to view and comment on the project proposal

10. Budget

- 10.1 Initial funding provision was made for the Tetherdown Expansion project of £5.8m through DSCF Formulaic allocation to the Council for New Pupil Places 2005-2008.
- 10.2 The construction budget previously apportioned to Phase 2 stood at £980k. The value reported to the Agenda Clearing Committee on the 25th October 2007 reported an estimated construction value of £1.080m. The updated cost plan issued within this report offers a revised construction value of £1.272.568m. An explanation for the differential is in Appendix A.
- 10.3 A review has been undertaken to ensure all essential and appropriate works had been considered and incorporated into the design and cost plan. This included a condition survey of the roof and a specialist condition survey of roof beams, dry rot and windows and asbestos. The surveys are being conducted during October half term (22nd-26th October 2007) and reports will be available thereafter. The cost plan incorporates a provisional sum for this work which will be determined on receipt of the associated report and final tender price.
- 10.4 The allocation has been revised and reported to members within the budget monitoring report. A separate report has been passed to Corporate Finance demonstrating how this could be met from existing resources. This does not take account of the recent 3 year capital allocation which has exceeded expectations.

- 10.5 Ongoing revenue costs will be contained within the school budget. Case studies suggest that the use of controlled lighting is likely to produce an revenue saving of 30%. A combination of longer lamp life and reduced operating hours should double the interval between lamp replacement and halve the maintenance burden of proper disposal of fluorescent tubes. The predicted annual heating usage is estimated to produce a 37% saving on revenue.

11. Strategic Implications

- 11.1 The expansion of Tetherdown Primary School forms an integral part of C&YPS's strategy of expanding schools to meet pupil place needs where they are greatest.

12. Financial Implications

- 12.1 The allocation noted in 10.4 covers the period 2007-8, 2008-9 and 2009-10.

13. Equalities Implications

- 13.1 The design includes a link between the new block (phase 1) and the existing school (phase 2) at each level with a lift, stairs and level access and circulation to all areas of the school.
- 13.2 The scheme is designed to ensure the Authority complies with statutory requirements in relation to the Building Regulations Part M 2004 "Access to and Use of Buildings", and the Disability Discrimination Act 2005. This includes accessibility for wheelchair users by means of level access, 900mm clear door openings and accessible toilet. External ramps will be installed with a slip preventing tarmac.
- 13.3 The internal circulation space has been designed to be clear and simple in order to facilitate easy use and means of escape. Places around the building will be clearly identified through a range of devices including colour, graphics, shape and texture. Principal circulation routes will offer clear lines of vision assisting in promoting and monitoring a safe environment.
- 13.4 Expansion of the school will mean that an additional 210 pupils (30 per year) from the local area will be able to attend the school, which is popular and high achieving. This is in line with Government policy to expand successful schools. The expanded school will reach full pupil capacity of 420 pupils in 2012-13.

14. Sustainability Implications

- 14.1 The site enjoys ease of access to good public transport links with bus and access to tube links via East Finchley.
- 14.2 The expansion will enable local children to attend Tetherdown Primary School rather than other schools outside the immediate area, thus reducing travel distances and emissions.
- 14.3 Delivering sustainable design solutions and managing and minimising waste have been significant factors in the selection criteria for choosing the contractor. During the design and construction process materials will be assessed with regards to source, waste, energy, recyclability and use of standard component sizes to minimise waste.
- 14.4 Waste management solutions will be further developed with the contractor and implemented through Key Performance Indicators where feasible
- 14.5 Phase 1 and 2 has been designed to operate as one building with a common approach to sustainability.
- 14.6 Heating controls include compensation and optimisation to ensure the building is heated only when required. Insulated steel pipe work and steel radiator panels will replace existing.
- 14.7 Sanitary appliances will be water efficient low flush WC's and aerator spray taps.
- 14.8 The classrooms will be naturally ventilated via open windows. Mechanical ventilation will be provided in all WC's.
- 14.9 Hot water and ventilation plant will be time switch controlled. All controls will have the facility to be over-ridden, or for the pre-set periods to be extended, if required.
- 14.10 Energy saving electric lighting will be provided throughout the school including low energy light sources, occupancy sensors and time switch/photocell control of external lighting. This is estimated to increase energy efficiency by 15%. The total lighting load on completion of remodelling will offer an overall reduction of 4kw, giving a reduced annual energy consumption and a potential 50% energy saving compared to the existing building. The expected lamp life will increase from 10,000 to 15,000 hours.
- 14.11 Sound absorbing materials will be used to comply with acoustic separation requirements of BB93 with enhancements between the ground and 1st floor to reduce noise generation between floors due to the alignment of corridor space.
- 14.12 Rooms will include reflective and absorbing finishes to optimise reverberation times and speech intelligibility.
- 14.13 The development will provide opportunities for staff and children to influence their classroom and outdoor environments. The contractor will be able to

arrange educational visits so that children can understand more about the construction process and be aware of what is done and what jobs are involved to bring a project of this nature together.

- 14.14 Heating energy usage has been modelled using the DCFS BB87 Energy and CO2 Workbook Calculation Programme for existing wall, roof structure and internal insulation. The construction will meet the thermal performance requirements of the Building Regulations, Part L.
- 14.15 Landscaping and planting will include elements for acoustic screening of external play areas from neighbours.

15. Health and Safety Implications

- 15.1 The selected contractor has been assessed as competent under The Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety Policy.
- 15.2 As part of this contract and in conjunction with the Head teacher, the contractor will organise a presentation of the school from their Health and Safety advisor. There will also be regular supervised on-site visits for pupils, staff and Governors focusing on areas relating to the National Curriculum.
- 15.3 As required by the Construction, Design and Management (CDM) Regulations 2007, the Principal Contractor's Construction Phase Health and Safety Plan will be checked and approved by the client and the CDM Co-ordinator prior to the commencement of work on site and assistance will be given to the school to modify its own Health and Safety Plan should it be necessary on completion of the expansion project.
- 15.4 The school will be occupied during the works and delivering a full curriculum. The tender evaluation, in particular the interviews, sought solutions from the contractors for effective management of the works within an occupied school to minimise noise and disruption and ensure health, safety and security are maintained at all times
- 15.5 A rigid security hoarding will be erected around the site compound to protect ongoing school activities from the construction site.
- 15.6 Biodiversity considerations have been incorporated into the planting plan of the gardens for the new school in a number of ways. A blend of flowering and fruiting trees and shrubs have been included in the design to provide food and habitats for a variety of birds and insects. The extensive planting of lavender will provide pollen and nectar for bumblebees, many species of which have undergone steep declines in Britain. A number of species used in the plantings,

especially of shrubs and small tree's are native to southern England, which will help to support a range of insects and also native small birds. Additionally, works to eliminate dry rot will have an impact on fungal diversity in the building and the extensive renovation and cleaning may reduce bacteriological variety.

16. Consultation

16.1 Extensive consultation has been carried out with the end users in arriving at the agreed layout. Prior to the approval by Members for Phase 1, an open evening was held to invite comments and debate. C&YPS, Governors, Head Teacher and school staff have all had input in agreeing the design for Phase 1 and 2. Information and feedback from the consultation event and ongoing monthly Expansion Group Meetings have been incorporated into the final layout and design.

17. Description of Procurement Process and Selection of Contractor

17.1 The Construction Procurement Group has in place a number of Framework Agreements available for the call-off of contractors and consultants work.

17.2 Phase 2 contractor has been selected from the list of contractors for major works within the band £1,000,000 to £2,499,999.

17.3 The consultants were commissioned to complete both phases 1 and 2.

17.4 In line with the management arrangements for the Framework Agreements, a panel is required to jointly consider the appointment of any contractor off the framework. The project panel met on in May 2007 and was made up of the Project Manager (C&YPS), Construction Procurement Group and Contract Administrator (Bennett Sef).

17.5 The Construction Procurement Group has developed a rigorous selection process for the selection of contractors from the Framework. This process has been agreed by audit. It includes such factors as price and quality, health and safety performance, financial status, ranking under the original framework agreement evaluation process and the client's essential project criteria.

17.6 A meeting was held with the selected contractor on the 11th October 2007 to discuss the project in detail. This meeting concluded that the contractor has sufficient resource and ability to undertake the works.

17.7 The information referring to the selected contractor is exempt; refer to Appendix A.

18. Contract and Performance Management

18.1 Contract and performance management will be overseen by C&YPS working closely with the Construction Procurement Group.

19. Key benefits and Risks

19.1 Tetherdown is a popular and successful primary school that is heavily oversubscribed. The Council has previously agreed to expand this school to allow more local children to attend.

19.2 Completion by September 2008 is dependant on:

- ❖ Procurement approval is granted on the 27th November 2007. This was indicated within the agenda clearing report presented on Thursday 25th October 2007.
- ❖ Submission of tenders and detailed evaluation is carried out as programmed. Close monitoring of the programme and sufficient resources will support this activity.
- ❖ The tender return for Phase 2a and 2b are within the budget approved within C&YPS and cost plan provided. The cost plan provided by Potter Raper Partners is based on competitive market rates for such activities and has been measured against the design drawings issued by Bennett Sef.
- ❖ Issue of a letter of acceptance for each phase, followed by formal contract. This has been agreed with the Council's Legal Department.
- ❖ Construction commences in January 2008. The selected contractor considers they are able to support delivery.
- ❖ If completion for September 2008 cannot be achieved due to inclement weather or general unforeseen delays, a contingency plan will be implemented to ensure the school is able to accommodate reception admissions in 2008. Options are currently being reviewed between the Council, Head Teacher and Governors to support this admission.
- ❖ The school will move into phase 1 accommodation during the 17th-21st December 2007. The space available offers limited and minimal storage and welfare facilities. This will be managed in the short term but would be difficult to accommodate if a delay in construction occurred beyond September 2008.

20. Summary and Conclusion

20.1 This report seeks Member approval to assign delegated authority to the Director of C&YPS within the boundary of the project budget (refer to Appendix A)

20.2 The completion of phase 1 and 2 will accommodate increased pupil numbers from September 2008 and achieve design standards of BB99. The expansion project will offer modern and flexible facilities, benefiting teaching methods and enhance the environment for pupil learning.

