
Cabinet Procurement Committee

TUESDAY, 25TH NOVEMBER, 2008 at 18:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Adje (Chair), Bevan, 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 19 below. New items of exempt business will be dealt with at item 30 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 - 14)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 16 and 28 October 2008.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

**6. DRUG INTERVENTIONS PROGRAMME: CONTRACT AWARD 2009 - 2010
(PAGES 15 - 20)**

(Report of the Assistant Chief Executive – Policy, Performance, Partnerships and Communication): To seek approval to award the contract to the existing provider for a further 12 months from April 2009 to March 2010.

**7. SOCIAL CARE SPOT CONTRACTS (1ST APRIL 2007 - 31ST MARCH 2008)
(PAGES 21 - 34)**

(Report of the Director of Adult, Culture and Community Services): To submit the annual report detailing the level and value of spot contracts for the preceding financial year.

**8. PREPARATION FOR PERSONALISATION - EXTENSION OF CONTRACTS
(PAGES 35 - 40)**

(Report of the Director of Adult, Culture and Community Services): To seek approval to the extension of block care contracts for services that will be the most heavily affected by the introduction of personalisation to allow completion of an informed commissioning strategy for future services.

9. NUISANCE VEHICLE CONTRACT

(Report of the Director of Urban Environment): To seek approval the award of a Nuisance Vehicle Contract. **NOT AVAILABLE AT TIME OF COLLATION**

**10. HORNSEY TOWN HALL - PROCUREMENT OF DESIGN TEAM AND PLANNING
WORK (PAGES 41 - 48)**

(Report of the Director of Corporate Services): To seek approval to the appointment of Capita Symonds as project manager and design team lead for the project.

**11. FIRE INSURANCE WORKS TO UNITS 5 AND 6 LEESIDE INDUSTRIAL ESTATE
GARMAN ROAD N17 - AWARD OF CONTRACT (PAGES 49 - 52)**

(Report of the Director of Corporate Services): To seek approval to a contract for re-instatement works to Units 5 and 6.

**12. STRATEGY FOR THE PROCUREMENT OF CONSTRUCTION CONTRACTORS
FOR COUNCIL CONSTRUCTION PROJECTS (PAGES 53 - 58)**

(Report of the Director of Corporate Services): To seek approval to the strategy for the procurement of construction contractors for Council construction projects.

13. REVIEW OF CONTRACT STANDING ORDERS (PAGES 59 - 84)

(Report of the Director of Corporate Services): To ensure a regulatory framework that continues to reflect good procurement practice and governance and to provide clarity where necessary to avoid any mis-interpretation.

14. WOOD GREEN DECENT HOMES PROGRAMME 2008/09 - PHASE WG6 - 20-108 PARKLANDS N22

(Report of the Director of Urban Environment): To award the contract for Phase WG6 of the Wood Green Decent Homes programme for 2008/09. **NOT AVAILABLE AT TIME OF COLLATION**

15. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2008/09 - PHASE ST12

(Report of the Director of Urban Environment): To seek approval to a Decent Homes improvement works to attain standards set by DCLG to 2-24, 26-48 and 31-61 Templeton Road, Pulford Road N15. **NOT AVAILABLE AT TIME OF COLLATION**

16. BUILDING SCHOOLS FOR THE FUTURE (BSF); AWARD OF CONTRACT FOR HEARTLANDS HIGH SCHOOL

(Report of the Director of Children and Young People's Service): To seek approval to award the enabling works design and build contract with an Agreed Maximum Price. **NOT AVAILABLE AT TIME OF COLLATION**

17. BUILDING SCHOOLS FOR THE FUTURE (BSF); AWARD OF CONTRACT FOR NORTHUMBERLAND PARK AND THE VALE SCHOOL

(Report of the Director of Children and Young People's Service): To seek approval to award the main works design and build contract following completion of the pre-construction stage. **NOT AVAILABLE AT TIME OF COLLATION**

18. PROVISION OF CONSULTANCY SERVICES FOR BSF - PROGRAMME DIRECTOR (PAGES 85 - 88)

(Report of the Director of Children and Young People's Service): To seek approval to waive Contract Standing Orders in order to enable the extension of the programme director, BSF and Capital Programme, pending re-tendering of the contract.

19. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at 2 above.

20. 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 6 - 18 which appear earlier on this agenda.

21. PREPARATION FOR PERSONALISATION - EXTENSION OF CONTRACTS (PAGES 89 - 94)

(Report of the Director of Adult, Culture and Community Services): To seek approval to the extension of block care contracts for services that will be the most heavily affected by the introduction of personalisation to allow completion of an informed commissioning strategy for future services.

22. NUISANCE VEHICLE CONTRACT

(Report of the Director of Urban Environment): To seek approval the award of a Nuisance Vehicle Contract. **NOT AVAILABLE AT TIME OF COLLATION**

23. HORNSEY TOWN HALL - PROCUREMENT OF DESIGN TEAM AND PLANNING WORK (PAGES 95 - 96)

(Report of the Director of Corporate Services): To seek approval to the appointment of Capita Symonds as project manager and design team lead for the project.

24. FIRE INSURANCE WORKS TO UNITS 5 AND 6 LEESIDE INDUSTRIAL ESTATE - GARMAN ROAD N17 - AWARD OF CONTRACT (PAGES 97 - 98)

(Report of the Director of Corporate Services): To seek approval to a contract for re-instatement works to Units 5 and 6.

25. WOOD GREEN DECENT HOMES PROGRAMME YEAR 2008/09 - PHASE WG6 - 20-108 PARKLANDS ROAD N22

(Report of the Director of Urban Environment): To award the contract for Phase WG6 of the Wood Green Decent Homes programme for 2008/09. **NOT AVAILABLE AT TIME OF COLLATION**

26. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2008/09 PHASE ST12

(Report of the Director of Urban Environment): To seek approval to a Decent Homes improvement works to attain standards set by DCLG to 2-24, 26-48 and 31-61 Templeton Road, Pulford Road N15. **NOT AVAILABLE AT TIME OF COLLATION**

27. BUILDING SCHOOLS FOR THE FUTURE - AWARD OF WORK PACKAGES FOR HEARTLANDS HIGH SCHOOL

(Report of the Director of Children and Young People's Service): To seek approval to award the enabling works design and build contract with an Agreed Maximum Price.
NOT AVAILABLE AT TIME OF COLLATION

28. BUILDING SCHOOLS FOR THE FUTURE - AWARD OF CONTRACT FOR NORTHUMBERLAND PARK AND THE VALE SCHOOL

(Report of the Director of Children and Young People's Service): To seek approval to award the main works design and build contract following completion of the pre-construction stage. **NOT AVAILABLE AT TIME OF COLLATION**

29. PROVISION OF CONSULTANCY SERVICES FOR BSF - PROGRAMME DIRECTOR (PAGES 99 - 100)

(Report of the Director of Children and Young People's Service): To seek approval to waive Contract Standing Orders in order to enable the extension of the programme director, BSF and Capital Programme, pending re-tendering of the contract.

30. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at item 2 above.

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17 November 2008

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MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 OCTOBER 2008

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

*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC48.	<p>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR ALEXANDRA PARK SCHOOL (Report of the Director of the Children and Young People's Service – Agenda Item 4)</p> <p>The Appendices 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.</p> <p>We noted that in response to on-going concerns the Head of Procurement had met with the Cabinet Member for Regeneration and Enterprise regarding apprenticeships offered by BSF and Decent Homes contractors and we requested that this dialogue be continued with a view to arrangements for apprenticeship schemes being formalised. Having been advised that in addition a briefing paper on apprenticeships had been produced by the Assistant Chief Executive, People, Organisation & Development we asked that it be circulated to Committee members.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.01, approval be granted to the award of the pre-construction agreement for Alexandra Park School to Balfour Beatty Construction for a fee of £73,782.72.</p>	<p>HP ACE- POD</p> <p>DCYPS</p>
PROC49.	<p>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR FORTISMERE SCHOOL (Report of the Director of the Children and Young People's Service – Agenda Item 5)</p> <p>The Appendices 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.</p> <p>We noted that less stringent requirements to reduce annual carbon dioxide emissions would be required on site due to the limited size of the scheme. However, sustainability measures were being considered including water use, energy efficiency, school travel plan and choice of materials.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.01, approval be granted to the award of the pre-construction agreement for</p>	DCYPS

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 OCTOBER 2008

	Fortismere School to Balfour Beatty Construction for a fee of £71,500.86.	
PROC50.	<p>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR HEARTLANDS HIGH SCHOOL (Report of the Director of the Children and Young People's Service – Agenda Item 6)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because qualifications of tenders were necessary to ensure that the Building Schools for the Future project team recommended the best contractor to construct the Heartlands High School. Following receipt of the clarifications on 8 October the likely preferred tenderer had withdrawn and evaluation had taken longer than anticipated. The report was too urgent to await the next meeting because any delay in the contract award would result in a later than programmed start on site resulting in the school not being ready to open in September 2010.</p> <p>The Appendices 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.</p> <p>We were advised that following concerns relating to the highest scoring contractors ability to meet the strict deadlines for the programme that were not mitigated despite seeking extensive clarification, that the contractor with the second highest score under the matrix had been recommended for approval. Whilst recognising that there was a limited risk of legal challenge against the contract award as a result of excluding the highest scoring contractor we were of the view that those risks were superseded by the need to select a contractor displaying the most credible assurance of meeting the required construction deadlines by accelerating the design and procurement of the works packages necessary to achieve the programme deadlines.</p> <p>Concern having been expressed regarding the level of financial risk associated with the recommended contractor bringing forward specified enabling works on site deemed necessary to achieve the completion dates prior to securing Final Business Case approval, we noted that the Director of Children and Young People's Service had agreed to underwrite the cost of Enabling Works in the unlikely event that the BSF Final Business Case was not approved. We also noted that if this situation did occur, the Children & Young People's Service would need to seek formal approval to the adjustment of the Council's capital programme to allow the BSF Enabling Works to be funded. The BSF Board had agreed a report on this matter with the approval of the Chief Finance Officer, and the report had been subsequently used to brief the Leader of the Council. However, the report now under consideration sought approval to the award of a pre-contract agreement for Heartlands High School in line with the process adopted to further develop other BSF projects. This was fully funded within the current project cash limited budget and any requirement for subsequent Enabling Works</p>	

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 OCTOBER 2008

	<p>would be the subject of future reports to our Committee, which would fully outline the appropriate funding source.</p> <p>We noted that the award of the Heartlands School contract to the contractor now recommended would constitute the fifth BSF project awarded to the company and in response to concerns expressed regarding financial stability in relation to the delivery demands of several contracts, confirmation was provided that Parent Company Guarantees were agreed as part of the BSF framework but that further financial checks would be made.</p> <p>In response to concerns expressed regarding the outstanding issue of obtaining planning permission for the site, we asked that officers ensure that the necessary application be submitted for approval to Planning Committee on 10 November 2008, in advance of approval being sought from our Committee to enhanced enabling site works later that month.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.01, approval be granted to the award of the pre-construction agreement for Heartlands High School to Balfour Beatty Construction for a fee of £340,522.70.</p>	DCYPS
PROC51.	<p>NORTH TOTTENHAM DECENT HOMES WORKS PHASE NT7 (Report of the Director of Urban Environment – Agenda Item 7)</p> <p>The Appendices 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.</p> <p>Confirmation was provided that Integrated Reception System works undertaken as part of the Capital programme would be carried out in conjunction with Decent Homes work on site despite separate contractual arrangements, to minimise disruption to residents.</p> <p>In response to concerns expressed regarding water leaks in Stellar House, confirmation was given that all pumps to the block had been tested and were in full working order. Risks of future flooding caused by taps being left on following water pressure problems would be reduced through the progressive installation of lever taps across the Borough.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted for the award of the contract for Phase NT7 of the North Tottenham Decent Homes Programme 2008/09 to Lovell Partnership Ltd. 2. That the Agreed Maximum Price and Compliance Team fees as detailed in the Appendix to the interleaved report be noted. 	DUE

