

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 29 APRIL 2008**

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

* Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC73.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED:</p> <p>That the minutes of the meeting held on 29 January 2008 be approved and signed.</p>	HLDMS
PROC74.	<p>WOOD GREEN DECENT HOMES WORKS PHASE WG1 (Report of the Director of Urban Environment - Agenda Item 6)</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 noted that there were 15 leaseholders living in the properties affected and that Notice had been issued to them of the works described in the report. We also noted that one leaseholder had responded to the formal consultation carried out and had requested confirmation regarding the source of the funding and whether the cost would be capped for leaseholders. The leaseholder had been advised that funding was allocated by the Government for Decent Homes works and that any reductions in charges would be assessed and awarded on ability to pay.</p> <p>In relation to the amount estimated to be recovered from the leaseholders we were advised that they were not liable to make a contribution towards the cost of some of the works to be carried out which explained the difference between the figure shown in paragraph 18.5 and the total cost. We were informed that the charges to the leaseholders were limited to the estimates contained in their Offer Notices and that invoices for these works were included with the annual Certificate of Actual Service Charge, which was sent to every leaseholder after the end of the financial year. Each invoice would be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. Having been further advised that the invoice would be payable interest free over a period followed in the case of longer periods interest currently chargeable at 7.46%, we asked that officers provide Members of the Committee with confirmation of the duration of the interest free period.</p> <p>RESOLVED:</p> <p>1. That, in accordance with Contract Standing Order 11.03, approval</p>	<p>DUE</p> <p>DUE</p>

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	<p>be granted to the award of the contract for Phase WG1 (1-112 The Weymarks) to Mulalley & Co. Ltd. at a total cost of £2,517,554.</p> <p>2. That the position with regard to contributions towards the cost of the works by leaseholders as outlined above be noted.</p>	
<p>PROC75.</p>	<p>FURTHER UPDATE ON THE PROCUREMENT OF AN ICT MANAGED SERVICE PROVIDER FOR THE BUILDING SCHOOLS FOR THE FUTURE PROGRAMME (Report of the Director of the Children and Young People's Service - Agenda Item 7)</p> <p>Whilst we noted that budgetary provision for the costs of the ICT managed services provider had been made within the overall BSF programme, clarification was sought of whether specific monitoring of this element of the programme was monitored in terms component parts, i.e. salaries, consultants fees and project delivery.</p> <p>We were informed that the IT procurement process element of the BSF programme had a financial management system in place which generated reports to the BSF Board. Scrutiny of the process was conducted by the Board in particular and as part of normal procedures. An account also had to be provided to Funding for Schools.</p> <p>We noted that the Competitive Dialogue process being used was a relatively new one, and lengthier than other procurement processes hitherto used by the Council. In this context we considered it prudent that officers reported to us on the progress made and that they advise of the expected timescales and desired outcomes. In connection with the engagement of consultants to manage the process, we were also informed that the market was very competitive and that there was a transition plan in place aimed at getting Haringey staff into place and to thereby reduce the reliance on consultants. We asked that a progress report be submitted to our June meeting which should include details of the management costs of the BSF programme including those incurred by way of fees paid to Mace and to Eversheds.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That it be noted that the purpose of the procurement was 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. 2. That it be noted that the report was the fourth of five reports the fifth of which would be for the award of contract for presentation at Procurement Committee scheduled at key stages of the procurement to keep Members informed of progress. 3. That the procurement procedure currently underway and progress made to date as outlined in the report be noted. 	<p>DCYPS</p>

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	<p>4. That it be noted that upon conclusion of the procurement procedure a further report seeking Members' agreement 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 to the preferred bidder would be made.</p>	
<p>PROC76.</p>	<p>STATUS OF THE BUILDING SCHOOLS FOR THE FUTURE'S CONSTRUCTOR PARTNERS FRAMEWORK (Report of the Director of the Children and Young People's Service - Agenda Item 8)</p> <p>We were pleased to note that with five Constructor Partners signed up to the terms and conditions of the BSF CP framework, it was the officers assessment that real competition could be achieved through the project mini competitions at the appropriate time and that the five contractors were viewed to be adequate to achieve best value. However, we also noted that discussions were continuing with Galiford Try who might yet sign up to the terms and conditions of the framework.</p> <p>In response to a question about a recently published Office for Fair Trading (OFT) report about cover pricing involving construction companies we were advised that the report centred on activity around 2003/04 and related to 112 companies. The investigations were still at an early stage and it was expected that the OFT would issue further guidance in due course.</p> <p>RESOLVED:</p> <p>That the progress on the Building Schools for the Future Constructor Partners framework be noted.</p>	
<p>PROC77.</p>	<p>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR WOODSIDE INCLUSIVE LEARNING CAMPUS (Report of the Director of the Children and Young People's Service - 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>Having noted that the cost of any contractor through the mini competition process was budgeted within the current BSF project plan costs, we were advised that the pre-construction process was a method of obtaining an Agreed Maximum Price (AMP) and that there was no guarantee that the contractor who took part in such a process for a particular project would subsequently awarded the main contract for that project. Clarification was sought of what safeguards existed to ensure that the AMP was not exceeded and we were informed that for each BSF project there was a cash limited budget. Quantity Surveyors working with the project manager ensured that there was value for</p>	

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	<p>money. Within the design process, once designs for each scheme had been agreed there was engagement with contractors about the detail of construction. The main contractor would be selected from the Framework Agreement.</p> <p>One difference between the BSF programme and other procurements was that whereas other schemes normally involved design and build, the BSF programme had separately contracted design elements and architects were not being novated over to contractors as was the case with other procurements. In response to a question about the development of a technical unit within the Council, we were advised that the approach being adopted was to build integrated teams rather than having people working in isolation to ensure that an AMP was achieved. The involvement of a contractor at an early stage linked to standardisation of certain design elements was intended to achieve efficiencies. The Competitive Dialogue process being used was an approved construction methodology practice although other BSF authorities were using the LEP partner approach.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the action taken by the Director of the Children and Young People’s Service in consultation with the Cabinet Member for Children and Young People in awarding the pre-construction contract for the Woodside ILC BSF Project to Apollo London Ltd. in the sum of £26,247,980 be noted.</p>	
<p>PROC78.</p>	<p>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR GLADESMORE COMMUNITY SCHOOL (Report of the Director of the Children and Young People’s Service - 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>Clarification was sought of the reason for the difference between the pre construction costs in relation to Gladesmore Community School vis a vis those for Woodside Inclusive Learning Campus. Having been informed that this related to the scope of the work involved, we noted that these details had not been included and we asked that a further report be made to us with these details in respect of the two schemes. Also that officers ensure that such details were included in all future reports on pre construction agreements.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the action taken by the Director of the Children and Young People’s Service in consultation with the Cabinet Member for Children and Young People in awarding the pre-construction</p>	<p>DCYPS</p>

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	contract for the Gladesmore Community School BSF Project to Balfour Beatty in the sum of £82,196 be noted.	
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CHARLES ADJE
Chair