21. Use of Appendices / Tables / Photographs

1. Appendix A – Exempt Information

REPORT TEMPLATE

Agenda item:

[No.]**Procurement Committee****On 27 November 2007**

Report Title: Oatfield House & Twyford House – Rewiring Scheme	
Forward Plan reference number (if applicable): Item 11 version 66	
Report of: Niall Bolger, Director of Urban Environment	
Wards(s) affected: Seven Sisters	Report for: Key Decision
<p>1. Purpose (That is, the decision required)</p> <p>1.1 To seek Members' agreement to award the contract for Rewiring Works at Oatfield House and Twyford House.</p>	
<p>2. Introduction by Cabinet Member (if necessary)</p> <p>The current system has reached the end of its useful life and needs to be replaced to comply with the current regulations and Health and Safety requirements. The new wiring to council owned dwellings within these blocks will reduce the need for unplanned maintenance in the future. Landlord services are included in the scheme to bring the whole of the electrical installation to the same standard. Residents and leaseholders have been consulted on these works. HfH have carried out the procurement exercise on</p>	

<p>behalf of the Council.</p>
<p>3. Recommendations</p> <p>3.1 That members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11.01(a), subject to final consideration of any leaseholder observations at the expiry of the second Section 20 Notice period which is scheduled to expire on 29 November 2007.</p> <p>3.2 That the Director Urban Environment approves the letting of the contract after expiry of the second Section 20 Notice period and the consideration of comments received from leaseholders.</p> <p>3.3 That the total estimated cost excluding fees as detailed in Para 2.1 of Appendix A be noted.</p>
<p>Report Authorised by: Niall Bolger, Director of Urban Environment</p>
<p>Contact Officer: Carl Bradley, ALMO Liaison and Consultation Officer, carl.bradley@haringey.gov.uk Tel. 020 8489 4454</p>
<p>4. Director of Finance Comments</p> <p>4.1 The Director of Finance has been consulted and advises that provision for the spend in 2008/09 exists in the Building Services budget within the Housing Capital programmes for that year.</p> <p>4.2 The balance of the expenditure is forecast to be spent in financial years 2009/10 and 2010/11 respectively. This will be a first call on resources available in those years.</p>
<p>5. Head of Legal Services Comments</p>

<p>5.1 The contract is below the threshold where tendering for works in Europe under the Public Contracts Regulations 2006 is required (currently £3, 611,319.00).</p> <p>5.2 Tenderers from an Approved List have been invited to tender in compliance with Contract Standing Order 8.03 (e).</p> <p>5.3 The Council wishes to award the contract to the contractor named in the Appendix to the report. The award is requested on the basis of lowest price tender.</p> <p>5.4 The Head of Legal Services is satisfied with the leaseholder consultation process to date.</p> <p>5.5 The decision is a “key decision” and, as such, needs to be included in the Council’s Forward Plan. It was included in Version 66, Item 11.</p> <p>5.6 The Director of Urban Environment requests approval from the Procurement Committee, with finalisation of leaseholder considerations delegated to the Director of Urban Environment</p> <p>5.7 The Procurement Committee has power to approve the award under CSO 11.03 (contracts over £250,000). It also has power to delegate any of its functions to officers under Section 15 of the Local Government Act 2000.</p> <p>5.8 The Head of Legal Services confirms that there are no legal reasons preventing approval of the recommendations contained in this report.</p>	<p>6. Head of Procurement Comments</p> <p>6.1 This project has sought tenders from four suppliers, representing a sufficient number to demonstrate value for money.</p>
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<p>6.2 Of the four suppliers invited to tender, three responses were returned.</p> <p>6.3 All of the tender prices have exceeded the pre-tender estimate, which was based on a varied specification from those on which tenders were returned.</p> <p>6.4 However, once this element of the tender variation is accounted for, the lowest priced tender, which is recommended for acceptance is only 2% above the pre-tender estimate.</p> <p>6.5 A full evaluation of all tenders has taken place, checking for compliance, arithmetic accuracy and value for money.</p> <p>6.6 The lowest price tender has been selected, and on this basis the Head of Procurement supports the recommendations made at paragraph 3.</p>	<p>7. Local Government (Access to Information) Act 1985</p> <p>7.1 List of Background Documents Tender report by Design and Engineering, Homes for Haringey, October 2007</p> <p>7.2 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A of this report 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):</p> <p>(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).</p>
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8. Strategic Implications

8.1 The block rewiring programme forms part of the overall asset management strategy and the 5 year capital programme that delivers the strategy. The 5 year capital programme report has been agreed with HfH board members and Haringey council officers.

9. Financial Implications

9.1 This scheme is estimated to cost the amount set out in paragraph 6.1 of Appendix A and is projected to be phased as shown in the same paragraph.

9.2 Provision for this exists within the Building Services budget within the Housing Capital Programme.

10. Legal Implications

10.1 See section 5 above

11. Equalities Implications

11.1 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.

12. Consultation

12.1 Homes for Haringey have carried out detailed consultation on this project by a resident meeting and detailed newsletters.

12.2 Upon appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and HfH Project Team so that any concerns can be addressed.

13. Background

13.1 The wiring to the blocks has not been renewed since the blocks were constructed approximately 40 years ago. The current system has reached the end of its useful life and needs to be replaced to comply with the current regulations and Health and Safety requirements. The new wiring to council owned dwellings within these blocks will reduce the need for unplanned maintenance in the future. Landlord services are included in the scheme to bring the whole of the electrical installation to the same standard. The electrical certification for the complete rewire will negate the need for maintenance work and electrical tests for a period of 5 years.

13.0 Proposed Work

13.1 The project entails the complete electrical rewire of all council owned dwellings and the landlord services including the communal lighting, lightning protection systems and provision of TV core services IRS (integrated reception system) Turksat and Hotbird.

- 13.2 Number of dwellings in project: 266
 Total estimated construction cost (excluding fees): see Para 2.1 of Appendix A Anticipated Contract start on site: 11 February 2008
 Anticipated Contract completion: 22 August 2008
 Contract duration: 28 weeks

13.3 There are 266 dwellings in this project which are made up of the following property types:

Type of Dwellings	No. of Units
High rise blocks	266

13.4 The properties in this project are located at:

- G1-G5 & 1-128 Twyford House, N15
- G1-G5, & 1-128 Oatfield House, N15

14.0 Leasehold Information

14.1 There are 31 leasehold properties within this project and these are as follows:-

- Oatfield House 8, 9, 13, 15, 21, 34, 95
- Twyford House G2,G3, G4, 2, 12,19, 20, 27, 41, 45, 46, 58, 74, 75, 89, 92, 101, 102, 103, 108, 110, 116, 119, 120

15.0 Project Management

15.1 Homes for Haringey, managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

15.2 The key members of the project team are as follows:

Elena Wilmot	Project Manager – Homes for Haringey
Michael O'Driscoll	Contract Administrator – Homes for Haringey
Paul Seward	CDM Co-ordinator – Gardiner & Theobald
Mel Davis	Tenancy Housing Manager – Homes for Haringey

16.0 Budget

16.1 This project will be funded from the Building Services budget within the 2007/08, 2008/09 and 2009/10 Housing Capital Programme.

17.0 Tenders

17.1 Tenders were invited from four firms from the Approved List of Contractors. The contractors were selected on their experience and financial capability. Consideration was also given to ensure that the contractors would not exceed their financial limit in the delivery of a project of this value.

17.2 Tenders were invited on the basis of a fixed price contract for a period of 28 weeks.

Tender 'A' - fixed price contract, for a period of 28 weeks.

Tender 'B' – contractor's offer period

17.3 Three out of four contractors invited to tender submitted a tender.

17.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 52%.

17.5 All tenders are open for acceptance for a period of six months from 8 October 2007, the closing date for receipt of tenders. Therefore tenders should be accepted by 8 April 2008.

17.6 The lowest firm price tender received with a contract period of 28 weeks is recommended for acceptance.

17.7 Full details of the tendering exercise are laid out in paragraph 3.0 of Appendix A.

18.0 Leasehold Implications

18.1 As a result of applications made under the Right to Buy legislation, there are 31 leaseholders as well as council tenants, living in the properties affected by the works described in this report.

18.2 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.

18.3 In accordance with the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices, and subject to the Procurement Committee's agreement the Council will award this contract to the lowest tender.

18.4 The Housing Service issued to the following Section 20 Notices to the leaseholders:

Notice of Intention issued on 24/5/2007 and expired on 23/06/07. A second Section 20 Notice (Notice of Estimates) is due to expire on 29 November 2007.

The notice will give a description of the proposed works and provided details of two estimates for the costs of the works. The leaseholder consultation process will not be complete until 30 days after the date of the Second Notice. The Legal Service is satisfied that leaseholder consultation has been carried out to date in accordance with the relevant legal requirements.

18.5 The total amount estimated to be recovered from 31 leaseholders is detailed in paragraph 5.1 of Appendix A.

18.6 The charges to all 31 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

19.0 Health and Safety Implications

19.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

19.2 The Construction (Design and Management) Regulations 1994 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor before works start on site.

20.0 Sustainability Implications

20.1 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products. The existing trunking and conduits will be used to run the wiring where possible, thereby retaining any equipment which still has a useful life.

The dwellings will be fitted with two low energy light fittings to the kitchen and bathroom areas. The new light fittings to the landlord's area will be more energy efficient and will have a longer life expectancy.

20.2 The majority of the existing wiring is buried within the fabric of the buildings and this will be left in situ. The new wiring contains an element of copper, a material that can be recycled at the end of its useful life.

20.3 The new wiring will reduce the need for maintenance as testing of the electrical system will only need to be carried out after ten years for dwellings and five years for the landlord's services.