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 OCTOBER 2008

<p>PROC52.</p>	<p>NORTH TOTTENHAM DECENT HOMES WORKS PHASE NT8 (Report of the Director of Urban Environment – Agenda Item 8)</p> <p>The Appendices 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.</p> <p>Concerns were expressed regarding residents re-fitting metal grills removed during the course of door replacement works resulting in a breach of fire regulations. Having been advised that monitoring and enforcement was be a housing management issue we asked that a report and action plan for the implementation of an enforcement programme be reported to our Committee.</p> <p>We were advised that specialist costings for replacing the flat roofs on three of the brick built blocks with pitched roofs had been obtained and would result in an additional cost of £0.907 million. It was recognised that detailed life cycle costings illustrated the financial benefit of pitched roofs in the long term, but that the initial outlay would be significant, with Decent Homes funding not including resources for pitched roofs. In addition, any changes to the pitch of the three roofs might be deemed to constitute improvement work due to the remaining life span of the roofs of 12-15 years, with a subsequent impact on recouping costs from leaseholders under the terms of their leases. Having expressed concern about the setting of a precedent for undertaking improvement works, we agreed in this case to the proposal to replace the one roof identified as requiring renewal to match the existing flat roofs of the other blocks.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted for the award of the contract for Phase NT8 of the North Tottenham Decent Homes Programme 2008/09 to Lovell Partnership Ltd. 2. That the Agreed Maximum Price and Compliance Team fees as detailed in the Appendix to the interleaved report be noted. 	<p>DUE</p> <p>DUE</p>
<p>PROC53.</p>	<p>NORTH TOTTENHAM DECENT HOMES WORKS PHASE NT9 (Report of the Director of Urban Environment – Agenda Item 9)</p> <p>The Appendices 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.</p> <p>In response to a query regarding the potential to negotiate down maximum prices in light of the current economic situation, confirmation was given that ongoing price negotiations were taking place with contractors. As a consequence, the fees detailed in the Appendix to the</p>	

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 OCTOBER 2008

	interleaved report were lower than those originally tendered.	
	RESOLVED: <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted for the award of the contract for Phase NT9 of the North Tottenham Decent Homes Programme 2008/09 to Lovell Partnership Ltd. 2. That the Agreed Maximum Price and Compliance Team fees as detailed in the Appendix to the interleaved report be noted. 	DUE

CHARLES ADJE
Chair

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Councillors *Adje (Chair), *Bevan, Meehan and *Santry.

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MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>were advised that the Haringey Supporting People Partnership Board had agreed to continue funding mental health services within the Supporting People programme at their current level for at least the next five years and that, in the light of evidence of the over supply of services in some sectors of the programme, action was already being taken to reduce capacity in these sectors to achieve the savings needed and the contracts allowed for a reduction in service level in line with the available grant.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the award of three contracts to deliver housing and community based support services (Supporting People funded) for residents with significant mental health needs in line with the findings and recommendations on the award of contracts set out in Section 13 of the interleaved report and the Appendix thereto to the providers indicated below – <ul style="list-style-type: none"> • East – Metropolitan Support Trust • Central – Rite Consortium • West – St. Mungo's 2. That the contracts be awarded for a period of 5 years commencing on 1 November 2008 with an option to extend them for a further 2 years. 	<p>DACCS</p> <p>DACCS</p>
<p>PROC57.</p>	<p>BENEFITS AND LOCAL TAXATION BILL PRINTING CONTRACT (Report of the Director of Corporate Resources - Agenda Item 7)</p> <p>The Appendices 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.</p> <p>Councillor Santry expressed concern that many people complained of difficulty in understanding bills and other correspondence originated by Benefits and Local Taxation. Our Chair indicated that this was often due to the formal language used in legislation and regulations and he indicated that he would ask the appropriate officers to meet with her in this connection.</p> <p>We noted that prices had only been received from two bidders one of whom had withdrawn late in the process because they felt the risks of taking on new processing to be significant and that they did not sufficiently understand related Council processes. We endorsed the suggestion of the Head of Procurement that Benefits and Local Taxation (BLT) and Information Technology (ICT) require the new contractor to co-operate in the production of a detailed process map and specification and for BLT and ICT to maintain its currency. We indicated that the procurement exercise for this contract should be commenced in 12 months time with a view to a new contract being let rather than an extension being granted to the contract now awarded.</p>	<p>DCR</p> <p>DCR</p>

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the Benefits and Local Taxation Bill Printing Service to Paragon Group UK Ltd. on the basis set out in the interleaved report. 2. That the contract be awarded for a period of two years. 	<p>DCR</p> <p>DCR</p>
PROC58.	<p>DRUGS INTERVENTION PROGRAMME CONTRACT WAIVER (Report of the Assistant Chief Executive (Policy, Performance, Partnerships and Communications) - Agenda Item 8)</p> <p>RESOLVED:</p> <p>That as permitted by Contract Standing Order 7.03 (d) approval be granted to a waiver on Contract Standing Order 6.05 (Requirement to Tender) in respect of the Drugs Intervention Programme Contract for the period 1 April 2009 – 31 March 2010 on the grounds that it was in the Council's overall interest.</p>	<p>ACE-PPPC</p>
PROC59.	<p>BUILDING SCHOOLS FOR THE FUTURE - CORRECTION OF THE AWARD AMOUNT ON THE PRE-CONSTRUCTION AGREEMENT REPORT FOR PARK VIEW ACADEMY(Report of the Director of the Children and Young People's Service – Agenda Item 9)</p> <p>RESOLVED:</p> <p>That approval be granted to the increase of the award to the Constructor Partner for the Park View Academy School's pre-construction agreement by £4,426 from £57,971 to £62,397.</p>	<p>DCYPS</p>
PROC60.	<p>BUILDING SCHOOLS FOR THE FUTURE - PRE CONTRACT DEMOLITION WORKS AT GLADESMORE SCHOOL (Report of the Director of the Children and Young People's Service – Agenda Item 10)</p> <p>We were informed that the Gladesmore Community School Project was currently at the Pre-Construction Agreement stage, the Employer's Requirements were being priced and Contractors Proposals prepared by Balfour Beatty. We were also informed that the later works which had been the subject of the extension to the contract could not have been completed with the previous Gladesmore enabling works package as the scheme design development had not progressed sufficiently to be adequately scoped and priced. We noted that the cost of awarding the pre-construction demolition works was budgeted for within the overall BSF Construction Cash Limited budget and could be achieved within the sum originally agreed for pre-construction works in June 2008. We also noted that this was partly because the scope of the original works had reduced and partly because some cost reductions have been achieved. We asked that Members of our Committee be supplied with details of the reductions which had been made to scope of the original works.</p>	<p>DCYPS</p>

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>Reference was made to the existing arrangement whereby in to ensure full Member involvement in the BSF Design and Build process, the pre-construction stage was reported to Procurement Committee for approval with the main award with an Agreed Maximum Price (AMP) subsequently being presented to Procurement Committee. In this connection we were advised that various BSF enabling works had been completed at schools over the summer and feedback obtained from contractors indicated that pre-contract works could potentially reduce pressure on the programming of complicated phasing of works significantly, thereby improving the construction completion dates. In the light of the feedback clarification was sought of whether the Committee would re-consider the existing arrangements for the procurement route towards the award of contracts to BSF Constructor Partners. We indicated that as far as possible there should be adherence to the agreed protocol but where there was a particular risk of delay then use could be made on the urgency provisions within the Council's Constitution including the convening of special meetings of our Committee at less than five clear days notice. Our Chair asked that officers supply him with a briefing paper outlining the changes sought and the reasons for them.</p> <p>Reference was also made to conditions which had been imposed by the Planning Committee in relation to works at Northumberland Park School and we asked that officers supply us with details of those conditions.</p> <p>RESOLVED:</p> <p>That it be noted that in accordance with Contract Standing Order 13.03 the Director of the Children and Young People's Service had approved an extension to the contract awarded to Balfour Beatty for enabling works to Gladesmore Community School to include demolition works at an additional cost of £162,354.</p>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>
<p>PROC61.</p>	<p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 PHASE WG8 - DEVONSHIRE HILL LANE N17 (Report of the Director of Urban Environment – Agenda Item 11)</p> <p>The Appendices 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.</p> <p>Reference was made to the practice of some residents of re-fitting metal grilles removed during the course of door replacement works which might result in a breach of fire regulations and we asked that in future reports confirmation be given that estate managers would monitor such situations and that appropriate action would be taken by Homes for Haringey as a housing management issue.</p> <p>RESOLVED:</p> <p>1. That in accordance with Contract Standing Order 11.03 approval</p>	<p>DUE</p> <p>DUE</p>

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>be granted to the award of the contract for Phase WG8 of the Wood Green Decent Homes programme at 40 addresses in Devonshire Hill Lane N.17. to Mulalley & Co. Ltd. for the Total Agreed Maximum Price (excluding fees) set out in paragraph 2.2 of the Appendix to the interleaved report.</p> <p>2. That the total cost of the work as set out in paragraph 2.4 of the Appendix to the interleaved report be noted.</p>	
PROC62.	<p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 PHASE WG11- WEIR HALL ROAD N18 (Report of the Director of Urban Environment – Agenda Item 12)</p> <p>The Appendices 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.</p> <p>We asked that in future reports involving properties that were located outside the Borough this be made clear and that where reports involved works to properties both inside and outside the Borough that a breakdown of the numbers of properties by location be clearly stated.</p> <p>RESOLVED:</p> <p>1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase WG11 of the Wood Green Decent Homes programme at 29 addresses in Weir Hall Road N.18. to Mulalley & Co. Ltd. for the Total Agreed Maximum Price (excluding fees) set out in paragraph 2.2 of the Appendix to the interleaved report.</p> <p>2. That the total cost of the work as set out in paragraph 2.4 of the Appendix to the interleaved report be noted.</p>	<p>DUE</p> <p>DUE</p>
PROC63.	<p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 - PHASE WG12 - WEIR HALL AVENUE N18 (Report of the Director of Urban Environment – Agenda Item 13)</p> <p>The Appendices 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.</p> <p>In response to a question about the different numbers of properties and the timescales for completion in the various contracts, we were advised that these were determined by the nature of the works conducted which varied between contracts and that validation checks were routinely carried out. A further question was asked about whether where a contract involved the replacement of front doors all properties were included irrespective of the condition of individual doors and where the tenant had fitted a new door if the security of that door was considered.</p>	

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>We noted that the question of which doors were replaced was the subject of an independent assessment and that security aspects were part of that assessment.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase WG12 of the Wood Green Decent Homes programme at 21 addresses at Weir Hall Avenue N.18 (Houses) to Mulalley & Co. Ltd. for the Total Agreed Maximum Price (excluding fees) set out in paragraph 2.2 of the Appendix to the interleaved report. 2. That the total cost of the work as set out in paragraph 2.4 of the Appendix to the interleaved report be noted. 	<p>DUE</p> <p>DUE</p>
PROC64.	<p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 - PHASE WG13 WEIR HALL AVENUE (FLATS) N18 (Report of the Director of Urban Environment – Agenda Item 14)</p> <p>The Appendices 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.</p> <p>With regard to paragraph 18.8 of the report, we asked that officers check with the Home Ownership Team concerning any observations which might lately have been received from leaseholders.</p> <p>It having been pointed out that paragraphs 16.1 and 16.5 of the report were contradictory and confirmation having been given that there was no communal TV aerial system in place serving these properties, we asked that the in future and where appropriate the scope of works to properties in Haringey include Digital IRS installation.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase WG13 of the Wood Green Decent Homes programme at 40 addresses in Weir Hall Avenue N.18 (Flats) to Mulalley & Co. Ltd. for the Total Agreed Maximum Price (excluding fees) set out in paragraph 2.2 of the Appendix to the interleaved report. 2. That the total cost of the work as set out in paragraph 2.4 of the Appendix to the interleaved report be noted. 	<p>DUE</p> <p>DUE</p> <p>DUE</p>
PROC65.	<p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 - PHASE WG14 - BARCLAY ROAD N18 (Report of the Director of Urban Environment – Agenda Item 15)</p> <p>The Appendices to the interleaved report were the subject of a motion to</p>	

MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 28 OCTOBER 2008

	<p>exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the duration of the contract was 10 weeks and involved 63 houses. We asked that Members of our Committee be supplied with details of the scale and nature of the works and that in future such details be included in the body of reports.</p> <p>We also asked that officers supply us with details of the number of properties in the London Borough Enfield to which works had been approved to date as part of our Decent Homes programme.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase WG14 of the Wood Green Decent Homes programme at 63 addresses at Barclay Road N.18 to Mulalley & Co. Ltd. for the Total Agreed Maximum Price (excluding fees) set out in paragraph 2.2 of the Appendix to the interleaved report. 2. That the total cost of the work as set out in paragraph 2.4 of the Appendix to the interleaved report be noted. 	<p>DUE</p> <p>DUE</p> <p>DUE</p>
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CHARLES ADJE
Chair

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Haringey Council

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Agenda item:

[No.]**[Name of Meeting] Procurement 25th November 2008**

Report Title: Drug Interventions Programme Contract award, 2009 – 2010

Forward Plan reference number (if applicable):

Report of: Sharon Kemp, Assistant Chief Executive, PPP&C

Wards(s) affected: All

Report for: Key decision

1. Purpose

Request for Award of the Drug Interventions Programme (DIP) Contract to CRI (the existing provider) for the period 1st April 2009 – 31st March 2010 in the amount £1.m +/-

2. Introduction by Executive Member

Haringey Drug Interventions Programme (DIP) is part of a national programme aimed at breaking the links between drug misuse and crime, by encouraging drug misusing offenders into appropriate treatment. The DIP is funded by a grant from the Home Office and works with some of the most vulnerable citizens of the borough. It is important that we make maximum use of this grant funding to continue the valuable work.

I fully support the recommendation to award the contract as outlined at paragraph 3 of this report.

3. Recommendation

That Members award the DIP contract to the existing provider, CRI under the provision of CSO 7.0.3 (d) that it is in the council's best interests due to continuity of service, the timing of any tender process and overall performance for the period 1st April 2009 – 31st March 2010 in the amount of £1.m +/-.

Report Authorised by: Sharon Kemp, Assistant Chief Executive, PPP&C

Contact Officer: Paulette Haughton, Drug Interventions Programme, Project Manager. X6953/6018 paulette.haughton@haringey.gov.uk

4. Director of Finance Comments

4.1 The Chief Financial Officer has been consulted on this award request and confirms that a DIP grant of £1.262m was allocated to Haringey for the financial year 2008/09 (See Appendix 1.)

4.2 Government funding for 2009/10 has yet to be confirmed although it is expected to be available. Current expectation is that it is likely to be set at 2008/09 levels with no inflationary increase. Clearly if funding is substantially reduced this will need to be factored into the award of contract from 1st April 2009.

5. Head of Legal Services Comments

5.1 This report is seeking a award of the DIP contract to the existing provider, CRI on the basis of the ground set out in CSO 7.3(d), i.e. on the basis that a award of the contract to the existing provider at this time is in the Council's overall interest

5.2 The services under this contract are classified as 'residual services' under the Public Contracts Regulations 2006 so there is no requirement to tender the contract in the EU.

5.3 The report states that the original DIP contract for a 17-month period was awarded to the current service provider by the Procurement Committee on 26th June 2006, following a competitive tendering exercise, and that a 12-month extension of the original contract until 31st March 2009 was approved by the Procurement Committee on 30th September 2008.

5.4 A waiver of the CSO requirement to tender was agreed by Members on 28th October and the award of a further 12-month contract to the existing provider is now being sought. The additional contract period will allow for the continued provision of the service, pending the completion of the competitive tendering process to be initiated early in 2009 in respect of the procurement of a replacement service provider.

5.5 CSOs 7.2(a)/ 7.3(d) empower Procurement Committee to grant a award of CSOs if satisfied, after considering a report by the appropriate officer, that the award is justified on the basis that it is in the Council's overall interest.

5.7 Procurement Committee has the power under CSO 11.3 to award the contract.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of this report provided Members are satisfied, based on the circumstances set out in this report that it is in the Council's overall interest to grant the award.

6. Head of Procurement Comments

6.1 The contract manager confirms that performance meets contract requirements and on this basis, the Head of Procurement is satisfied that the request to award the

contract to the existing provider, CRI (under CSO 7.0.3 (d) is in the Council's overall best interests as the DIP serves a statutory requirement and needs to provide a continuous service.

7. Local Government (Access to Information) Act 1985

7.1 The following background papers were consulted in the preparation of this report:

- Procurement Committee Report – 20th June 2006
- Procurement Committee Report – 30th September 2008
- Procurement Committee report – 28th October 2008
- Contract specification and other contract documentation
- Tender and tender support documents returned by the five tenderers
- Evaluation assessments and other relevant papers and files

8. Strategic Implications

8.1 The DIP assesses Class A drug users and engages them in treatment, thus feeding into the LAA, specifically NI 30 and 40.

9. Financial Implications

9.1 The cost of this contract will be met from the available central government funding.

10. Legal Implications

10.1 See "Head of Legal Services comments" at paragraph five.

11. Equalities Implications

11.1 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the DIP works with the Drug and Alcohol Action Team (DAAT) to address these imbalances and to encourage as many drug misusing offenders as possible into treatment. All relevant equalities considerations were addressed during the tendering process. The Senior Equality and Diversity Officer was part of the tender evaluation process to ensure that equalities issues were robustly addressed and was satisfied that this was the case. The Equalities Team has been consulted in the preparation of this report and has no specific concerns regarding the award of the contract to the existing provider.

12. Background

12.1 Haringey DIP seeks to move drug-misusing offenders "out of crime and into treatment". The service has been in operation since 2003 and is part of a national programme, underpinned by legislation. The DAAT partnership received a further 1-year grant from 1 April 2008 to 31 March 2009 with a commitment from Government for 2009/10 at the same or similar levels. See Appendix A.

12.2 In accordance with Members direction in April 2005, a procurement exercise was undertaken, starting in September 2005. There were 36 expressions of interest and 5 companies submitted formal bids. The Drug Interventions Programme contract was awarded to Crime Reduction Initiatives (CRI) at an Executive Procurement Committee on Monday 26 June 2006 for a period of 17 months with allowance for an extension of up to 12 months. The extension request was granted at a Procurement Committee on 30 September 2008; a waiver of CSO requirement to tender was granted on 28th October 2008.

12.3 This report is requesting that Members agree to award the contract to the existing provider for a further 12 months, from 1 April 2009 to 31st March 2010, during which time the contract will be put out to tender. The award is being requested as the timeline is now such it will be difficult for an effective tender process to be carried for a new contract to be in place by 1 April 2009. In addition, the existing contract will have been in place for 2 years and 5 months, and in the interests of continuing to improve the performance of the DIP, the additional 12 months will allow for further consolidation of the work. The request is being made in line with (CSO) 6.04 (requirement to tender) under CSO 7.0.3 (d) as we believe that it is in the Council's overall best interests; the DIP serves a statutory requirement and needs to provide a continuous service.

12.4 The service works with adults who are arrested on 'trigger offences' and who test positive for Class A drugs. The DIP assesses the treatment needs of these individuals, draws up a care plan and arranges the appropriate drug treatment and support services for them.

12.5 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the Drug and Alcohol Action Team (DAAT) commissions the DIP services to address these imbalances and to encourage as many drug misusing offenders as possible into treatment.

13 Summary and Conclusions

13.1 The DIP contract is due for re-tendering during 2009/10, this report requests the award of the contract to the existing provider CRI, for a further 12 months, subject to funding.

15. Appendix A



GRANT FUNDING APPROVAL: IMPLEMENTATION OF THE DRUG INTERVENTIONS
PROGRAMME REVISED MAIN GRANT 2008/09

1. I am writing to confirm that a grant of up to £1,262,194. is available to your Drug Action Team in 2008/09. The grant is to enable the implementation of the Drug Interventions Programme (DIP) as part of the local delivery of the new Drug Strategy, and must only be used to implement DIP.
2. The Home Office is providing a grant in 2008/09 that is 1.5% above the level you received in 2007/08. This will help absorb some inflationary costs, but no additional increases are planned for future years. 2009/10 budgets will not be set until later in 2008/09.
3. The system whereby individual DIP funding streams were merged into Revised DIP Main Grant (RMG) in 2006/07 will be maintained in 2008/09. This increase in flexibility has proven successful and has enabled DATs to embed and deliver DIP as a package rather than a number of distinct interventions.
4. However, in allocating the Revised DIP Main Grant, we expect certain key structures and capabilities will be in place. These are set out in the attached **Annex A** and aim to ensure delivery of the key Programme outcome – a reduction in drug-related offending. You will know which expectations apply to you based on your intensive status.
5. The grant is made subject to the terms and conditions detailed at **Annex B**. These should be signed by the responsible person in your finance department.
6. In order for funding to be released and for audit and management purposes, you must report how the partnership intends to spend this funding. Attached at **Annex C** is the template for setting out the spending profile for your 2008/09 Revised DIP Main Grant. This profile should be agreed by the Local Partnership, Government Office Drug Team Regional Manager and NTA Regional Manager.
7. Payments will be made based on the amounts indicated in this profile. Details of your nominated banker should be made on **Annex D**.
8. **Annexes B, C and D** must be returned to the Home Office by the **16 May 2008**.
9. We will make two payments to you in 2008/09. The first payment, subject to the receipt of **Annexes B, C and D**, will be made in June and will constitute Quarters 1 and 2. The second payment, for Quarters 3 and 4 will be made in December and only upon receipt of a completed 2007/08 Outturn Statement. This can be found at **Annex E** and must be signed off by the Chief Finance Officer.
10. **Annex E – Outturn Statement** for 2007/08 should be returned to the OBIU Business Support Team at the Home Office by the 30 May 2008. The details from this outturn will be used to calculate your Quarter 3/4 payment. As there was no carry-forward facility in 2007/08 underspends will be deducted from your 2008/09 grant. You will be notified by email of the amount of your Quarter 3/ 4 payment by the 30 June 2008.
11. An in-year outturn statement covering the first three quarters of the 2008/09 financial year will be required by the 31 January 2009. The template for this can be found at **Annex F** and should be returned to the OBIU Business Support Team at the Home Office. It does not need to be

signed off by the Chief Finance Officer, but should be an accurate reflection of expenditure to date.

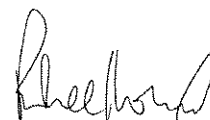
12. You are also required to complete a final 2008/09 Outturn Statement by the 30 May 2009. The template for this can be found at Annex G, but will be sent again in the new financial year.
13. You will not be allowed to carry forward any funding from 2008/09 to 2009/10, so please commit and spend all funding available to you this year.
14. All Annexes must be returned via your Government Office Drug Team with a Regional Authorisation Form attached (Annex H). The Government Office Drug Team should then forward the Annexes by the date specified to:

Joanne Terry,
PCSD / OBIU Business Support Unit
4th Floor, Fry Building
2 Marsham Street
London, SW1P 4DF

We will be accepting Annexes electronically on the basis that the full audit / authorising trail can be seen in the email. These should be sent to: Joanne.Terry@homeoffice.gsi.gov.uk or to the PCSD Business Support general mailbox: yfma-PCSDBS@homeoffice.gsi.gov.uk.

15. If we do not receive completed accurate Annexes by the dates specified in this letter you will be in breach of the grant terms and conditions, and we will give consideration to reducing or withholding funds.
16. For quick reference a funding timetable can be found at Annex I.
17. Should you need clarification or any further information concerning this funding please contact Joanne Terry either by email: Joanne.Terry@homeoffice.gsi.gov.uk or phone: 020 7035 4874.

Yours sincerely



Peter Wheelhouse
Head of Offender Based Interventions Unit



Haringey Council

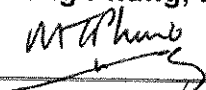
Agenda item:

7

[No.]

Cabinet Procurement Committee

On 25th November 2008

Report Title: Social Care Spot Contracts (1st April 2007 – 31st March 2008)	
Forward Plan reference number (if applicable): Not applicable	
Report of: The Director of Adult, Culture & Community Services	
Wards(s) affected: All	Report for: Non Key Decision
1. Purpose 1.1 To inform Members of the level of spot contracting over the period 1 st April 2007 to 31 st March 2008. 1.2 To provide Members with benchmarking information.	
2. Introduction by Cabinet Member (if necessary) 2.1 The Cabinet Member for Adult Services notes the slight increase in the value of spot contracts and the explanation as to why this has occurred. 2.2 The Cabinet Member also notes that this is likely to be an ongoing trend due to the implementation of the Government's Personalisation Agenda.	
3. Recommendations 3.1 That Members note the contents of the report.	
Report Authorised by: Mun Thong Phung, Director of Adult, Culture & Community Services 	
Contact Officer: Barbara Nicholls, Head of Commissioning, Adult, Culture & Community Services – X3328	
4. Chief Financial Officer Comments 4.1 The report indicates a decrease of 9.4% in the number of spot contracts between	

2006/07 and 2007/08. The number of placements under block contracts did not change significantly between the two years.