20. Conclusion

20.1 That the procurement committee accept the recommendations outlined in section 3 above.

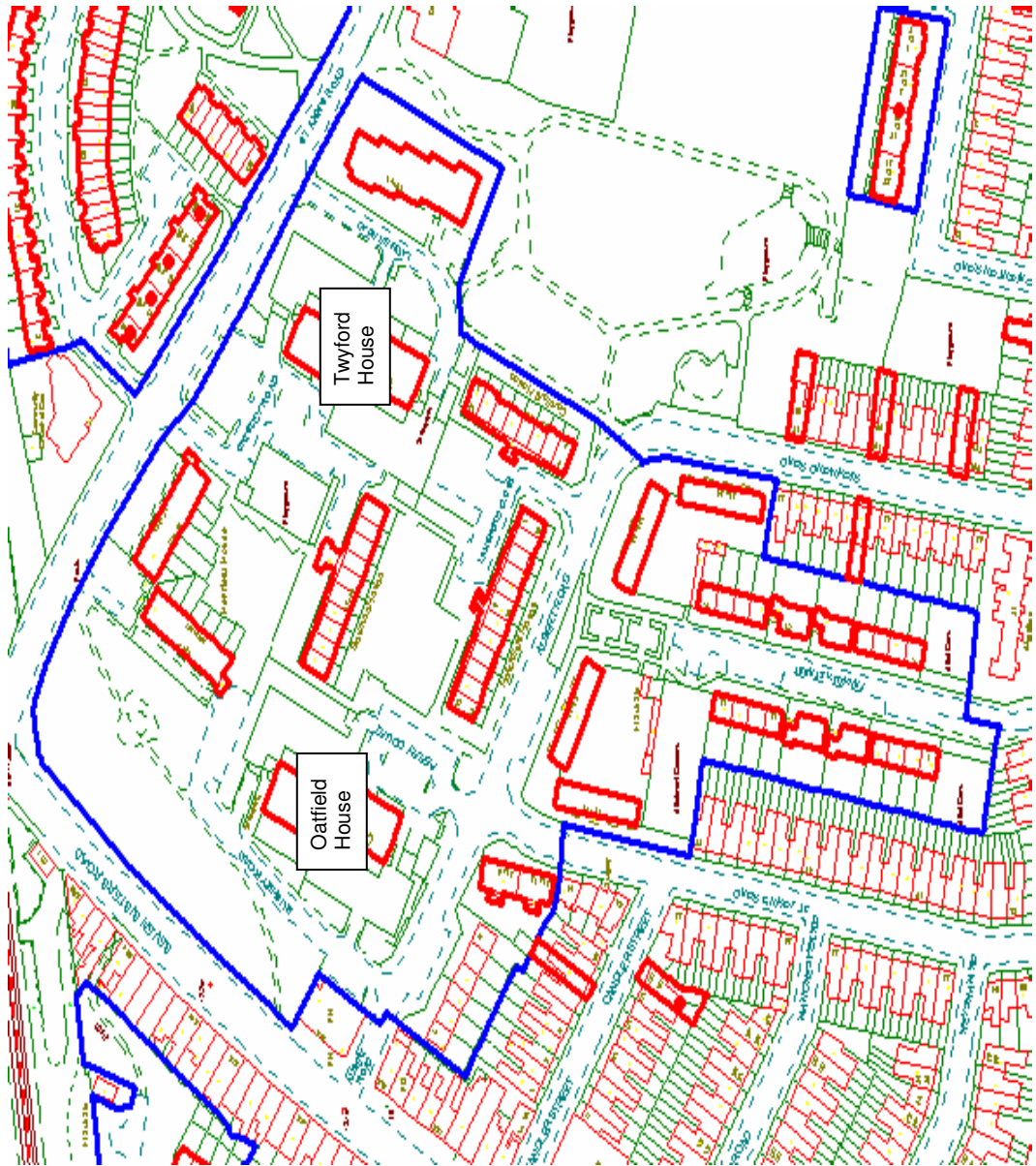
21.0 List of Appendices

Appendix A Exempt information

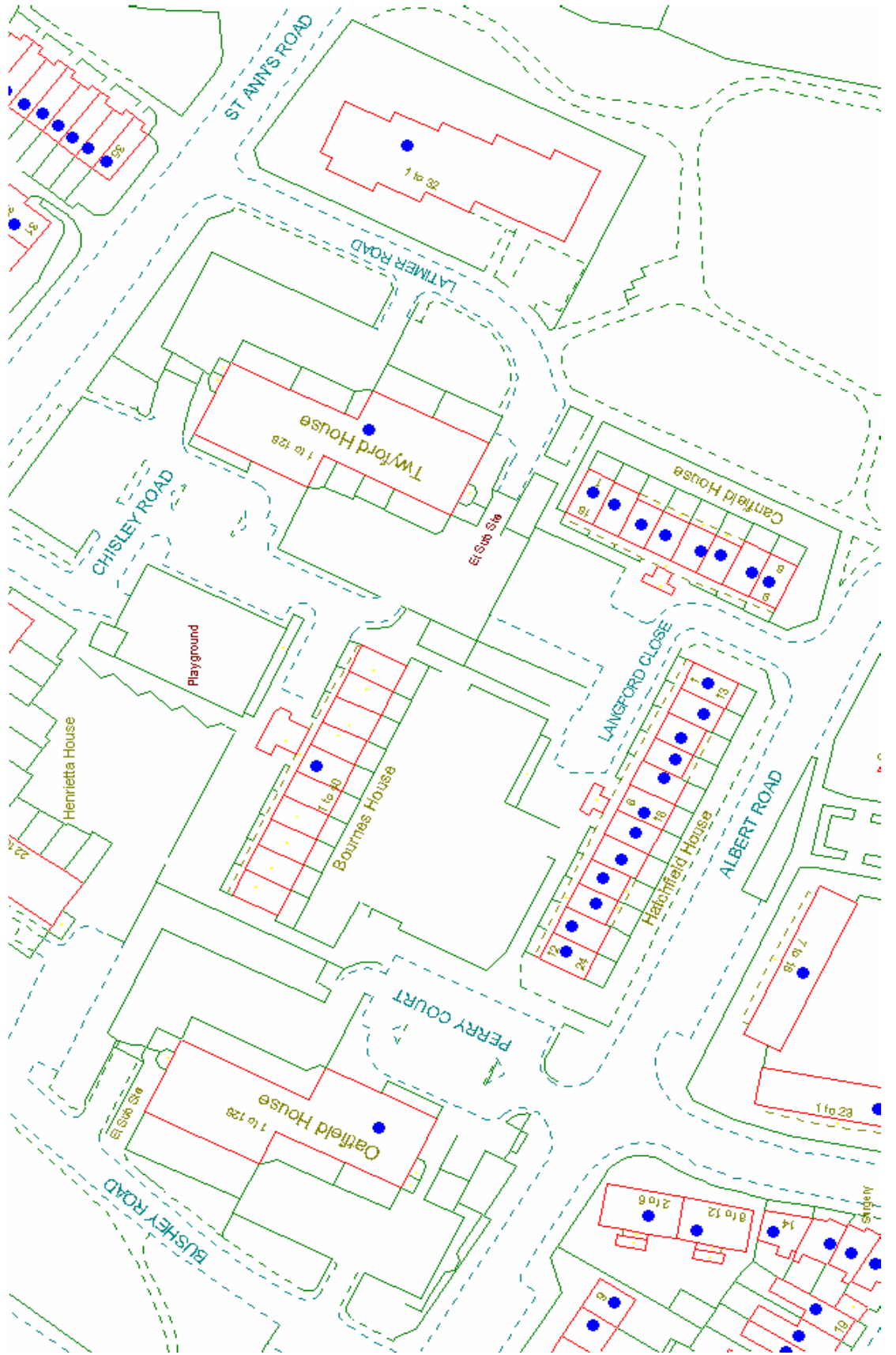
Appendix B Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate at junction of Seven sisters road and St Anns road

Appendix C Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate

Appendix B Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate at junction of Seven sisters road and St Anns road



Appendix C Map Showing location of Oatfield House and Twyford House on Fredrick Meser Estate



REPORT TEMPLATE

Agenda item: Kenley and Northolt, Broadwater Farm Estate – Lift Improvements

[No.]**Procurement Committee****On 27.11.07**

Report Title: Kenley and Northolt, Broadwater Farm Estate – Lift Improvements	
Forward Plan reference number (if applicable): 12 Version 66	
Report of: Niall Bolger, Director of Urban Environment	
Wards(s) affected: West Green	Report for: Key
<p>1. Purpose (That is, the decision required)</p> <p>1.1 This report is seeking Members agreement to award the contract for Lift modernisation works at Kenley and Northolt, Broadwater Farm Estate to Precision Lifts Limited.</p>	
<p>2. Introduction by Cabinet Member (if necessary)</p> <p>2.1 The project comprises the complete replacement of the existing lift systems at two high rise blocks on the Broadwater Farm Estate: Kenley and Northolt. The lift systems at the sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of lifts more efficient.</p> <p>The works will be carried out in two phases with the replacement of one lift in each of the blocks in the first phase, followed by the remaining lifts to the blocks in the phase two.</p> <p>Residents and leaseholders have been consulted on these works. HfH have carried out the procurement exercise on behalf of the Council. This project will be funded from the Lift Improvements budget within the Housing Capital Programme.</p>	
<p>3. Recommendations</p> <p>3.1 That Members agree to award the contract for the above project based on the lowest price criterion, as allowed under contract standing orders (CSO) 11.01(a), to the contractor and for the sum and contract period indicated in Para 3.6 of Appendix A</p>	

Report Authorised by: **Niall Bolger, Director of Urban Environment**

Contact Officer: **Carl Bradley, ALMO Liaison and Consultation Officer,**
carl.bradley@haringey.gov.uk Tel 020 8489 4454

4. Director of Finance Comments

4.1 The Director of Finance has been consulted and advises that provision for the spend in 2007/08 exists in the Building Services budget within the Housing Capital programmes for that year.

4.2 The balance of the expenditure is forecast to be spent in financial years 2008/09 and 2009/10 respectively. This will be a first call on the resources available in those years.

5. Head of Legal Services Comments

5.1 Two notices were issued to affected leaseholders (see paragraph 18.4 below) pursuant to section 20 of the Landlord and Tenant Act 1985 (as amended).

5.2 The notices were approved by the Legal Service before being sent to leaseholders. The Head of Legal Services is satisfied that the notices comply with the requirements of the Landlord and Tenant Act 1985 and with the Service Charge (Consultation Requirements) (England) Regulations 2003.

5.3 The estimated value of the contract works is below the threshold where EU tendering is required under the Public Contracts Regulations 2006 (currently £3,611,474). EU procurement rules are not applicable.

5.4 The contract has been tendered in accordance with Contract Standing Orders (CSO) in that contractors selected from the Approved List of Contractors were invited to tender. This procedure is expressly provided for by CSO 8.02(e).

5.5 Under CSO 11.01 an award may be made either on the basis of the lowest price tender or on the basis of the most economically advantageous tender. The contractor selected has been recommended for award of the contract on the basis that it submitted the lowest price tender in accordance with CSO 11.01(a).

5.6 As the contract value exceeds £250,000 the proposed award must be approved by the Cabinet pursuant to CSO 11.03. This says that the Cabinet must award all contracts over this value.

5.7 The Head of Legal Services confirms that there are no legal reasons preventing

members from approving the recommendation in paragraph 3.1 of this report.

6. Head of Procurement comments

- 6.1 Homes for Haringey have invited a good range of tenderers to bid for the lift improvement works; 7 tenderers were invited and six responded, representing a satisfactory response for such works.
- 6.2 Of some concern is the range of prices received in the 5 compliant tenders. These represent a 68% spread and the lowest price tender, which is to be accepted, is 35% lower than the pre-tender estimate.
- 6.3 Homes for Haringey have verified that the price received in this tender is viable, and have tested both the arithmetic and the compliance of the bid.
- 6.4 The Head of Procurement therefore notes that a satisfactory procurement process has been undertaken, and supports the recommendation made to members at paragraph 3.

7. Local Government (Access to Information) Act 1985

- 7.1 Tender Report by Design and Engineering, Homes for Haringey, September 2007
- 6.2 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A of this report 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) namely:
- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7.0 Strategic Implications

- 7.1 The lift replacement programme forms part of the overall asset management strategy and the 5 year capital programme that delivers the strategy. The 5 year capital programme report has been agreed with HfH board members and Haringey council officers.

8.0 Financial Implications

- 8.1 This scheme is estimated to cost the amount set out in paragraph 2.1 of Appendix A and is projected to be phased as shown in paragraph 6.1 of Appendix A
- 8.2 Provision for this exists within the Building Services budget within the Housing Capital Programme.