5. Head of Legal Services Comments

- 5.1 The services which are covered in this report are not subject to the full application of the Public Contracts Regulations 2006, so there is no requirement to follow a European tendering exercise.
- 5.2 In addition 'spot' contracts are not subject to the Council's tendering requirements contained in Contract Standing Order 8 to 11.
- 5.3 There is a requirement in Contract Standing Order 6.13 (d) for the Director of Adults, Culture & Community Services to submit reports to the Cabinet detailing the nature, extent and value of 'spot' contracts entered into.
- 5.4 The Head of Legal Services notes the contents of the report and advises that the Corporate Legal Service should be consulted in relation the preparation of contract documentation.

6. Head of Procurement Comments (to be added only if the report is progressing to Procurement Committee or if the report requires this information)

- 6.1 This report shows that Haringey is achieving VFM on its spot purchasing of Residential and nursing care for older people. The benchmarking information shows Haringey as averaging the 3rd best prices across the market.
- 6.2 The increase in the purchase of spot placements is due to the termination of block contracts, as explained in 13.7 and 13.8

7. Local Government (Access to Information) Act 1985

- 7.1 Not applicable

8. Strategic Implications

- 8.1 The Government's Personalisation Agenda will radically change the way in which services are provided to clients. These changes will almost certainly negate the need for Haringey to maintain the current level of block contracts.
- 8.2 The Council is required to have fully implemented the Personalisation Agenda by March 2011.

9. Financial Implications

- 9.1 Financial forecasting will form a major part of the Council's preparation for implementation of the Government's Personalisation Agenda.

10. Legal Implications

- 10.1 Not applicable.

11. Equalities Implications

11.1 Not applicable

12. Consultation

12.1 Not applicable

13. Background

- 13.1 Contracts for individuals are either 'block' contracts (where a set number of beds or places for services is provided by the contractor at a predetermined price to which the Council may refer users over the contract period), 'framework' contracts (with a predetermined price, which are similar to block contracts but with no guaranteed number of places) or 'spot' contracts (one off contracts meeting an individual's needs). Efforts are made to maximise the use of block and framework contracts where this represents best value for the Council.
- 13.2 The Council is currently preparing to implement the Government's Personalisation Agenda by the required date of March 2011. This will have a direct impact on the Directorate's Commissioning Strategy and the use of block and spot contracts. The Department of Health has issued guidance to support the *Transformation of social care*. It covers:
- The history and policy context and future direction of a 'personalised approach to the delivery of adult social care'
 - The proposed development of a programme to support social services authorities in delivering this approach covering the new way of working and the roles and responsibilities of national agencies as well as individual social services agencies
 - The Social Care Reform Grant introduced in April 2008 to facilitate the transformation
 - References to further information and toolkits to help achieve personalisation
- 13.3 The Guidance makes clear that the outcomes emerging from this transformation process will be expected to support the DH's three strategic objectives of:
- Promote better health and well-being for all (PSA 18)
 - Ensure better care for all (PSA 19)
 - Better value for all (DH DSO)
- 13.4 Working in partnership towards prevention
- 13.4.1 The guidance emphasises the need to achieve the transformation of social care by working across boundaries to include services such as: housing, benefits, leisure, transport and health; and with partners from private, voluntary and community organisations 'to harness the capacity of the whole system'.
- 13.4.2 The aim is to ensure a strategic balance of investment in prevention services, which promote independence as well as providing intensive care and support for those with high-level complex needs.
- 13.4.3 The new Joint Strategic Needs Assessment, the Local Performance Framework and Local Area Agreement are seen as fundamental to achieving the vision.

13.5 Timescale

The guidance states that by March 2011, people who use services and their carers, frontline staff and providers should experience significant progress in all local authority areas. The DH expects improvements to be evident between now and then.

13.6 Implementation will require a complete change to the way the Council currently provides Social Care Services to residents which will require wide consultation with stakeholders, new processes to be developed and staff trained in usage of same. In the meantime the Council will need to continue to provide services.

13.7 The table below shows that there has been a slight increase in the cost of spot contracts for the period covered by this report the main reason for this being, as Members are aware, it was considered to be in the best interest of the Council to allow block contracts for the provision of culturally specific day care to expire on 31st March 2007 and to spot purchase such services as and when necessary.

Summary : Adults & Older People Spot Contracts		2007/2008	2006/2007	Change	%
	Spot Nos	1123	1224	-101	-8.25
	Value £	£24,074,500	£23,782,555	£291,945	+1.23

13.8 It should be noted that if the Day Care Contracts referred to in paragraph 13.7 are excluded from the above calculations there would have been a decrease of 9.4% in the numbers and 0.5% in the cost of spot contracts. It should also be noted that these reports do not show a true cost comparison due to the annual inflationary uplift awarded to providers which was 1.5% for 2007/08.

13.9 Contract Standing Order 6.13 authorises the Director of Adults, Culture & Community Services to award spot contracts whilst requiring that reports on the level of usage are provided to the Executive Procurement Committee.

13.10 In September 2007 Members agreed to accept annual benchmarking figures to allow analysis with regard to value for money with particular emphasis on comparison with London authorities that have achieved three star status for performance of adult social care. These figures are set out at Appendix A.

14 Conclusion

14.1 The purpose this report is to inform Members of the level and value of spot contracting for the period of 1st April 2007 to 31st March 2008.

14.2 Previously there have been year on year decreases in the level and value of spot contracting. This report shows a slight increase however paragraphs 13.7 and 13.8 give an explanation for this.

14.3 It should be noted that due to the Government's Personalisation Agenda it is almost certain that it will be necessary for the Council to increase the use of spot contracts in the future.

15 Use of Appendices / Tables / Photographs

15.1 Appendix A – Benchmark Table

15.2 Appendix B – Comparison between volume/cost of spot contracts in 2006/07 and 2007/08



Haringey Council

APPENDIX A – Benchmark table

3 Star Authority	Gross Weekly Fee (Older People) Residential	Gross Weekly Fee (Older People) Nursing	Gross Weekly Fee (Older People) EMI Residential	Gross Weekly Fee (Older People) EMI Nursing	Eligibility Criteria Threshold
Barking & Dag	£450 (max)	£570 (max)	£470 (min) £532 (max)		S
Bexley					S
Camden	£480 (min)	£800 (min)	£500 (min)	£620 (min)	M
City of London	£335 (min) £824 (max)	£533 (min) £1111 (max)	£624 (min) £778 (max)	£678 (min) £822 (max)	S
Croydon					
Ealing					
Ham & Fulham					
Hounslow	£323 (min) £530 (max)	£442 (min) £626 (max)	£635 (min) £597 (max)	£480 (min) £652 (max)	
Islington					
Ken & Chelsea					
Redbridge	£466 (min) £554(max)	£583 (min) £625(max)		£583 (min) £583 (max)	S
Rich upon Thames					
Southwark	£300 (min) £459 (max)	£500 (min) £671 (max)	£487 (min) £503 (max)	£500 (min) £709 (max)	S
Tower Hamlets	£440 (min) £504 (max)	£613 (min) £646 (max)	£472 (min) £504 (max)	£647 (min) £656 (max)	S
Westminster	£513 (min) £513 (max)	£624 (min) £624 (max)	£513 (min) £513 (max)	£624 (min) £624 (max)	M
2 Star Authority					
Barnet					S
Bromley	£385 (min) (shared) £420 (max)	£570 (min) (shared) £590 (max)	£450 (max)	£590 (max)	S

Hackney							
Hillingdon	£461 (max)	£614 (max)			£635 (max)		
Kingston upon Thames	£390 (min) £402 (max)	£507 (min) £537 (max)	£437 (min) £437 (max)		£580 (min) £650 (max)	S	
Lambeth							
Lewisham							
Merton							
Sutton	£406 (max)	£550 (max)	£419 (max)		£574 (max)		
Waltham Forest	£464 (max)	£680 (max)	£590 (max)		£680 (max)	S	
Wandsworth	£405 (min) £540 (max)	£562 (min) £649 (max)	£481 (min) £540 (max)		£581 (min) £675 (max)	S	
Haringey	£430 (max)	£564 (max)	£482 (max)		£615 (max)	S	

Eligibility Criteria Key:

L Low
M Moderate
S Substantial
C Critical:

There is an informal agreement between local authorities within the North London Procurement Group that all authorities will respect the benchmark figure of the host borough when placing clients to avoid bidding wars and ensure availability of local beds where possible.

APPENDIX B – Comparison between volume/cost of spot contracts in 2006/07 and 2007/08

It should be noted that a like for like comparison is not possible for 2006/07 and 2007/08 due to a change in the way services were recorded on the electronic social care record (framework-i) in November 2007. However similar services have been grouped together for the purposes of comparison.

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
(a) Miscellaneous service type							
Adult placement scheme LD	No. of clients Expenditure 2006-07	11 £125,699	£11,427.19	Adult placement scheme	No. of clients Expenditure 2007-08	12 £158,157	£13,179.75
Bed & Breakfast (Asylum Seekers)	No. of clients Expenditure 2006-07	2 £15,992	£7,996.00	Hostels and other temporary accommodation-adult	No. of clients Expenditure 2007-08	3 £14,903	£4,967.67
Clothing (Adults)	No. of clients Expenditure 2006-07	2 £100	£50.00	Not captured in this way for 2007/08			
Not captured in this way for 2006/07				Counselling	No. of clients Expenditure 2007-08	6 £9,965	£1,660.77
Not captured in this way for 2006/07				Equipment and Adaptations - migrated	No. of clients Expenditure 2007-08	2 £2,794	£1,397.18
Other professional support	No. of clients Expenditure 2006-07	13 £27,972	£2,151.66	Other professional support	No. of clients Expenditure 2007-08	6 £31,790	£5,298.26

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
Single grant payments(adults)	No. of clients Expenditure 2006-07	1 £20	£19.60	Not captured in this way for 2007/08			
Support Worker	No. of clients Expenditure 2006-07	15 £25,919	£1,727.96	Support Worker	No. of clients Expenditure 2007-08	4 £28,589	£7,147.16
Supported Housing	No. of clients	7	£14,925.92	Supported housing	No. of clients Expenditure 2007-08	3 £43,008	£14,336.07
				Learning Disability Supported Housing			
					No. of clients Expenditure 2007-08	5 £191,135	£38,226.93
				Mental Health Supported Housing			
	Expenditure 2006-07	£104,481			No. of clients Expenditure 2007-08	5 £32,526	£6,505.24
Training College	No. of clients Expenditure 2006-07	4 £109,023	£27,255.85	Training College	No. of clients Expenditure 2007-08	7 £347,173	£49,596.08
Transport	No. of clients Expenditure 2006-07	14 £27,922	£1,994.43	Not captured in this way for 2007/08 - included as part of care package			
Transport to Residential Care	No. of clients Expenditure 2006-07	1 £220	£220.00	Not captured in this way for 2007/08 - included as part of placement package			
TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE) SUM OF MISCELLANEOUS (SPOT PURCHASE)		70 437,349	£6,247.84	TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE) SUM OF MISCELLANEOUS (SPOT PURCHASE)		53 £860,039	£16,227.15

Service 2006/07 (b) Day Care	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
Day Care	No. of clients	78	£11,695.79	LD Day Care	No. of clients	66	£14,322.51
	Expenditure 2006-07	£912,271			Expenditure 2007-08	£945,286	
				MH Day Care	No. of clients	8	£3,223.01
					Expenditure 2007-08	£25,784	
Day Sitting	No. of clients	6	£6,962.99	OP Day Care	No. of clients	102	£2,850.54
	Expenditure 2006-07	£41,778			Expenditure 2007-08	£290,755	
				PD Day Care	No. of clients	16	£4,535.09
					Expenditure 2007-08	£72,562	
				Substance Misuse Day Care	No. of clients	21	£2,093.86
					Expenditure 2007-08	£43,971	
	TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE) SUM OF DAY CARE USERS (SPOT PURCHASE)	84	£11,357.73		TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE) SUM OF DAY CARE USERS (SPOT PURCHASE)	213	£6,471.16
		954,049				£1,378,357	

(c) Home Care	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
Domestic Home Care	No. of clients	106	£9,103.68	LD Home Care	No. of clients	4	£18,584.92
	Expenditure 2006-07	£964,990			Expenditure 2007-08	£74,340	
Intensive Cleaning	No. of clients	8	£709.38	MH Home Care	No. of clients	1	£13,014.96
	Expenditure 2006-07	£5,675			Expenditure 2007-08	£13,015	
Personal Home Care	No. of clients	74	£6,281.55	OP Home Care	No. of clients	6	£12,095.98
	Expenditure 2006-07	£464,835			Expenditure 2007-08	£72,576	
Live In Carers	No. of clients	5	£11,959.62	PD Home Care	No. of clients	5	£38,441.02
	Expenditure 2006-07	£59,798			Expenditure 2007-08	£192,205	

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
	TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE)	193	£7,747.65		TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE)	16	£22,008.48
	SUM OF HOME CARE USERS (SPOT PURCHASE)	1,495,297			SUM OF HOME CARE USERS (SPOT PURCHASE)	£352,136	

(d) Care home placements

EMI Nursing Placement	No. of clients Expenditure 2006-07	9 £94,813	£10,534.81	LD Nursing Home	No. of clients Expenditure 2007-08	12 £984,242	£82,020.21
EMI Nursing Respite	No. of clients Expenditure 2006-07	2 £1,908	£954.10	LD Residential Care	No. of clients Expenditure 2007-08	150 £8,179,274	£54,528.49
Interim care home placement (Residential)	No. of clients Expenditure 2006-07	1 £1,131	£1,131.43	LD Residential respite	No. of clients Expenditure 2007-08	6 £126,508	£21,084.64
Interim care home placement, Nursing	No. of clients Expenditure 2006-07	1 £2,559	£2,559.46	MH Nursing Home	No. of clients Expenditure 2007-08	12 £300,921	£25,076.76
Intermediate care (rehab) Residential	No. of clients Expenditure 2006-07	21 £125,845	£5,992.64	MH Nursing respite	No. of clients Expenditure 2007-08	1 £1,080	£1,080.00
Nursing care	No. of clients Expenditure 2006-07	131 £3,097,464	£23,644.76	MH Residential Care	No. of clients Expenditure 2007-08	134 £3,656,724	£27,288.98
Nursing care (S28A)	No. of clients Expenditure 2006-07	4 £83,040	£20,760.05	OP Nursing Home	No. of clients Expenditure 2007-08	82 £1,699,842	£20,729.78
Nursing Respite for carer	No. of clients Expenditure 2006-07	8 £20,204	£2,525.44	OP Nursing respite	No. of clients Expenditure 2007-08	4 £9,793	£2,448.21

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
Nursing Respite for carer (S28A)	No. of clients Expenditure 2006-07	1 £1,339	£1,339.29	OP Residential Care	No. of clients Expenditure 2007-08	285 £4,794,492	£16,822.78
Residential Care	No. of clients Expenditure 2006-07	568 £16,545,884	£29,130.08	OP Residential respite	No. of clients Expenditure 2007-08	26 £40,142	£1,543.92
Residential Care (S28A)	No. of clients Expenditure 2006-07	11 £241,095	£21,917.74	PD Nursing Home	No. of clients Expenditure 2007-08	23 £553,627	£24,070.74
Residential Care EMI	No. of clients Expenditure 2006-07	31 £296,750	£9,572.56	PD Nursing respite	No. of clients Expenditure 2007-08	5 £36,631	£7,326.23
Residential Respite Care	No. of clients Expenditure 2006-07	70 £242,832	£3,469.03	PD Residential Care	No. of clients Expenditure 2007-08	24 £672,467	£28,019.47
Residential Respite care (S28A)	No. of clients Expenditure 2006-07	6 £121,714	£20,285.71	PD Residential respite	No. of clients Expenditure 2007-08	19 £109,152	£5,744.87
Residential Respite EMI	No. of clients Expenditure 2006-07	12 £17,781	£1,481.73	Substance Misuse Residential	No. of clients Expenditure 2007-08	2 £21,792	£10,895.86
Step down Residential EMI	No. of clients Expenditure 2006-07	1 £1,500	£1,500.00	Substance Misuse Respite	No. of clients Expenditure 2007-08	56 £297,281	£5,308.59
	TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE) SUM OF CARE HOME USERS (SPOT PURCHASE)	877 £20,895,860	£23,826.52		TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE) SUM OF CARE HOME USERS (SPOT PURCHASE)	841 £21,483,968	£25,545.74

(e) summary

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
	Total No. of clients Total Expenditure 2006-07	1,224 £23,782,555	£19,430.19		Total No. of clients Total Expenditure 2007-08	1,123 £24,074,500	£21,437.67

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Haringey Council

8

Agenda item:

[No.]**Cabinet Procurement Committee****On 25th November 2008**Report Title: **Preparation for Personalisation - Extension of Contracts**Forward Plan reference number (if applicable): **[add reference]**Report of: **Director of Adult, Culture & Community Services**Wards(s) affected: **All**Report for: **[Key / Non-Key Decision]****1. Purpose**

- 1.1 That Members agree to the provision of a framework which will allow the extension of those current care contracts deemed appropriate for extension for varying times, up to a maximum date of 31st March 2011 to allow the Council to prepare for the Government's Personalisation Agenda.
- 1.2 That Members agree to delegate the Authority to the Director, in consultation with the Cabinet Member for Adult Social Care & Wellbeing, to extend some contracts for up to a further two years.

2. Introduction by Cabinet Member (if necessary)

- 2.1 It is evident that the personalisation agenda represents a significant change for adult social care in the way that services are procured, contracted for and delivered. The Council is committed to this ambitious agenda.
- 2.2 The officers in ACCS are working to efficiently manage the change process surrounding contractual arrangements with the Council's providers. Full consideration is being given to the possible impact of such changes on users of service, whilst maintaining value for money for the Council.
- 2.3 The contract extensions proposed will support the delivery of the emerging personalisation agenda, which gives residents far greater control over the resources used to provide care.
- 2.4 For these reasons, I am happy with and support the approach detailed in this report,

in order to ensure the future delivery of flexible services with providers that offer quality and value for money.

3. Recommendations

- 3.1 That Members agree the contracts/agreements listed at Appendix A (exempt information) be extended for varying periods up to a maximum date of 31st March 2011 with an option to extend for a further two years where necessary.
- 3.2 That Members agree to delegate the Authority to the Director, in consultation with the Cabinet Member for Adult Social Care & Wellbeing, to extend some contracts for up to a further two years

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture & Community Services**.....



Contact Officer: Margaret Allen, Assistant Director of Adult Culture & Community Services – X3719

4. Chief Financial Officer Comments

- 4.1 Contract Standing Order 13.02 allows an Executive Member to vary or extend a contract providing that to do so is consistent with the provisions of Financial Regulations.
- 4.2 This report requests an agreement in principle to extend 26 block contracts and 24 approved list provider contracts to a maximum date of 31st March 2011. These contracts expire between December 2008 and September 2010.
- 4.3 The value of the extensions would be £11.6m, assuming the domiciliary care contracts are extended to 31st March 2010 and the remainder to 31st March 2011. In the majority of the contracts inflationary uplifts are at the discretion of the Council.
- 4.4 In deciding whether an extension to each contract should be offered consideration should be given to whether the existing contract provides a value for money service, and whether negotiations with providers can lead to cost efficiencies during the extended term.
- 4.5 Should demand fall and block contracts no longer provide value for money these contracts allow for termination following a 3-6 month notice period.

5. Head of Legal Services Comments

- 5.1 The Head of Legal Services notes the contents of the report.
- 5.2 The care contracts are classed as residual services under the Public Contracts Regulations 2006 and as such there is no requirement to advertise them in Europe.

- 5.3 There is power under CSO 13.02 for the Procurement Committee to vary or extend a contract providing that to do so is consistent with the provisions of Financial Regulations.
- 5.4 In addition, the Procurement Committee has power under Section 15 of the Local Government Act 2000 to delegate matters to officers.
- 5.5 The Head of Legal Services advises that as there is no requirement to tender these services in Europe, any risk of challenge from domestic tenderers who may be interested in bidding for these contracts, is at best limited.
- 5.6 The Head of Legal Services notes that Adult Services will be involving contractors in the consultation process and working with them in the preparation for the Personalisation Agenda.
- 5.7 In reaching a decision, Members need to weigh up the limited risk of challenge associated with extending the contract against the alternatives of either entering into short term contracts which are likely to be costly or long term contracts which may not be appropriate and may need to be terminated early.
- 5.8 Members should also give consideration as to whether the proposed extensions of contract represent value for money and also whether they will meet the Council's statutory duty to obtain Best Value in its contracting arrangements.
- 5.9 Subject to paragraphs 5.7 and 5.8, the Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

6. Head of Procurement Comments (to be added only if the report is progressing to Procurement Committee or if the report requires this information)

The Recommendation for agreement to vary or extend current contracts is in line with the Procurement Code of Practise

The extension to the current Domiciliary care contracts for an additional one year when benchmarked against current market rates seems to represent Value for Money. CPU would not recommend any extension beyond 2010 as the contract has been in place since 2004 and should be market tested. In Regard to the remaining contracts CPU is not able to give a value for Money judgement as there is no comparator information.

Contract monitoring is in place and will be ongoing to ensure that they continue to delivery high quality services.

In deciding whether an extension to each contract should be offered consideration should be given to whether the existing contract provides a value for money service, and whether negotiations with providers can lead to cost efficiencies during the extended term.

7. Local Government (Access to Information) Act 1985

7.1 List of background documents:

- Department of Health: Putting People First: A Shared Vision and commitment to the transformation of Adult Social Care, January 2008
- Social Care Institute for Excellence: Personalisation: A Rough Guide, October 2008-10-28

These documents are available from Commissioning & Strategy, ACCS by contacting:

Barbara Nicholls, Head of Commissioning
2nd Floor, 40 Cumberland Road
Wood Green, London N22 7SG
Tel: 0208 489 3328
E-Mail: barbara.nicholls@haringey.gov.uk

7.2 Exempt information under Schedule 12A of the Local Government Act 1972, namely:
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

8. Strategic Implications

- 8.1** The Government's Personalisation Agenda will radically change the way in which services are provided to clients. These changes will almost certainly negate the need for Haringey to maintain contracts at the current level. It is also envisaged that the type of services required will change radically.
- 8.2** The Council is required to have significantly progressed on its implementation of the Personalisation Agenda by March 2011.

9. Financial Implications

- 9.1** It will not be possible to identify the type or level of services that will be required until the Directorates Commissioning Strategy is formulated, which will be linked to the joint strategic needs assessment and reflecting outcomes of national and local pilots in individualised budgets. National pilot outcomes will be available from late 2008.
- 9.2** There are considerable costs involved in undertaking a competitive process both in time and resources for the Council and prospective providers alike. Provider costs will be passed on to the Council in final contract prices.
- 9.3** It is not considered to be in the best interest of the Council or providers to undertake competitive procedures at the present time.
- 9.4** The likely impact of not achieving the flexible framework around existing care contracts arrangements, would be a destabilisation of provision to the borough and possible loss of providers across the range, thus negatively affecting current (and future) service users support. It is likely that some existing contracts will still be needed, but it is not possible to accurately forecast now which these will be. This will emerge over time.

10. Legal Implications

- 10.1 See legal implications at para five of report.

11. Equalities Implications

- 11.1 Current contracts require providers to comply with all relevant legislation.

12. Consultation

- 12.1 Consultation has been undertaken internally with Director of Adult Culture and Community Services, AD Commissioning & Strategy and AD Adult Services, as well as joint commissioning managers (Haringey Teaching Primary Care Trust and Haringey Council) for Learning Disabilities and Mental Health and commissioning managers in Adult Culture and Community Services

13. Background

- 13.1 Members are aware that the Department of Health has issued guidance to support the *Transformation of Social Care*.
- 13.2 The guidance states that by March 2011, people who use services and their carers, frontline staff and providers should experience significant progress in all local authority areas. The DH expects improvements to be evident between now and then.
- 13.3 A report published by Social Care Institute for Excellence in October 2008¹ "*Personalisation: A Rough Guide*, notes that an increase in the use of self-directed support and personal/individual budgets are beginning to transform the way social care services are being conceived, commissioned and delivered.
- 13.4 Implementation will therefore require a significant change to the way the Council currently provides Social Care Services to residents which will require wide consultation with stakeholders, new processes to be developed and staff trained in usage of same. In the meantime the Council will need to continue to provide services.
- 13.5 During the consultation and implementation process patterns will emerge that will inform the Directorates Commissioning Strategy and it will be possible to engage in meaningful competitive processes to commission services that have been identified as being required for the future. It is unlikely that all of the services currently commissioned will be fit for purpose.
- 13.6 Where the need for new services is identified, it will be necessary to work with providers, from all sectors, to assist them to diversify and effectively 'make markets'.
- 13.7 As part of the preparation process, it will be possible to work with willing providers to set up small pilots for innovative ideas that emerge around service delivery or the provision of new services.
- 13.8 It is considered that the Council will be at considerable risk if tendering processes are undertaken to enter into long term contracts at this stage as there is a likelihood that it would be necessary to terminate some contracts early if it transpired that there was no further need for same. By the same token processes to let short term contracts would not be cost effective and would be unlikely to generate interest from providers. Economies of scale would be lost and any bids received would need to include all

¹ <http://www.scie.org.uk/publications/reports/report20.asp>

provider costs over a short term as well as the costs associated with the tendering exercise itself.