9.0 Legal Implications

- 9.1[click here to type]

10.0 Equalities Implications

- 10.1 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.
- 10.2 The Tenancy Management Officer has been consulted about the scheme so that any issues that residents may have with mobility problems can be addressed in advance of the work.

11.0 Consultation

- 11.1 Detailed consultations have been carried out on this project by newsletters.
- 11.2 Upon the appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and the Project Team so that any concerns can be addressed.

12.0 Background

- 12.1 The project comprises the complete replacement of the existing lift systems at two High rise blocks on the Broadwater Farm Estate: Kenley and Northolt. The lift systems at the sites are extremely old and spare parts are largely no longer available. The lift modernisation works will improve the reliability and make the operation of lifts more efficient.
- 12.2 The works will be carried out in two phases with the replacement of one lift in each of the blocks in the first phase, followed by the remaining lifts to the blocks in the phase two. It will be necessary for some residents to manage one flight of stairs on alternate floors for the duration of the lift replacement. Each lift replacement will take approximately 20 weeks. A lead in period of 22 weeks is expected for the manufacture of the lifts and the anticipated start date for installation is 12 June 2008 and the anticipated date for completion is 14 April 2009.
- 12.3 Seven contractors were invited to tender and six submitted a tender. The lowest tender received is recommended for acceptance.
- 12.4 This project will be funded from the Lift Improvements budget within the Housing Capital Programme.

13.0 Proposed Work

- 13.1
 - Number of dwellings in project: 207
 - Total estimated construction cost (excluding fees): See Para 2.1 Appendix A
 - Anticipated Contract start on site: 12 June 2008
 - Anticipated Contract completion: 14 April 2009
 - Contract duration: 40 weeks
- 13.2 There are 207 dwellings in this project which are made up of the following property types:

Type of Dwellings	No. of Units
High rise blocks	207

13.3 The properties in this project are located at:

1-102 & 103-105 Kenley, Broadwater Farm
1-102 Northolt, Broadwater Farm

14.0 Leasehold Information

14.1 There are fourteen leasehold properties within this project and these are as follows:-

Kenley 60, 74, (103, 104,105 Newlon Housing Trust)
Northolt 21, 23, 34, 36, 48, 57, 61, 85, 95

15.0 Project Management

15.1 Homes for Haringey who are managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

15.2 The key members of the project team are as follows:

Elena Wilmot	Project Manager – Homes for Haringey
Joe Quarini	Contract Administrator – Homes for Haringey
Paul Saward	CDM Co-ordinator – Gardiner & Theobald
Yvette Codrington	(Northolt) Housing Manager - Housing Services
Belinda Selormey	(Kenley) Housing Manager - Housing Services

16.0 Budget

16.1 This project will be funded from the Building Services budget within the 2007/08, 2008/2009 and 2009/10 Housing Capital Programmes.

17.0 Tenders

17.1 Tenders were invited from seven firms from the Approved List of Contractors.

17.2 Tenders were invited on the basis of the following:-

Tender 'A' - fixed price contract, for a period of 40 weeks.
Tender 'B' – contractor's offer period

- 17.3 Six out of seven contractors invited to tender submitted a tender. One of the tenders received was qualified as they failed to provide a tender in accordance with the fixed price contract period of 40 weeks and was therefore disqualified.
- 17.4 The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 67.62%.
- 17.5 All tenders are open for acceptance for a period of two months from 9 August 2007, the closing date for receipt of tenders. Therefore tenders should be accepted by 9 October 2007. The lowest two compliant tenderers have been asked if they would hold their tender price for a further three months. These lowest tenderers subsequently confirmed in writing that they would hold their tender price until end of January 2008.
- 17.6 The lowest firm price tender received with a contract period of 40 weeks is recommended for acceptance.
- 17.7 Full details of the tendering exercise are laid out in paragraph 3.0 of Appendix A.

18.0 Leasehold Implications

- 18.1 As a result of applications made under the Right to Buy legislation, there are fourteen leaseholders as well as council tenants, living in the properties affected by the works described in this report.
- 18.2 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.
- 18.3 In accordance with the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices, and subject to the Procurement Committee's agreement the Council will award this contract to the lowest tender.
- 18.4 Homes for Haringey issued to the following Section 20 Notices to the leaseholders:
- Notice of Intention issued on 24/5/2007 and expired on 23/06/07.
Notice of Estimates issued on 14/09/07 which expired on 14/10/07.
The notices gave a description of the proposed works and provided details of the anticipated cost. No observations were received from leaseholders.
- 18.5 The total amount estimated to be recovered from 14 leaseholders is set out in paragraph 5.1 of Appendix A
- 18.6 The charges to all 14 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the

financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

19.0 Health and Safety Implications

- 19.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.
- 19.2 The Construction (Design and Management) Regulations 2007 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

20.0 Sustainability Implications

- 20.1 The modernisation of the lifts is preemptive as some of the equipment is redundant. The replacement of the lifts will reduce the likelihood of the lifts being totally inoperable in the event of a breakdown which requires the replacement of parts that are redundant. The new lifts will be more reliable and efficient which will provide enormous improvements to residents, especially the elderly, disabled and parents with young children.
- 20.2 The scheme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products. The new lifts will fit in the existing lift shafts thus minimising reconstruction. The new lifts will have simple and standard replacement parts thus minimising the repair time in maintenance.
- 20.3 All the new equipment is designed to be more efficient and usually smaller. The reduced size contributes to less energy use, less lubrication, less noise, reduced maintenance of components and repairs.
- 20.4 All the replaced equipment is broken into constituent parts for recycling and disposed of through specialist organisations, this included all of the metallic components such as stainless cars, entrances and steel ropes, bronze tracks, lift motors and copper wiring to lift the machinery.

21.0 List of Appendices

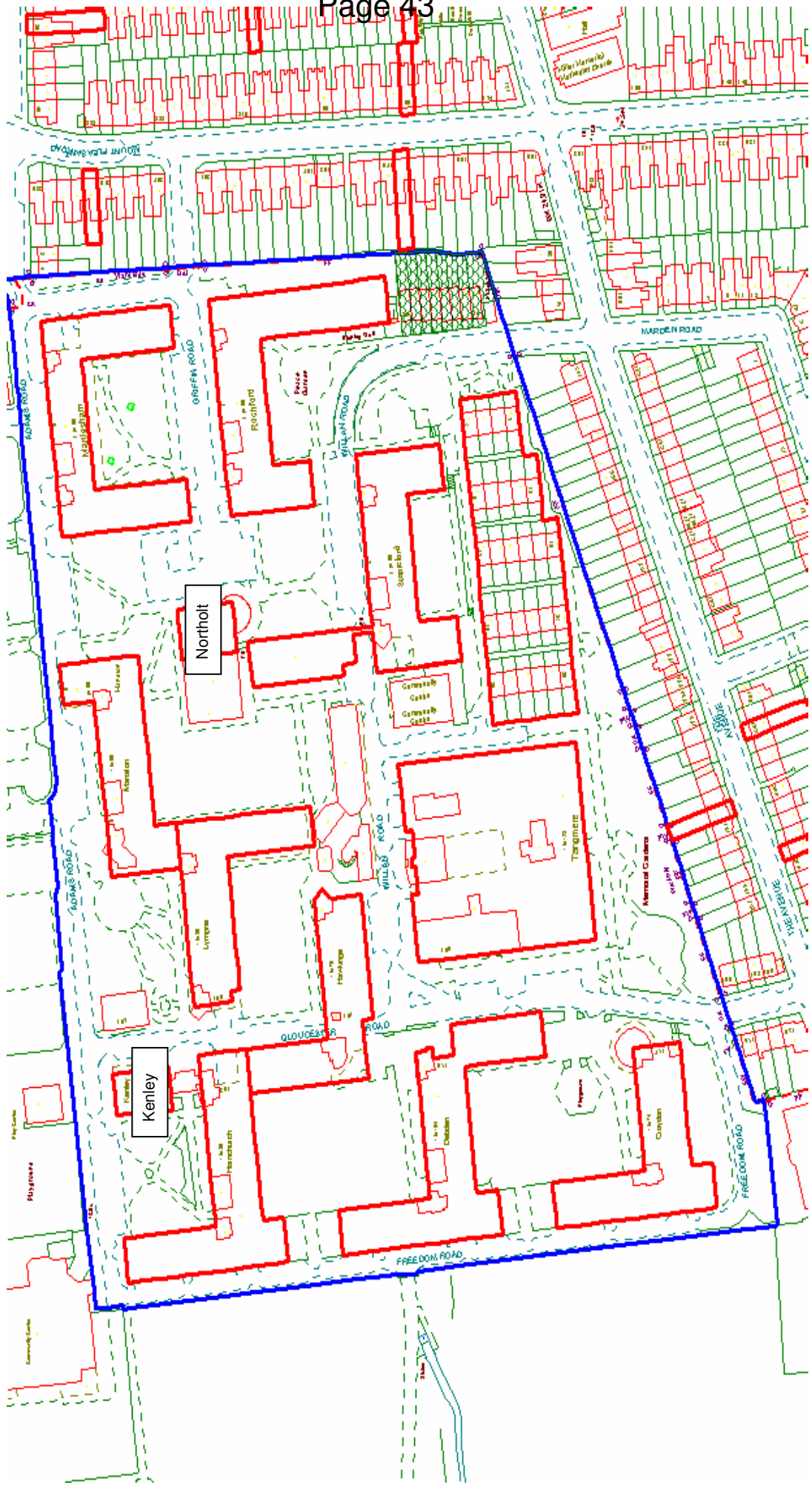
Appendix A – Exempt Information

Appendix B – Map showing Location of Kenwood and Northolt and Broadwater Farm

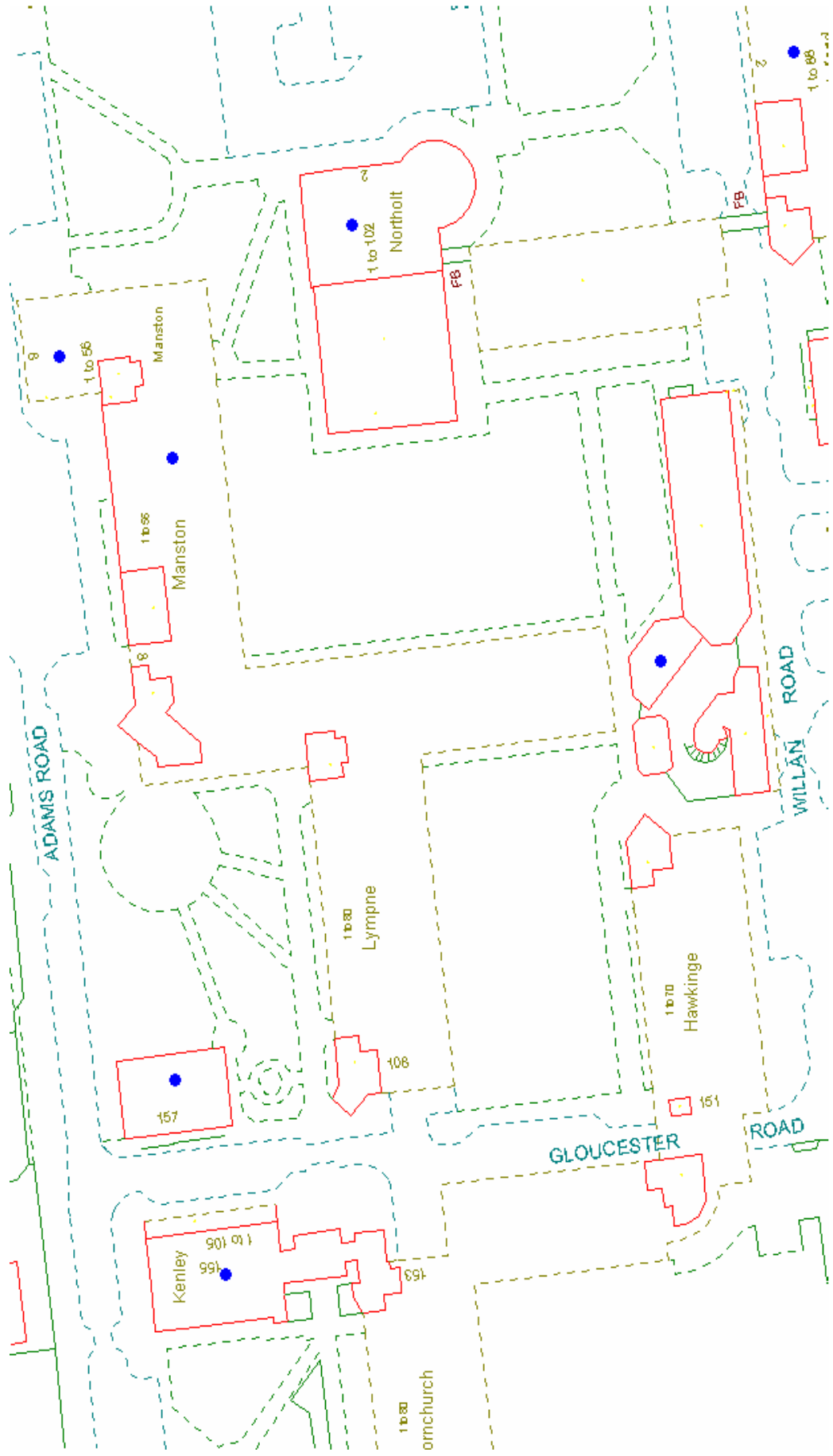
Appendix C – Map showing Location of Kenwood and Northolt

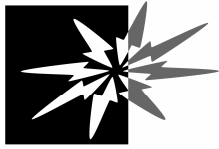
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Appendix B Map showing location of Kenwood and Northolt – Broadwater farm



Appendix C Map showing location of Kenwood and Northolt





Haringey Council

APPENDIX A

REPORT TEMPLATE

Agenda item:

[No.]

Procurement Committee

On 27 November 2007

Report Title: **Re-procurement of Highways and Street Lighting Contracts**

Forward Plan reference number (if applicable): **[add reference] TBC**

Report of **Director of Urban Environment**

Wards(s) affected: **ALL**

Report for: **Key Decision**

1. Purpose

1.1 To consider the procurement of new contracts for both Highways and Street Lighting works and the extension of the existing contracts to allow sufficient time for full procurement processes.

2. Introduction by Cabinet Member (if necessary)

2.1 This report shows the necessary process to re-procure the Highways and Street Lighting Contracts in line with the relevant legislation and in a way not to adversely affect the Council's Capital programme. In order to do this an extension of 12 months is necessary on the existing contracts, and these have been negotiated at no increase on current rates.

3. Recommendations

3.1 That the Highways planned and responsive work be packaged into a single lot and street lighting as a separate lot within one contract and put out to tender for a two year term starting 1 April 2009 with the option for up to 2 annual extensions.

3.2 That the existing contracts be extended for a further year from 1 April 2008 to 31 March 2009 to enable full European Tendering Procedures and timing of work to enable capital works to be completed.

Report Authorised by: **Niall Bolger, Director, Urban Environment**

Contact Officer: **Mike Tobin, Interim Head of Highways**

4. Director of Finance Comments

4.1 The cost of the re-procurement process, both the proposed new contract and the one year extension will need to be contained within the relevant Highways approved capital and revenue budgets for the timescales being proposed. The volume of works procured within a financial year, probably on a schedule of rates basis, must not exceed that years approved budgets.

5. Head of Legal Services Comments

- 5.1 This report is recommending the packaging of the current Highways Infrastructure contract, Highways Commissioning Contract, and Street Lighting contract as one single contract divided into two separate lots when the contract is re-tendered upon expiry of the current contracts in 2008.
- 5.2 Regulation 8(11) of the Public Contracts Regulations 2006 allow the division of contracts into lots.
- 5.3 Secondly, the report is recommending a further extension of the current contracts upon expiry of the current extension period in April 2008 for a further one year period.
- 5.4 The OGC Procurement guidance briefing, "Contract Re-competition", states at Paragraph 2.4 that extensions of contracts with a value above the EU threshold are only recommended when there was scope within the original advertisement in the Official Journal of the EU for a possible extension, and the contractor is performing well and is well-placed to deliver the authority's needs.
- 5.5 The EU advertisement in respect of the contracts referred to the possibility of an extension of the term of the contracts for a period of up to two years.
- 5.6 The contacts have already upon expiry of the original contract term in 2006, been extended for the 2-year period stated in the EU advertisement until April 2008.
- 5.7 The report states that external legal advisor Trowers & Hamblins have advised there is a risk of challenge in respect of the proposed further extension by other potential contractors on the basis that the proposed extended contract period represents an entirely new contract requiring a new procurement process.

- 5.8 The report however states that Trowers & Hamlins have cited a report recently released by the National Audit Office on the commercial realities of contract extensions, which notes that such extensions have happened and that the risk of challenge is low, depending on the length of any extension and that Trowers and Hamlins have confirmed the risk of challenge is particularly low where the contract will be re-procured after the extension (as in this case). Trowers and Hamlins have also stated that in their experience it is not unusual for local authorities to extend contracts for six months outside of the OJEU notice period.
- 5.9 The Head of Legal Services advises that in reaching a decision on whether or not to grant a further contract extension, Members will need to balance the risk of challenge highlighted by Trowers and Hamlins against the potential advantages of granting the extension which the report states to be as follows:
- 5.9.1 Financial and other deadlines make an April changeover more convenient.
 - 5.9.2 A new permit scheme will be introduced in spring 2008, so an extension would allow for this to be incorporated into the contract.
 - 5.9.3 A new Head of Service should be in place within the year and would therefore be able to input into the tender process.

6. Local Government (Access to Information) Act 1985

6.1 [List background documents]

6.2 [Also list reasons for exemption or confidentiality (if applicable)]

7. Strategic Implications

7.1 The Contracts are being procured in compliance with the EU procurement laws and at the best time to suit the needs of the Borough. However, the extensions are outside of the EU time limits and the reasons for this are discussed later in the report.

8. Financial Implications

8.1 The extension of the existing contracts is *at no incremental increase on current rates* and this will lead to short term savings, which in turn will enable slightly more work to be carried out for the same budgets.

8.2 The new contracts will reflect the current market rates and may be higher or lower than the existing contracts. The implications cannot be assessed until the procurement process has been carried out due to current market uncertainties. The fact that both existing contractors have accepted an extension with no inflation on current rates hopefully implies that the market may not be significantly higher than the current contracts.

9. Legal Implications

9.1 Trowers and Hamlins were approached for advice and they have said that the treatment of contract extensions in EU procurement law is not entirely clear and there has been little conclusive case law in this area. It has been their experience in advising

a number of local authority clients that it is not unusual for short term extensions of six months or less to be entered into outside of the OJEU notice period. This is particularly so when time periods for carrying out the procurement process cannot be met on practical grounds, or where an authority's corporate overview for the timing or scale of delivery dictates that such an extension will provide value to the authority, for example where it is in the process of procuring the contract again.

9.2 They have also advised that the level of risk will increase as the potential increases for the contractor's competitor to consider bringing a challenge. This potential will increase as the length of the extension grows, the value rises, and the profile of the extension is raised. On a practical level, it is generally conceded that risks, while still evident, will be of lower likelihood where the contract is in the process of being re-procured, for a term longer than the extension, for the reason that competitors are more likely to be engaged in bidding for the upcoming contract.

9.3 Therefore, while they do not recommend the use of extensions outside the OJEU notice, if the decision is taken by the Council to rely upon such an extension for a duration of 12 months, they suggest that the risk be carefully managed. It should only be considered where the Council has a clearly defined programme of re-procurement for the contract or its subject works or services. For the purposes of audit requirements the risk should be properly logged on the risk register relating to the given programme. The Council should ensure that all its internal requirements for letting contracts are adhered to, e.g. executive reports and approvals are properly submitted and obtained.

10. Equalities Implications

10.1 The contract procurement will be carried out under the EU procurement rules and the Council's procurement procedures and will take equalities considerations fully into account at both the pre qualification and tender stages to ensure that recommended contractors are compliant in this regard.

10.2 The delivery of Highways and Street Lighting maintenance and improvement works will be of significant benefit to all residents.

11. Consultation

11.1 The delivery of Highways and Street Lighting maintenance and improvement works will be of significant benefit to all residents. A consultation carried out in June 2007 with over 3500 responses showed several key issues that local residents prioritised. Overall the results showed that pothole repairs and pavement replacement are the main priorities for residents throughout the borough. Street Lighting was also high on their list of priorities. These contracts will enable the Council to carry out these works as well as all the others seen to be priorities as budgets become available.

12. Background

12.1 These contracts were previously awarded as three separate contracts for a period of three years from 1st April 2003 with an option of extending the contract for a further two years. In the case of Street Lighting, this was conditional on the successful development of an output specification contract during the first two years.

12.2 The three contracts were:

- Highways Infrastructure contract awarded to John Crowley (Maidstone) Ltd,
- Highways Commissioning Contract awarded to Gabriel (Contractors) Ltd and
- Street Lighting awarded to EDF

All three Contractors performed well since the award of their contracts.

12.3 In January 2005 John Crowley (Maidstone) Ltd acquired Gabriel (Contractors) Ltd into their Group of companies and consequently requested Haringey Council for the Highways Commissioning Contract to be novated to John Crowley (Maidstone) Ltd. John Crowley (Maidstone) Ltd also confirmed that Gabriel (Contractors) Ltd is a 100% subsidiary of John Crowley (Maidstone) Ltd and the contract includes all previous terms and conditions including the pricing rates.