- 13.9 It is also considered that the resources required by both the Council and prospective providers to engage in any competitive processes would seriously impede their ability to engage fully in the preparation for personalisation.
- 13.10 There is a slight risk of challenge from external providers who may feel that extensions to current contracts will deprive them of the opportunity to bid to provide these services however this risk is felt to be minimal especially as it is intended to include ALL local providers in the consultation and preparation process including any opportunities offered, see paragraphs 13.5 and 13.6.
- 13.11 The quality of services being provided under the contracts listed at Appendix A is considered to be of a high standard and would continue to be closely monitored by the Contracts Team under the terms of those contracts to ensure continued quality of service and value for money.
- 13.12 All current and prospective providers will be consulted and kept fully engaged with the preparation process and updated on the Council's progress on implementation by way of regular meetings and updates to ensure that appropriate markets are available as need is identified. However this will not extend to guaranteeing continuation of contracts for those providers who are either unable to adapt their services or where their strategic fit is not evident
- 13.13 The vast majority of the providers listed at Appendix A are based in Haringey and therefore contribute to the local economy.

14. Conclusion

- 14.1 Contract Standing Order 13.02 allows a the Cabinet to 'vary or extend a contract providing that to do so is consistent with the provision of Financial Regulations'. Should Members agree to the proposals set out in this report it would allow the Director of Adult, Culture & Community Services the flexibility to either continue to commission or decommission services as necessary depending on need identified by the consultation and preparation exercise previously mentioned.
- 14.2 It is considered to be in the best interest of the Council to extend current contracts as set out at Appendix A (1.0; 2.0; and 4.0) up to a maximum date of 31st March 2011.
- 14.3 It is considered to be in the best interest of the Council to extend current contracts as set out at Appendix A (3.0) up to a maximum date of 31st March 2010.
- 14.4 This will allow for the development of the Directorate's Commissioning Strategy and the implementation of the Government's Personalisation Agenda.
- 14.5 A complex tendering exercise requires a period of at least 18 months to complete, it is therefore considered to be in the best interest of the Council to delegate the authority to the Director of Adult, Culture & Community Services, in consultation with the Cabinet Member for Adult Social Care & Wellbeing, to further extend contracts for up to two years, as necessary, for services that are of a complex nature and that are identified towards the end of the implementation process to allow adequate time in which to complete thorough tendering processes.

15. Use of Appendices / Tables / Photographs

- 15.1 Appendix A – List of Contracts to be Extended
- 15.2 Appendix B – Value for Money

**TO BE READ IN CONJUNCTION WITH EXEMPT APPENDIX 1**

Agenda item:

PROCUREMENT COMMITTEE MEETING ON 25 NOVEMBER 2008

Report Title: Hornsey Town Hall Project – Procurement of Design Team and planning work

Report of: Head of Corporate Property Services.

Wards(s) affected: Hornsey

Report for: Cabinet Procurement Committee

1. Purpose

The purpose of the report is to approve the appointment of Capita Symonds as project manager and design team lead for the project.

2. Introduction by Cabinet Member (if necessary)

I draw members attention to paragraphs 4, 5, 6, 14 and 16 and concur with the recommendations as outlined in paragraph 3 of the report in accordance with the Council's aspirations for the site.

3. Recommendations

3.1 That Capita Symonds is appointed as project manager and design team lead for the Hornsey Town Hall project. The appointment is to stage L (RIBA stages). Committee are also requested to note the appointment of John McAslan as architect by Capita Symonds.

Report Authorised by: Director of Corporate Resources.

Contact Officer: Neil Simon Corporate Property Services Tel. 020 7489 2297
Email; neil.simon@haringey.gov.uk

4. Chief Financial Officer Comments

4.1 The Chief Financial Officer has been consulted over the contents of this report and notes that the proposed procurement is in line with the decision made by Cabinet in March 2008 to split the Hornsey Town Hall redevelopment project into two projects with the Council funding the survey and design fees up front. These costs are currently estimated to be in the order of £1.5m based on a project value of £5-£10m however, given that these will have to be contained within the overall receipt received they will need to be kept under review.

4.2 Members should also note that there are stop clauses in the proposed contract which will allow the Council to terminate the contract at any stage and thus take stock of the property market and options at each stage in the process.

5. Head of Legal Services Comments

5.1 This report is seeking Procurement Committee approval of the proposed award of a contract for the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Hornsey Town Hall project ("the Project").

5.2 The report states the contract for Project Management services in respect of the Project was originally awarded to Dearle & Henderson, following a mini-competition with the service providers on the Council's Urban Regeneration Framework Agreement.

5.3 The Urban Regeneration Framework Agreement was established by the Council in 2006 following advertisement in the EU in accordance with EU public procurement directives as implemented by UK regulations.

5.4 The report further states that Dearle & Henderson were taken over by Erinaceous (who subsequently went into administration), following which, in order to facilitate the continued provision of the services under the contract, the Director of Corporate Services, acting under delegated powers, awarded the contract for the provision of Project Management services in respect of RIBA Stages A and B of the Project to Capita Symonds, which (as confirmed by the Council's Construction Procurement Group) achieved the second highest score in the mini-competition held in respect of the original contract award.

5.5 The Head of Corporate Property Services is now seeking an award of a further contract to Capita Symonds upon expiry of the current contract in November 2008, to cover the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Project.

5.6 The value of the proposed further contract exceeds £250k in value therefore Procurement Committee approval is required in accordance with CSO 11.3, which provides that award of contracts in excess of £250k in value must be approved by Procurement Committee.

5.7 Due to the recent decision to split the Project into two parts (refurbishment and development) and the current state of the property market, a risk in relation to the funding of the project has been identified as the project is now dependent on finding a developer partner in 2009 with a view to having a development agreement in place by the end of 2009 with an initial capital receipt forecast in 2010.

5.8 To mitigate this risk, the report at paragraph 15.4 below, proposes that the Project and the appointment of Capita Symonds will be reviewed at RIBA Stage D with the option to terminate the contract with Capita Symonds at that stage if funding is still not available. The contract will need to contain a break clause to facilitate this.

5.9 The Head of Legal Services confirms that, subject to funding, there is no legal reason preventing Members from approving the recommendation in Paragraph 3 to award the contract for the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Project to the current service provider.

6. Head of Procurement Comments

6.1. The original design consultants Dearle and Henderson were appointed following a mini competition from the Urban Regeneration design Consultant framework agreement.

6.2 When Dearle and Henderson were taken over by Erinaceous prior to administration, Capita were selected as the second position company from the mini competition from the Urban Regeneration design services framework.

6.3 Following the decision to split the project into two phases – refurbishment and development; it is intended that Capita complete the initial phase (together with their supply chain for design and related services), having the historical knowledge of the original scheme for the fee rates (excluding disbursements) tendered in the Urban Regeneration design services framework

6.4 Before proceeding to the next RIBA stage of work, the project should be evaluated for compliance with the timescales and quality of work required and each stage signed off by the Client.

6.5 The Head of Procurement therefore acknowledges the recommendation to appoint Capita in paragraphs 14.1 and 16.1 subject to review

7. Local Government (Access to Information) Act 1985

7.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix 1 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].

[3] Information relating to the financial or business affairs of any particular

person [including the authority holding that information].
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8. Strategic Implications

- 8.1 Development of the Hornsey Town Hall is a key social, economic and physical regeneration target to meet Haringey's housing needs and transform this area by facilitating the development of a vibrant place for people to live, work and visit.
- 8.2 As well as restoring this important Grade 2 listed building this community partnership project contributes to the development of a vibrant voluntary sector through the provision of community spaces and assisting in the capacity building of a new management Trust.
- 8.3 This project also enables the Council to improve the use of public resource and will potentially enable leverage of capital funding. The community partnership approach is consistent with the recommendations of the Quirke Review.

9. Financial Implications

- 9.1 The Hornsey Town Hall project is currently in the Council's Capital Programme. Cabinet agreed in March 2008 to fund the design and preparatory costs which will cover the appointment of a design team, establishing the costs of refurbishment of the Town Hall and obtain planning consent for the works.
- 9.2 It is proposed to appoint Capita Symonds as project manager and design team lead to undertake the works described in 9.1. The appointment is through the Urban Regeneration framework and the levels of fees is set out in Appendix 1.

10. Legal Implications

- 10.1 Please refer to Paragraph 5.

11. Equalities Implications

- 11.1 This project will contribute to social, economic and physical regeneration in accordance with the Community Strategy and thereby contribute to housing needs (private and rented), locally accessible community facilities and uplifting the area thereby promoting to improvements in perceptions and reality of safety and social exclusion.

12. Consultation

- 12.1 The CPB provides an effective means for engagement in the project and public consultation is carried out jointly.

13. Background

- 13.1 The Council and the Community Partnership Board (CPB) working in partnership have decided to restore the Town Hall and remodel it to bring about appropriate public, cultural and community uses. The development strategy is to dispose of a part of the site to fund the capital works and transfer the future management to the Hornsey Town Hall Creative Trust (HTHCT) which has been formed by the CPB to take a leasehold interest in the refurbished building to run it as not-for profit social enterprise.
- 13.2 The aim of the project is for a development partnership to be formed between Haringey Council (asset owner), a developer (finance and build) and the CPB (project development) and HTHCT (management of the community facilities). The HTHCT is incorporated as a company limited by guarantee and the Council is working with them to build their capacity to become the leaseholder and management body for the refurbished Town Hall.
- 13.3 The Community Partnership Board has led the process of generating a vision for the Town Hall as 'A world class model of civic renaissance, an arena for all, that harnesses a spirit of progress, community, creativity and enterprise for future generations in Haringey, London and beyond'.
- 13.4 Following the formation of the Community Partnership Board in April 2005 as an advisory body to the Executive, the Hornsey Town Hall project has developed through a number of stages which has included engagement with the public, feasibility studies and consultation with stakeholders.
- 13.5 During 2006 Executive received recommendations from Council officers and the CPB to proceed with the development project on the basis of an integrated approach to restore and refurbish the Town Hall to an appropriate standard, bring it into community use and develop the adjoining site for regeneration (residential and employment generation) use. Executive agreed the principle of funding the refurbishment of the Town Hall from the value generated through the disposal of the site and approved the process for selecting a development partner to purchase the site and develop it to meet the community and regeneration objectives.
- 13.6 At that stage a Competitive Dialogue (CD) approach was selected as a tool to secure a development partner and using the commercial skills of that partner to generate best value from the land and property adjoining the Town Hall and to use that value to bring forward the restoration of the Town Hall.
- 13.7 Exempt. See Appendix 1.
- 13.8 Exempt. See Appendix 1.

13.9 In March 2008 the Council decided to stop the CD process and split the project into two parts - the refurbishment project and development project. It was agreed that the design costs would be met by the Council upfront on the basis that the future capital receipt from the sale of the land for development will cover the costs and refurbishment costs. The project is now part of the Council's capital programme and will be monitored and reported as part of the programme.

13.10 The project figures set out in this report reflect the fees and budget figures reported in the March 2008 Cabinet report. Fees and other costs with the overall value of the contract (based upon the agreed Urban regeneration Framework) are reported in Appendix 1.

14. Appointment

14.1 Capita Symonds continued to provide advice on the project after the CD process was stopped under delegated powers. The Director of Corporate Services granted a waiver for their project management services up to stage B in the process. There is now a need to continue the project with the appointment of Capita Symonds as project manager and design team lead for the project through to stage L (RIBA scale) of the project. The appointment is through the Urban Regeneration Framework.