12.4 At that time John Crowley (Maidstone) Ltd confirmed their agreement to accept the normal two-year extension, should this be offered by the Council. Furthermore, John Crowley (Maidstone) Ltd also offered a further one-year extension in order to waive the BAXTER increase for 2005/06 for the Highways Infrastructure Contract, this potentially equated to a saving of approximately £700k. However, the Procurement and Legal section advised that this was not possible for a Director to extend for a further period than the two years. During negotiations John Crowley (Maidstone) Ltd did agree to waive the BAXTER rate increase for 2005/06 for the Highways Infrastructure Contract.

12.5 During January 2006 the Council extended all three contracts. These contracts are due to expire 31st March 2008.

13. Re-procurement Approach

13.1 There are significant changes happening in the Highways area at present. As well as the recent loss of the Head of Highways there has been a need to review all these contracts in the light of the Traffic Management Act 2004 which from April 2008 will require the equal treatment of the Council's own works in the same system as currently employed by the Council in relation to the Utility companies. In particular if the Council were to introduce a permit scheme for the Utility companies the same would apply to all Council works. This scheme is still not finalised and it is therefore difficult to ensure that the Contract would reflect the necessary information yet. Therefore the procurement has been delayed and it is now suggested that a further one year extension be offered to both Contractor's subject to reasonable rates.

13.2 There are some risks according to the legal advice the Council has obtained (see Legal Implications). However the reasons why a year rather than a six month delay is recommended are:

- April is a good time for Contract change as so much Capital work is required to be completed by the end of March and a change in October might jeopardise these. In particular the Street Lighting programme would probably not be able to be fulfilled if an October change were made due to lead times for materials.
- The new permit scheme details will not be known till probably April or May 2008 and so the tender documents would be able to take that into account if a year's extension is given.
- The new Head of service will probably be in post prior to the tenders going out if a year extension is given which will enable his/her input into the documentation.

13.3 The existing Contractors have offered an extension at no increase. Therefore, although technically not allowed under the EU regulations still would look to comply with Best value as it will give automatic savings in relation to the normal inflationary pressures. The extension period would still have all the present terms and conditions but some performance issues that are not properly covered under the current contracts will be trialled in order to assess their suitability for the new contracts as well as introducing the permit scheme when the Borough introduced it next year.

13.4 The current single highways Contractor has worked well since the combining of the two companies. It is therefore considered sensible to replicate the current position with a single contract in the new arrangement. This in turn would be a step forward in the review of commissioning of "Public Realm" services. For this reason it is considered prudent to only award this contract on a two year basis with an opportunity for up to two annual extensions.

13.5 Under EU procurement it is possible to tender two contracts separately or to break a single contract into two lots. Either way it is considered possible to offer discounts if both are awarded to a single supplier, however it seems simpler to use the option of lots as this only requires a single advert.

13.6 The current Contracts were advertised as three lots as follows:

Lot 1: highways services infrastructure and road safety.

Lot 2: highways works commissioning.

Lot 3: street lighting.

The details of these are given in Appendix A. It is now considered sensible to simply have two lots, Highways and Street Lighting. The suggested details of the two lots are given in Appendix B.

14. Conclusion

14.1 For several reasons the procurement process has not been started in sufficient time to enable a new contract to be in place in time for the finish of the existing extended contracts. Therefore the choice of extension is between a 6 month or a 12 month extension. For the reasons stated above a 12 month extension gives better

management of the capital works and has other advantages. Therefore it is recommended that the existing contracts be extended for a further year from 1 April 2008 to 31 March 2009.

14.1.1 The new contracts could be let on a long term basis, however due to a wider review of commissioning of “Public Realm” services it is considered prudent to offer a two year contract with up to two annual extensions.

14.1.2 The combining of the highways works into a single package due to one Contractor taking over the other has shown how it can work as a single contract. It is therefore considered sensible to have a single contract divided into just two lots.

14.2 Therefore it is recommended that the Highways planned and responsive work be packaged into a single contract with street lighting as two separate lots and put out to tender for a two year term starting 1 April 2009 with the option for up to two annual extensions.

15. Use of Appendices / Tables / Photographs

15.1 Appendix A - Previous Contract Packaging

15.2 Appendix B - Suggested Contract Packaging

APPENDIX A – PREVIOUS CONTRACT PACKAGING

Lot 1: provision of traffic engineering/management and civil engineering works services including:

- a. planned, maintenance principal and non-principal;
- b. relaying, providing and laying granite and precast concrete kerbs;
- c. channels, edging, etc.;
- d. construction of domestic and industrial vehicular crossings;
- e. drainage and service ducts;
- f. provision of central islands refuges and erections of guardrailing;
- g. construction of road humps, speed cushions, speed tables, entry treatment, etc.;
- h. implementation, of controlled parking zones;
- i. new lighting scheme works;
- j. signing and lining;
- k. access bay markings;
- l. disabled bay signing and road markings;
- m. doctors bay signing and road markings.

Lot 2: provision of works services for reactive planning and maintenance for highways including:

- a. reconstruction of footway and carriageway;
- b. planned maintenance principal and non-principal, resurfacing and improvements;
- c. reactive maintenance - footways and carriageways;
- d. gully construction and cleansing;
- e. performance standards;
- f. emergency works - call out/standby;
- g. construction of domestic and industrial vehicular crossings;
- h. road markings and maintenance.

Lot 3: provision of works services for the reactive maintenance and installation of new street lighting including:

- a. lighting maintenance;
- b. bulk cleaning and replacement of lamps;
- c. service inspections of lighting units;
- d. cleaning method and materials;
- e. cleaning sign faces, illuminated bollards, marker posts, lamp columns, etc.;
- f. general maintenance;
- g. emergency work;
- h. lamp recycling;
- i. festive lighting;
- j. performance standards.

APPENDIX B – SUGGESTED CONTRACT PACKAGING

Lot 1: Highways including:

- a. planned, maintenance principal and non-principal including reconstruction of footway and carriageway; resurfacing and improvements, relaying, providing and laying granite and precast concrete kerbs; channels, edging, etc.;
- b. construction of domestic and industrial vehicular crossings;
- c. gully construction and cleansing; drainage and service ducts; cctv surveys
- d. reactive maintenance - footways and carriageways;
- e. provision of central islands refuges and erections of guardrailing;
- f. construction of road humps, speed cushions, speed tables, entry treatment, etc.;
- g. implementation, of controlled parking zones;
- h. new lighting scheme works (non electrical);
- i. signing and lining including road markings and maintenance; access bay markings; disabled bay signing and road markings; doctors bay signing and road markings.
- j. emergency works - call out/standby;
- k. performance standards;

Lot 2: provision of works services for the reactive maintenance and installation of new street lighting including:

- a. lighting maintenance;
- b. column installation small and large schemes
- c. provision of lanterns, lamps, control gear, photocells etc.
- d. excavation and laying private cables
- e. provision of new illuminated signs and bollards
- f. bulk cleaning and replacement of lamps;
- g. service inspections of lighting units and electrical testing
- h. painting of lighting columns
- i. cleaning method and materials;
- j. cleaning sign faces, illuminated bollards, marker posts, lamp columns, etc.;
- k. general maintenance;
- l. emergency work;
- m. lamp recycling;
- n. festive lighting;
- o. performance standards.

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Procurement Committee

On 27th November 2007

Report Title: **Reactive and Planned Maintenance Contracts for the Operational Building Portfolio managed by Corporate Property Services.**

Forward Plan reference number (if applicable): n/a

Report of: **Julie Parker, Director of Corporate Resources**

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose

1.1 To outline the future options available for the efficient delivery of an integrated reactive and planned maintenance system across the operational building portfolio managed by Corporate Property Services.

1.2 To seek Cabinet Procurement Committee endorsement for the preferred option and the action plan for the delivery of the proposals

2. Introduction by Councillor Adje, Cabinet Member

2.1 The proposals outlined in the report seek to improve upon the effectiveness and enhance on value for money for the Council against current provision by Homes for Haringey.

3. Recommendations

3.1 It is recommended a Managing Agent be appointed to coordinate and manage the delivery of planned and reactive services across the operational building portfolio.

3.2 That John Rowan and Partners continue to support the delivery of the integrated maintenance contract with support, guidance and advice from the Construction Procurement Group.

3.3 That the current reactive maintenance contract with "Inspace Maintain Ltd" be extended for a period of 6 months, until the new contract is in place for the 1st September 2008.

3.4 That the estimated Consultancy, Contractor costs and the impact statement on Homes for Haringey detailed in Appendix B are noted.

Report Authorised by: **Dinesh Kotecha, Head of Corporate Property Services**

Contact Officer: **Stuart Evans, Corporate Landlord Manager;**

4. Director of Finance Comments

4.1 The Director of finance has been consulted in the production of this report and notes that the proposal for an integrated reactive and planned maintenance contract should help deliver increased efficiencies and improve VFM for the Council. Any potential revenue savings outlined in paragraph 8.1 will help to achieve the Council's overall savings target.

5. Head of Legal Services Comments

5.1 This report recommends for a Managing Agent to be appointed to coordinate and manage the delivery of planned and reactive services. This would be done through a tender process that would comply with EU tendering requirements. This would require Homes for Haringey to novate existing term contracts. The Managing Agent, once appointed, would however have to ensure that all contracts comply with any EU and CSO requirements when being renewed.

5.2 The report also recommends that the current reactive maintenance contract with "Inspace Maintain Ltd" be extended for a further six (6) months period, while waiting for the Managing Agent to be appointed and that the contract with "John Rowan and Partners" who are to provide support in the next stages of development and procurement of an integrated reactive and planned maintenance system be extended. Both Contracts are below the EU threshold for works and services respectively and the Procurement Committee has the power under CSO 13.2 to approve the proposed extension.

5.3 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations in paragraph 3 of this report.

6. Head of Procurement Comments

6.1 The Construction Procurement Group has been involved in the process of developing options and supporting this project from its inception.

6.2 A detailed options appraisal has been done, and providing there is sufficient demonstrated evidence of the method of selecting the recommended option, supports the recommendation to appoint a managing agent.

6.3 This option is a standard response for this type of service, and other local authorities have adopted a similar method for the management of property. Visits are planned to other authorities to share best practice information and to substantiate the selected option process. Further information will then be provided to illustrate the assumed benefits, and will be reported back to future Cabinet Procurement Committee Meetings.

6.4 Extension of the Inspace Maintain Ltd contract for a further six months will extend the value of the contract by £200k. This contract was let as a majority works contract (rather than services) and therefore remains under the threshold for works values.

6.5 Extending contracts without fully exploring and testing the market would not normally

be the preferred course of action. However, under the circumstances, there is clearly a longer term plan underway to put in place a more robust and longer term solution.

6.6 In summary, the Head of Procurement supports the recommendations to Members made at paragraph 3 of this report.

7. Comments from Homes for Haringey.

7.1 "Homes for Haringey" (Design and Engineering) are the contract administrator and contractor for a number maintenance contracts for properties managed by "Corporate Property Services" that are covered by the proposals set out in this report. If the services currently provided by HfH are placed with an external contractor with effect from 1st October 2008, there will be a loss of income to Homes for Haringey. The costs and staff implications of this are detailed in "Appendix B" item 3 and 4 of this report.

7. Background

8.1. Since the 2nd April 2007 the policy of Corporate Management of Property (CMP) has changed the way in which buildings are managed and operated. Directorates are no longer responsible for the "Hard Facilities Management Services" to their buildings. (i.e. building structure, mechanical and electrical services). A small team within Corporate Property Services now facilitates the delivery of these reactive and planned maintenance programmes using term contracts.

8.2 The building portfolio which is managed under the CMP processes comprises operational buildings within:-

- Offices, Call Centres & Customer Services Centres
- Children's and Family
- Adult Social Services
- Recreation
- Adult Learning, Libraries & Culture
- Urban Environment Depots
- Other areas such as Commercial buildings, Community Centres and Leisure Centres may be included.

8.3 The reactive maintenance programme is delivered through a 12 month measured term contract with "Inspace Maintain Ltd". This contract operates against a defined Service Level Agreement which is being used to deliver greater customer satisfaction, higher levels of performance and improved value for money.

8.4 The planned maintenance programme is provided through Homes for Haringey (HfH), with a much generalised SLA, utilising a combination of direct labour and term contractors. Service contracts are placed with various contractors and a management fee is charged for this service. The service is split across several functional groups within HfH; the processes are open looped with minimal tracking and performance

monitoring. Corporate Property Services does not hold information on these term contactors; this information is held by HfH.

- 8.5 John Rowan and Partners (JRP) have been contracted to support the development of the first stage procurement strategy to deliver CMP. This work is now completed with the award of the contract to Inspace Maintain Ltd; for which they are continuing to performance monitor on our behalf. We propose to continue with JRP to support the next stages of the development and procurement of an integrated reactive and planned maintenance system at an estimated consultancy cost of £45k
- 8.6 It is proposed to build on the works that have been completed during the implementation of the CMP project in order to achieve improved economies of scale. The reactive maintenance works delivered during 2007/08 are being evaluated together with the planned maintenance works. A review of "Best Practice" has been undertaken in conjunction with JRP which is outlined in this report. (See appendix 1)
- 8.7 This proposal will extend the SLA, s which have implemented across the recently awarded Reactive Maintenance to the combined maintenance contract. These will be based on response times, quality of work, costs performance incentives and customer satisfaction levels.
- 8.8. This paper now seeks Cabinet Procurement Committee endorsement in order that a tender package can be developed and contractors can be invited to tender through the "Official Journal of the European Union" processes.
- 8.9 On the basis that Cabinet Procurement Committee accepts the recommendations within this report, the SLA between HfH will need to be revised in line with the amended scope of the services to be provided by them and the managing agent. This will be addressed as soon as possible thereafter.
- 8.10 The contract with the managing agent will be managed by Corporate Property Services (CPS), and will ensure that all performance criteria are met. Any under-performance issues will be immediately addressed by both CPS, working in conjunction with Construction Procurement Group.
- 8.11 In terms of managing the performance of the new managing agent contract, the following processes will be considered:
 - Clear and specific criteria will be outlined in the tender documents accompanying the OJEU process;
 - All tenderers will be evaluated against performance criteria, and only those with robust performance management criteria will be considered to go forward;
 - The new contract will require regular performance meetings to take place, with all parties to attend and present KPI information.

- 8.12. Recognising that there will be a heavy reliance on just one strategic partner, the procurement process will be detailed enough to ensure that the selected bidder has sufficient capacity and capability to manage this contract. Additionally, this process will fully consider contingency opportunities in the unlikely event that the above performance monitoring processes fall short of Council standards and expectations.
- 8.13 If the contracts under-perform to such an extent that contract termination is necessary, then the Construction Procurement Group's framework agreements will provide short-term, interim continuity.

9. Analysis

- 9.1 The reactive maintenance contract under CMP has been optimised under a single supplier. The planned maintenance works however are currently provided through a wide diversity of contractual arrangements managed through HfH. It is proposed that the delivery of the planned and reactive maintenance to the operational building portfolio be combined into one single package.

Objectives:-

- To achieve an improved economy of scale with a 5% target cost saving over the current systems.
 - To improve the planned to reactive maintenance ratio to 70:30. (i.e. currently 50:50) to derive costs savings.
 - To deliver improved quality of service and levels of customer satisfaction by the implementation of an integrated contract.
- 9.2 In conjunction with JRP a review of the options available to achieve the above objectives has been undertaken (see appendix 1). The options that have been considered are as follows:-
- 9.2.1 Do Nothing
This is not a viable option, since the current reactive maintenance contract is for 12 months and requires renewal from the 1st April 2008. Homes for Haringey also require firm commitment on our future requirements so they can develop and optimise their business planning; at the same time Corporate Property Services need to have their maintenance programmes on a firmed basis.
- 9.2.2 Internal Management Model
This option would require the recruitment of new staff and the restructuring of the existing resources to deliver the managed services through a system of term contracts. This option has been discounted on the basis of the timescales needed to implement and the historical difficulties of recruiting staff with the required skills for this type of work.
- 9.2.3 Managing Contractor
This option would package the planned and reactive maintenance works under a single contractor. However we are of the opinion that due to the diversity of the portfolio and the current contractual

arrangements the implications of selecting a Managing Contractor in this instance would not be beneficial. The transitional change would be difficult to manage and disruptive due to the knowledge and experience of these buildings residing with many of the existing term contractors. This option has also been discounted at this time.

9.2.4 Total Facilities Management

The responsibility for the provision of building services and for the general management would be placed in the hand of a single organisation. We consider that at this time this would be an extremely high risk strategy, since all our "eggs would be in one basket" It would be very difficult to implement an exit strategy should anything go wrong or the selected organisation went into liquidations. Also due to the poor condition and limited information currently available across the building portfolio. This option has also been discounted at this time.

9.2.5. Managing Agent

This option would appoint a single agent to coordinate and manage the delivery of planned and reactive services across the building portfolio. Existing contracts would be novated under this agent and it would be their responsibility to control and generate best value situations. This may be by way of bulking trades and/or services in order to attract the calibre of supply chain that delivers best value. The agent's fee would be based on a percentage of works completed, with incentives to reward improved performance and delivering best value. This option is the recommended course of action to take.

9.3 To achieve the objective of appointing a "Managing Agent" would require the close cooperation of the incumbent suppliers in particular "Homes for Haringey". During the PQQ and tendering processes HfH would have the opportunity to tender for these works on an equal basis with the external market.

9.4 The provisional programme of work has identified that the development of a tender package and the process of tendering through the "Official Journal of the European Union" will take 12 months to complete. It is therefore estimated that this contract would be in place for 1st September 2008. This will therefore require transitional arrangements to be put in place from the 1st April 2008 of extending the existing reactive maintenance contract with Inspace Maintain Ltd by 6 months. Homes for Haringey will be required to provide detailed information on the existing term contracts.

10. Financial Implications

10.1 During 2007 the repairs and maintenance budgets have been pooled corporately within Corporate Property Services to deliver the reactive and planned maintenance services based on an assessment of priorities across the portfolio. The combined budget amounts to a sum of £1.4 million, during 2007/08 these monies are forecasted to be split as follows:-

	Annual Contract spend (£)	Annual saving @ 5%
Management & Consultancy within CPS (including Helpdesk)	400,000	
Reactive contract provided by Inspace Maintain Ltd	450,000	
Planned contract provided substantially by HfH.	550,000	
TOTAL (Budget sum 2007/08)	1,400,000	70,000

- 10.2 Appendix B, item 4 provides a summary of the current planned term contracts currently administered through homes for HfH. Most of these contracts terminate 31st march 2008, with a few 31st March 2009. As stated in the response from HfH most of the contractors would be content with them being novated. The only exception being the fire fighting equipment service supplier "FDAS", where the contract extends to the 31st march 2009. This issue could be solved by delaying its transfer for a further 6 months until the contract expires. There would therefore appear to be little or no costs to be incurred in this area. As part of the next stage of this project; work between HfH and John Rowan and Partners will explore the best and most economic route for this area.
- 10.3 Consolidating the contract into one package will deliver improved economies of scale and provide improved value for money service delivery. It will also enable more preventative maintenance to be targeted, such that areas of reactive works can be reduced.
- 10.4 We are currently paying approximately 18% to HfH on their elements of the Works. This is high and this can be reduced during the tender process. By economy of scale we aim to improve unit of work costs.
- 10.5 By way of restructuring the current maintenance systems we endeavour to ultimately develop a situation where planned/reactive works form a 70/30 ratio respectively. Through this we expect a Best Value situation to be represented and an overall saving of at least 5% to become evident.
- 10.6 One of the key objectives of the CMP initiative is to improve the management of budget spend on maintenance. Various investigations have been carried out with Procurement and Corporate Finance to identify previous years' spends on maintenance. These investigations have been inconclusive as the majority of the information was patchy and incomplete. This is mainly due to the fact that, previously these works were not always strictly coded against maintenance budgets. Whilst we are able to ascertain services' spend according to a SAP analysis, we cannot confirm their accuracy. Therefore it must be noted that these figures are an indication of spend rather than an exact figure.

- 10.7 The following information was collated from SAP, based on Services spend on repairs and maintenance account codes. As well as the SAP reports, an exercise was carried out in 2006, to decipher spend on reactive maintenance in 2006/2007. This information was then confirmed by service finance representatives. In cases where the total, as indicated in the investigations carried out for the purposes of this report, differ from the figures identified in previous exercises, the larger figure has been used.

Service	2005/2006	2006/2007
Environment	451,879.70	185,906.99
Social Services	68,112.77	185,000.00
Finance Services	913,307.89	825,065.25
Education	9,614.30	12,000.00
Chief Exec	305,643.01	250,083.62
Total	1,748,557.67	1,458,055.86

11. Conclusion

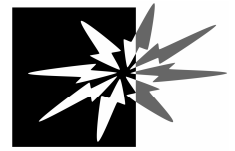
- 11.1 It is proposed that a “Managing Agent” is appointed to deliver an integrated reactive and planned maintenance service to the operational building portfolio. The contract would be for four years with the option of extension for a further two years. The contract would operate against a defined “service level agreement” with the payments for the service incentive linked to deliver improved performance and value for money.
- 11.2 The key objectives are to deliver a highly responsive reactive maintenance service operating to a defined service level agreement; under pinned by a programme of planned maintenance works to ensure building services are safe and fit for purpose.