14.2 Capita Symonds has been through a competitive process working with the Council and CPB to appoint an architect who will form part of their design team and John McAslan & Partners have been selected for appointment.

14.3 It is proposed to review the project and appointment at the end of stage D in view of the current property market and the issues relating to the funding and timing of the project. The appointment will also ensure that the appointment can stop at any time.

15. Risks

15.1 The project contains a number of inherent risks due to the two elements of refurbishment and development. A risk register has been set up by to consider and review these risks.

15.2 The key risk relates to the funding of the project as the property market is currently flat and falling away. The project is dependent on finding a purchaser for the development land in 2009 with a view to having a development agreement in place by the end of 2009 with an initial capital receipt forecast in 2010.

15.3 The timing of capital receipts will depend on the development agreement with a development partner the details of which will be influenced by the state of the property market. Cabinet agreed in March 2008 that the Council will not make a contractual commitment for the full extent of the construction works until the contract

for the sale of the land has been exchanged and/or there is a degree of certainty over the amount of receipts available from the development agreement.

- 15.4 In order to mitigate this risk it is proposed to review the project and appointment at stage D in the process. It is perceived that at this point in the project there will be sufficient information and clarity on the elements relating to the funding and timing issues. In addition the contract with Capita Symonds will include the option to stop the project at any time.

16. Conclusion

- 16.1 The project has reached a stage where a project manager and design team lead is required to undertake the work proposed in the report to Cabinet in March 2008. It is proposed that Capita Symonds be appointed to undertake these works.

17. Use of Appendices / Tables / Photographs

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Haringey Council

Agenda item:

PROCUREMENT COMMITTEE MEETING ON 25 NOVEMBER 2008

Report Title: Fire insurance works to Units 5 and 6 Leaside Industrial Estate, Garman Road, Tottenham, N17 0QU - Award of Contract.

Report of: Head of Corporate Property Services.

Wards(s) affected: Northumberland Park

Report for: Cabinet Procurement Committee

1. Purpose

1.1 To seek Members agreement to award the contract for repair works to Units 5 and 6 Leaside Industrial Estate, Garman Road, Tottenham, N17 0QU following fire damage to these properties on 24th December 2006.

2. Introduction by Cabinet Member (if necessary)

2.1 I concur with the recommendations of this report as set out in paragraph 3 and taking into account the comments of the CFO in paragraph 4 of the report. I also note the tender process in the attached appendix 1.

3. Recommendations

3.1 That Members agree to award the contract for the above project as allowed under Contract Standing Order [CSO] 11.03 to the contractor identified in Appendix 1 [1] of the report who submitted the lowest tender which is considered to provide the most benefit to the Council.

Report Authorised by: Director of Corporate Resources.

J. Parker 13/11/08.

Contact Officer: Oluyinka Awofisayo – Commercial Property Manager, 020 8489 3571

4. Chief Financial Officer Comments

The Chief Financial officer has been consulted on the contents of this report and confirms after discussion with the insurance team that the full cost of the reinstatement and refurbishment should be reimbursed to the Council following completion of the works. The estimated time that contractors will be on site to reinstate and refurbish the buildings is 16 weeks after which the units will be re-marketed. Based on current average rentals per m2 for this type of unit the expected annual rental income will be in the order of £57,000. Clearly the sooner the contract is in place and work commences, the sooner Property Services can begin to market the units.

5. Head of Legal Services Comments

- 5.1 In accordance with CSO 8.03 [e] tenders have been invited from contractors on the Council's Major Works Construction Framework Agreement which has been established in compliance with European procurement legislation.
- 5.2 It is recommended that the contract be awarded to the contract named in paragraph 1 of Appendix 1 on the basis of the lowest price which is considered to represent the Best value for money.
- 5.3 Under CSO 11.01[a] contracts can be awarded on the basis of the lowest price.
- 5.4 As the value of the contract is over £250,000 it may only be awarded by the Cabinet Procurement Committee.
- 5.5 The Head of legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in paragraph 3.1 of the report.

6. Head of Procurements Comments.

- 6.1 The selection of the contractors to complete using mini competition has been carried in accordance with the Major Works Framework Agreements for contractors.
- 6.2 The mini competition was undertaken with those contractors who are suitable to carry out the works based on lowest price.
- 6.3 The Head of Procurement therefore states that the recommendations in this report will result in overall best value for the Council.

7. Local Government (Access to Information) Act 1985

- 7.1 This report contains exempt and non-exempt information. The exempt information is contained in Appendix 1 of the report and in NOT FOR PUBLICATION.

7.2 Reason for exemption:

The exempt information is under the following category [identified in the amended Schedule 12A of the Local Government Act 1972].

[3] Information relating to the financial or business affairs of any particular person [including the authority holding that information].

8. Strategic Implications

8.1 The repair and refurbishment of the both the properties will provide employment for light industrial / warehouse use within the Borough.

9. Financial Implications

9.1 The funding for this project is available as result of insurance claim for the damage to the building. The Insurers will reimburse their contribution of the repairs subject to receipt of the final account and invoice.

10. Legal Implications

10.1 Please see Head of Legal Services comments at paragraph 5 above.

11. Equalities Implications

11.1 The companies invited to tender met the Council's criteria for Equalities in the tender process for the framework agreement from which they were selected.

11.2 The works have been procured under the framework agreement. The equalities Implications were assessed as part of the pre-qualifications process for the framework agreement.

12. Consultation

12.1 Consultation has taken place with all relevant parties including Construction Procurement Group, Legal Services, Chief Financial Officer and Insurance and Risk Management Section.

13. Background

13.1 The properties are situated on the Leaside Industrial Estate close to A 406 [North Circular Road]. There are 8 units on this estate. The site is a brown field site and is classed by the Environment Agency as a Zone 2 area, and therefore only at

risk of flooding in extreme situations.

13.2 The properties were fire damaged on 24th December 2006.

13.3 At the time of the fire unit 5 was let to Evin Limited, who had a lease of 8 years from 9th October 2001 and Unit 6 was vacant.

13.4 Contaminated materials were required to be removed. Environmental Applications are asbestos contractor appointed to remove the asbestos materials from the site along with all of the contaminated materials after the fire at the properties. This was undertaken in a controlled manner and sent to an authorised disposal station. The remaining asbestos removal will also be undertaken in a controlled manner and disposed of in accordance with the current Asbestos Regulations.

13.5 The planning application for the replacement of Unit 5 which is destroyed by fire and refurbishment of Unit 6 which is damaged by fire have been approved on 17th September 2008.

13.6 The detailed tender process is described in Appendix 1.

14. Conclusion

14.1 This report seeks the approval of Cabinet Procurement Committee for the award of the contract to the contractor named in Appendix 1 [point 1] for the price named in Appendix 1 [point 2].

15. Use of Appendices / Tables / Photographs

15.1 Appendix 1 – Exempt Information.



Agenda item:

[No.]**Cabinet Procurement Committee****On 25th November 2008**

Report Title: Report on the strategy for the procurement of construction contractors for Council construction projects

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

Report of: **Director of Corporate Resources**

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose (That is, the decision required)

1.1 For members to agree the strategy for the procurement of construction contractors for Council construction projects, as detailed in the attached report.

2. Introduction by Cabinet Member (if necessary)

- 2.1 Following concerns raised by a number of members regarding the ability of local businesses to bid for contracts with the Council, officers have looked at the Framework agreement and are now recommending a revised limit to the Framework.
- 2.2 I concur with the proposals and recommendations as it would not only assists local businesses but would enable them to bid for contracts as the threshold has been reduced and subject to the other procurement requirements.

3. Recommendations

3.1 That the strategy for the procurement of construction contractors for Council construction projects be agreed.

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

J. Parker
17/11/08

Contact Officer: **David Mulford, Construction Procurement Manager, x1037**

4. Chief Financial Officer Comments

- 4.1 The contents of this report do not in themselves create any direct financial implications as the cost of the tender process will be met from existing corporate procurement budgets.
- 4.2 It should be noted though that the existing Construction Contractor framework agreement has been successful in leading to enhanced value for money for the council and increased efficiency in tender processes which should continue or improve under the next contract period. The level of expected spend under these contracts will also enable enhancements to be factored in to some of the agreements which actively support a number of the Council's overall strategies as outlined in section 8 of this report.

5. Head of Legal Services Comments

- 5.1 This report is seeking Procurement Committee approval of the proposed strategy for the procurement of arrangements for the provision of construction contractors for general construction and conservation work across all directorates. This will be by way of establishing new Framework Agreements.
- 5.2 Whilst the frameworks will not immediately cover the Decent Homes programme, the Building Schools for the Future programme, and work for Corporate Property Services, provisions will be made for these programmes to make use of the new frameworks where necessary.
- 5.3 If Members approve the recommendation at paragraph 3.1 of this report, it will be necessary for the proposed framework agreements to be advertised in the Official Journal of the European Union for expressions of interest as their total value will exceed the EU threshold for works (currently £3,497,413).
- 5.4 As the value of each of the proposed framework agreements is above the Council's Key Decision threshold of £500,000 details of the framework agreements will need to be included in the Forward Plan in accordance with Contract Standing Order 11.04 before approval is sought to award the frameworks.
- 5.5 As the value of each of the proposed frameworks agreement exceeds £250,000 award of the frameworks will require the approval of the Procurement Committee in accordance with Contract Standing Order 11.03.
- 5.6 Legal Services should be consulted on legal aspects of the procurement process as it progresses including in particular on the forms of the framework agreements issued as part of the tender packs.
- 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 The existing Framework Agreements for Construction Contractors were the first to be established in England following new EC regulations that came into effect in January 2006.
- 6.2 Since that time, the Frameworks have served the Council well, enabling quicker commissioning of projects and good working relationships between contractors and

<p>Council officers.</p> <p>6.3 Experience has shown a need to slightly re-shape the Frameworks to allow better access by SME's to Minor Construction Framework and to also take account of a need for specialist conservation work.</p> <p>6.4 The recommendations to Members provides a best practice procurement strategy for Construction works and will ensure sufficient capacity and capability to deliver our capital and revenue programmes over the next 4 years.</p>
<p>7. Local Government (Access to Information) Act 1985</p> <p>7.1 N/A</p>

8. Strategic Implications

- 8.1 The arrangements proposed in this report will provide general construction contractors across all directorates. Work not principally covered by the arrangements will be: work on the Decent Homes programme, the Building Schools for the Future programme and work for Corporate Property Services that is covered by the Managing Agent term contract for reactive repairs and planned maintenance. However, provision will be made for these named programmes to be transferred into the new framework, should the need arise.
- 8.2 The strategy proposed supports the Sustainable Community Strategy in relation to the priority 'Economic vitality and prosperity shared by all' by aiming to provide opportunities for apprenticeships through the arrangements with larger contractors. A clause will be included to this effect for major projects. It will also aim to attract and appoint SME businesses to the arrangements to be put into place.
- 8.3 The proposed arrangements will support priority four of the Greenest Borough Strategy, 'leading by example; managing the Council sustainably', in its key objective to 'Reduce waste whilst increasing re-use and recycling' through the implementation of Site Waste Management Plans (SWMP) for works over £250,000 and by including key performance indicators for use of recycled materials in the performance monitoring of successful companies.
- 8.4 The arrangements will support priority five of the Greenest Borough Strategy, 'sustainable design and construction' by evaluating respondents in terms of their sustainability systems and procedures in place, e.g. the use of Environmental Management Systems.

9. Financial Implications

- 9.1 The arrangements proposed will cover construction works for projects on the Council's capital and revenue programme. The Decent Homes and Building Schools for the Future schemes may make use of the arrangements; however, in the main this work will not be covered due to the arrangements for contractor partners in place with these two schemes. The estimated cost of this work is approximately £15million per annum.

10. Legal Implications

- 10.1 The proposed framework agreements will be advertised in the Official Journal of the European Union as their total value will exceed the EU threshold for works (£3,497,313).
- 10.2 The works will be commissioned under either a call-off or a mini-tender arrangement.

11. Equalities Implications

- 11.1 The arrangements to be put in place will cover all Haringey wards.
- 11.2 The strategy put forward in this report aims to be more inclusive in terms of the scale of business that are eligible to tender for the arrangements to be put in place.
- 11.3 Contractors' will be evaluated in terms of equalities and diversity as part of the procurement process.