12. Use of Appendices / Tables / Photographs

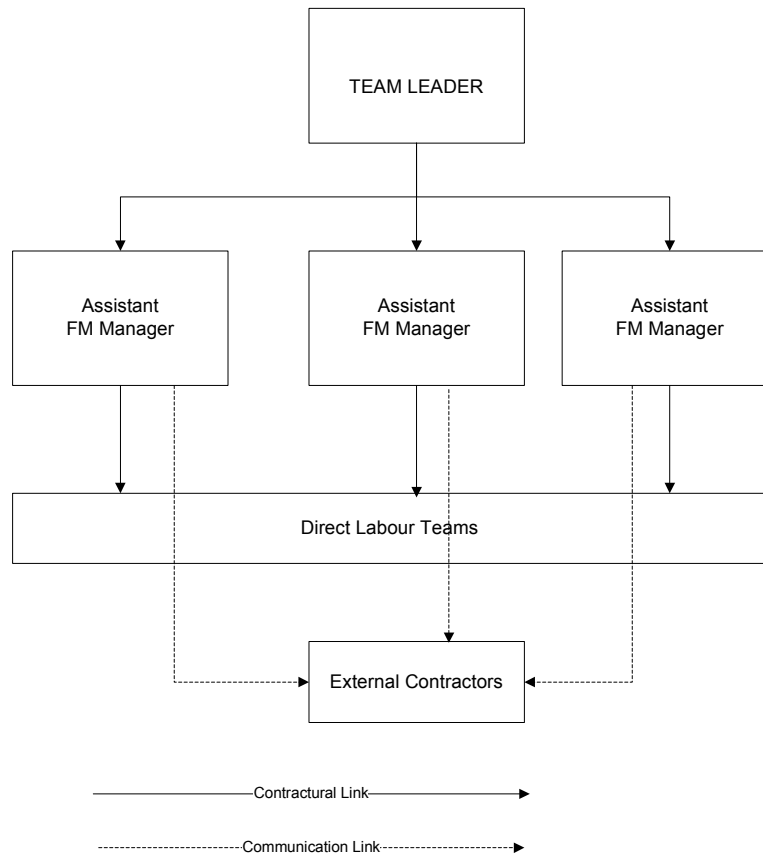
- 12.1 Appendix 1: Review of Options
- 12.2 Estimated Consultancy, Contractor Costs and Impact Statement on Homes for Haringey

Appendix 1: Review of Options

1. Internal Management Model (Not recommended)



Haringey Council

Corporate Landlord within
Corporate Property Services

A defined in-house team within Corporate Property Services operate as an independent unit, with the objectives of providing the delivery of building services across a building portfolio.

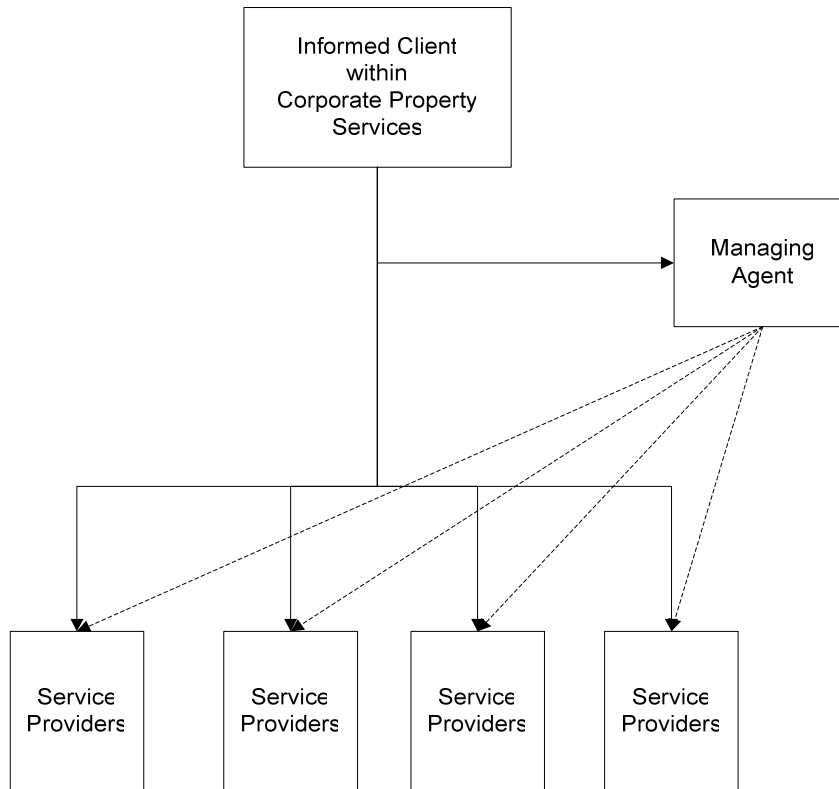
Advantages

- The advantages of this type of system are:-
 - Better skills tailored towards building services
 - Accountability and reliability with the service suppliers
 - More transparent costs
 - Better management information
 - Better standardisation and demonstration of building compliance

Disadvantages

- The disadvantages to this type of system are:-
 - Large overhead (transparent)
 - Large direct labour workforce.
 - Remote management of the problems (i.e. second guess the local problems)
 - Difficult to make processes seamless and there can be an element of complacency at the interfaces.

2. Managing Agent (Recommended Option)



A specialist is appointed to act as the client's representative for the provision of building services. This organisation is then responsible for arranging the appointment of the service providers. (i.e. work is outsourced)

Advantages

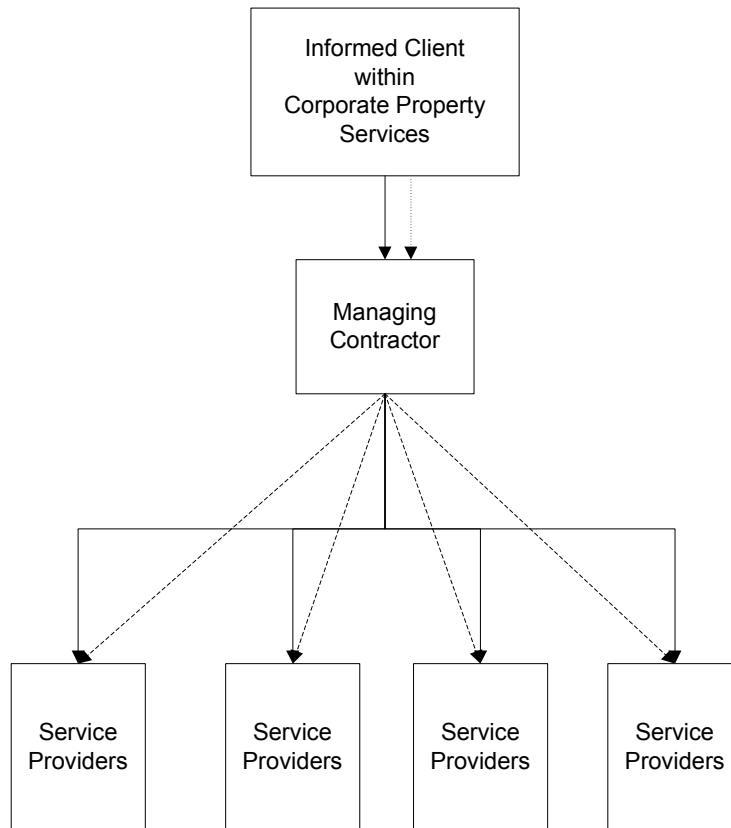
- The advantages of this type of system are:-
 - We keep control of the facilities
 - Better economies of scale due to other companies/contractors being serviced.
 - Provides the specialist skills required.
 - Dissatisfaction with one contract would not put the whole process at risk.
 - Provides considerable flexibility.
 - Reduction in paperwork and fewer orders/payments required though the in-house procurement systems
 - Will perform better if performance criteria laid down in specification
 - Selected through competitive tendering process
 - Would be able to contribute with their expertise

Disadvantages

- The disadvantages to this type of system are:-
 - Gaps may occur between various packages, however we can make it the MA's responsibility to address these
 - Sound relationships are needed with the service provider and may take time to develop if not already established
 - Adequate resource required to plan and implement this route.
 - Strong service specification required

3. Managing Contractor (Not recommended)

Managing Contractor



A contractor is appointed to manage all or part of a budget as though part of one large contracting organisation. The contractor would be paid a fee for providing these services, usually based on a percentage of the value of the expenditure managed. The managing contractor may provide some of the services and sub-contracting others.

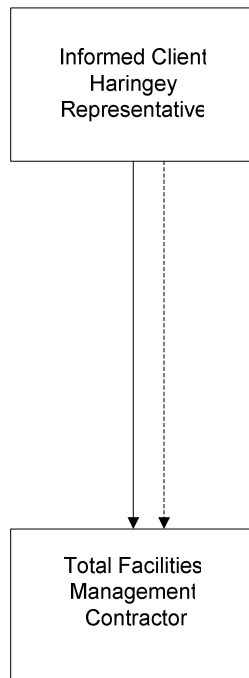
Advantages

- The advantages of this type of system are:-
 - Simple contract management
 - Single point of contact
 - Management of specialist sub-contractors
 - Less gaps in the service
 - Reduction in paperwork and fewer orders/payments required though the in-house procurement systems

Disadvantages

- The disadvantages to this type of system are:-
 - Needs a clear service specification
 - Ideally needs handover of “made good” buildings.
 - Transitional changes difficult to manage
 - Could be disruptive until the new contract has fully bedded into operation.
 - Sound relationships needed between the Informed Client and Managing Contractor.

4. Total Facilities Management (Not recommended)



The responsibility for the provision of building services and for the general management is placed in the hand of a single organisation.

Advantages

- The advantages of this type of system are:-
 - Concentrates on building management as a core activity.
 - Potential cost reductions and efficiency improvements through people savings (TUPE)
 - Fewer transactions to be processed (i.e. one bill per month)

Disadvantages

- The disadvantages of this type of system are:-
 - Must be right first time (process is difficult to reverse)
 - High risk if you get it wrong
 - Difficult to mitigate the risk of a contractor going into liquidation and ceasing to trading.
 - All "eggs are in one basket"
 - Contractor unlikely to be based in Haringey which may have impact on the local employment.
 - Existing information and service specifications makes this proposal difficult to implement at this stage.

5. Performance Measurement Assessment

The following criteria were considered using the scoring system as follows:

- 1-2 Poor
- 3-4 Mediocre
- 5-6 Adequate
- 7-8 Good
- 9-10 Excellent

	Performance Criteria	Internal Management Model	Managing Contractor	Total FM	Managing Agent
1	Easy of Implementation	4	7	6	8
2	Familiarity of Structure & Contractual Responsibilities	8	8	7	8
3	Collaborative Management of Risk	6	7	4	7
4	Move to 70:30 split	6	7	9	8
5	Improved Customer Satisfaction	4	8	7	8
6	Improved Quality of Service	5	8	7	8
7	Flexibility	6	6	6	9
8	Integrated Team	6	6	6	7
9	Partnership Working	6	7	6	7
10	Best Practice	4	5	6	7
11	Achieve Target Cost Savings	5	8	6	8
12	Continuous Improvement	5	8	8	8
13	Potential for Added Value	6	8	6	8
14	Innovation	4	6	9	8
15	Ability to achieve overall efficiency	5	8	8	9
	TOTALS	80	107	101	118

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