12. Consultation

- 12.1 Consultation has been held with key client representatives from across Haringey Council directorates, with particular regard to the Children & Young People's Service and Corporate Property Services.
- 12.2 Issues arising from these sessions included concerns over the ability of companies on the existing arrangements to respond quickly to requests for works under £5,000, introduction of revised value banding, the request for the pricing mechanism to be adjusted and the requirement for a separate category for conservation work.
- 12.3 Advice has also been sought through consultation with external organisations, including Constructionline, the Office of Government Commerce and the company providing one-stop-shop construction consultancy services to the Council (NPS Ltd).

13. Background

- 13.1 Framework agreements for construction contractors were awarded to 31 firms in December 2005 and January 2006, covering general build construction work across the Council. The framework agreements were awarded as follows:
 - Minor construction work of value less than £100,000 – awarded to 13 companies
 - Major construction work of value £100,000-£250,000 – awarded to 12 companies
 - Major construction work of value £250,000-£1million – awarded to 12 companies
 - Major construction work of value £1million-£3.8million – awarded to 12 companies
 - Major construction work of value over £3.8million – awarded to 9 companies
- 13.2 The framework agreements were awarded for 2 years with the option to extend for up to a further 2 years. The framework agreements for minor and major works were extended by 18 months in April 2008 and are due to expire in October and November 2009 respectively.
- 13.3 Over the course of the framework agreements the contractors have been monitored in terms of financial status and levels of insurance cover on a monthly basis. To this

effect 4 companies have been removed from the framework agreements due to the contractors going into administration or due to changes in company profile.

14. Strategy

Minor works frameworks

- 14.1 The current framework agreement for minor construction works covers works up to £100,000. The amount spent on the framework agreement since its inception is approximately £3,800,000 (as of 27/10/08).
- 14.2 Following consultation with client officers within the Council the framework strategy is currently to increase this banding to £250,000 and banded as follows:
- up to £25,000
 - £25,000 to £125,000
 - £125,000 to £250,000
- 14.3 It is expected that there will be a decrease in the number of projects of this value, due to the implementation of the Corporate Management of Property contract and reduction in Housing work that will be covered by Homes for Haringey's contractor partners for the Decent Homes programme. The intention is to reduce the number of contractors in each of these bandings to 6 to 8, thus providing the successful contractors with a greater consistency of work, which will in turn create better working between Haringey and the contractors.
- 14.4 The addition of the banding for work up to £25,000 should provide clients with a quicker route through the market that also ties in with the Council's quotation process.
- 14.5 The adoption of revised bands to £25,000 to £125,000 and to £250,000 should also enable a greater range of sizes of business, including SMEs to apply for the framework agreements.
- 14.6 It is intended that the contract notice for this framework will be published in December 2008, with the tender period commencing in April 2009 and a report for the award submitted for the 29th September 2009 session of the Cabinet Procurement Committee.

Major works frameworks

- 14.7 There are currently four framework agreements in place for major construction works of over £100,000 as follows:
- £100,000 to £250,000
 - £250,000 to £1,000,000
 - £1,000,000 to £3,800,000
 - Over £3,800,000
- 14.8 The amount spent on the framework agreement since its inception is approximately £32,500,000 (as of 27/10/08).

14.9 Following consultation with clients the following bands are proposed:

- £250,000 to £1,000,000
- £1,000,000 to £3,400,000
- Over £3,400,000
- Conservation contractors

14.10 The nature of this framework would remain essentially as before. However, the banding has been adjusted to tie in with the current EU tender threshold for works.

14.11 The conservation category will be set up as a totally separate framework up to the value of £500,000. This category of works will only be used where the majority of works are listed or of a conservation nature.

14.12 It is intended that the contract notice for this framework will be published in December 2008, with the tender period commencing in late April 2009 and a report for the award submitted for the 27th October 2009 session of the Cabinet Procurement Committee.

15. Conclusion

15.1 This report seeks agreement of the proposed strategy for the procurement of arrangements for the provision of construction contractors for general construction and conservation work.

15.2 Providing Members agree to the strategy proposed in this report contract notices for the framework agreements will be placed in the Official Journal of the European Union for expressions of interest. The framework agreements are due to be in place by October and November of 2009.

16. Use of Appendices / Tables / Photographs

16.1 N/A

Agenda item:

[No.]**Procurement Committee****On 25th November 08**

Report Title. Review of Contract Standing Orders (CSOs)	
Report authorised by Julie Parker, Director of Corporate Resources <i>J. Parker 17/11/08</i>	
Contact Officer : Michael Wood – Head of Procurement	
Wards(s) affected: All	Report for: Key Decision
1. Purpose of the report - This report sets out proposed amendments to the Council's Contract Standing Orders (CSOs) so as to? 1.1.1 Ensure a regulatory framework that continues to reflect good procurement practice and governance. 1.1.2 Provide clarity where necessary to avoid any mis-interpretation.	
2. Introduction by Cabinet Member (if necessary) Cllr Adje (Chair of Cabinet Procurement Committee) 2.1 The amendments in the report further strengthen good procurement practice and governance in the Council's Contract Standing Orders. I commend it to the Committee.	
3. State link(s) with Council Plan Priorities and actions and /or other Strategies: 3.1 Contract Standing Orders form part of the Council's Constitution.	
4. Recommendations 4.1 To consider and agree proposed amendments of the Council's Contract Standing Orders.	

4.2 That the Constitution Working Group be requested to recommend the amendments to the Council for approval.
5. Reason for recommendation(s) 5.1 Contract Standing Orders set out the rules that must be observed to ensure compliance with procurement legislation and therefore need to be reviewed from time to time to reflect any changes in legislation (typically the Public Contracts Regulations 2006) and to ensure they remain "fit for purpose"
6. Other options considered 6.1 n/a
7. Summary 7.1 To review the Part Four (Rules of Procedure Section J– Contract Procedure Rules) of The London Borough Of Haringey Constitution Last Updated 17 April 2007
8. Chief Financial Officer Comments 8.1 There are no direct financial implications arising from the contents of this report.
9. Head of Legal Services Comments 9.1 Local authorities have a duty under Section 135 of the Local Government Act 1972 to establish and maintain standing orders with respect to the making of contracts for the supply of goods, works and services. 9.2 The Council has accordingly established Contracts Standing Orders which are contained within the Council's Constitution (Part 4, Section J). 9.3 In order to improve clarity of the provisions of the Council's Contract Standing Orders, the current Contract Standing Orders have been reviewed, and a need to amend its provisions as out in Paragraph 18 of this report has been identified. 9.4 The Head of Legal Services has been involved in the review of the Council's Contract standing Orders and supports the recommendation to amend them in the manner set out in Paragraph 18. 9.5 Under Part 2, Art 4.2(a) of the Council's Constitution, full Council has the power to approve amendments to the Constitution (including Contract Standing Orders). Part 2, Article 15.3(a) of the Constitution however provides that full Council should approve amendments to the Constitution following recommendation of the proposals by the Constitution Review Working Group.

9.6 A further report will therefore need to be made to the Constitution Review Working Group following consideration of the proposals of this report by the Procurement Committee.

10. Head of Procurement Comments (provided by Head of Supplies & Services)

10.1 Contract Standing Orders are the rules by which the Council procures works, good and services. These rules are designed to ensure compliance with prevailing procurement legislation and best practice and to set down a framework within which all Council officers must work.

10.2 It is necessary from time to time to review CSO's to ensure there continued relevance and to address any queries raised by officers in their application and/or interpretation.

10.3 The proposed changes contained within this report will provide greater clarity to officers where necessary e.g. the rules to follow in cases of contract termination.

10.4 The Head of Suppliers and Services is therefore satisfied that the recommendations in this report will ensure continued good governance and compliance.

11. Equalities & Community Cohesion Comments

11.1 n/a

12. Consultation

12.1 Chief Officers and their management teams have been afforded the opportunity to comment on these proposed changes.

13. Service Financial Comments

13.1 n/a

14. Use of appendices /Tables and photographs

14.1 n/a

Note: Strikethrough indicates items to be deleted, highlighting indicates changes/amendments

15. Background Information

- 15.1 s 135 of the Local Government Act 1972 requires local authorities to establish and maintain standing orders with respect to the making of contracts for the supply of goods works and services. It further sets out the expectation for securing contracts by way of competition.
- 15.2 Contract Procedure Rules commonly referred to as Contract Standing Orders are contained within Haringey's Constitution (Part G.3) and is the legal instrument by which the Council adheres to the duty cited at 4.1 above.
- 15.2.1 The Constitution allows the Cabinet Procurement Committee powers to consider amendments to Contract Standing Orders and to make recommendations to the General Purposes Committee to amend the Constitution accordingly.

16. Proposed Amendments

16.1 Statement of Principles

Principle 4 has been amended to include the public sector and to emphasise Council's commitment to collaboration.

Recent guidance from the Office of Government Commerce (OGC) suggests that **Principle 11**, which implies open contract arrangements without committed volumes and values of spend from other authorities, would be contrary to EC Directive principles. It is therefore proposed to delete **Principle 11** in favour of amended **Principle 4**.

16.2 Contract Standing Orders

For consistency throughout the document such cross reference terms as "paragraphs" and "Contract Standing Orders" have been standardised to that of simply CSO.

For consistency, procurement related references to "EU Regulations", "Public Contract Regulations 2006", "EU or UK Law" have been standardised.

CSO 2.02 is deleted in favour of full explanation within the body of CSOs where the term "Cabinet" was used previously. This is to avoid any confusion between Cabinet and Cabinet Procurement Committee.

CSO 3.01 and 3.01(n) is amended to reflect that contracts are no longer let on a Directorate basis but are awarded Council wide under the Category Management Strategy. Directors therefore have a responsibility to effectively manage contracts under their control rather than restricted to within their directorate area.

CSO 5.02 makes clear that contract values must include any anticipated extension periods.

CSO 6.12. In accordance with the requirements of the Council's Scheme for Financing Schools, and the Financial Regulations for Schools, **where a school acts as an agent for the Council**, these Contract Standing Orders apply to all schools within the London Borough of Haringey with the exception of **Academy and Trust** schools. A school's governing body shall have the powers of and duties of a Director specified in these Contract Standing Orders, except in relation to waiver (CSO 7.02).

A new **CSO 6.15** is proposed to include powers already being exercised by the Council's Pensions Committee and allowed within the constitution.

A new **CSO 6.16** is proposed for Proprietary products, software and support.

CSO 8.02 has been amended to include a sub-paragraph limiting the duration of Framework Agreements as allowed for within EC Directives and the existing sub-paragraph has been renumbered.

A new **CSO 8.03** – justifies use of the negotiated procedure without publication of a contract notice as allowed for within EC Directives.

A new sub-paragraph (f) is proposed to renumbered 8.04 to allow for single tenders where there is genuinely no competition.

CSO 13.01 is amended to include a link to **CSO 11.02** and the financial powers of Directors.

CSOs are currently silent on any powers to terminate contracts. For this reason, a new **CSO 15** is proposed with existing CSOs 15 and 16 being renumbered accordingly.

CSO 16.01 is amended to exclude buildings.

NOTE: with regards the new CSO 6.16:

There are cases where it is necessary to purchase products, software licences and/or support of a proprietary nature. This has meant requesting a waiver of Contract Standing Orders, usually requested and approved under CSO 7.03(a)

whereby the justification is that the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Standing Orders is justifiable – in such cases the market investigations shows that no other supplier can provide the goods or services so we have to depart from CSOs as no competition is available.

In the past, Legal has advised that officers should try to include a caveat in the original order that would allow us to seek alternative third party support after the expiry of the initial support agreement but, in the cases of proprietary products, there may not be other authorised maintenance providers. Another suggestion from Legal has been to let shorter support agreements then re-tender the whole requirement but some of these requirements involve significant investments in strategic programmes where the return on investment period is longer than two or three years so, even where this is an alternative output solution, to change product/supplier every three years would not be cost-effective for the Council and would not provide value for money.

Examples of such cases are:

- Strategic programmes with significant investment and long-term return where a short-term change of supplier would not provide overall value for money - iWorld (supplier is Northgate Solutions, aggregate value is approx £90k per year); Microsoft Support Agreement (with Microsoft, estimated value is £50k per year).
- Low value requirements where a proprietary product/solution has been chosen but even though the value is minimal, we need a waiver approval from Procurement Committee for subsequent support renewals – e.g. public-i meeting webcasting (approx £5k per year), maintenance of data centres Uninterrupted Power Supply (UPS) systems, (proprietary equipment, annual renewal approx £23k per year, equipment has 5 years life expectancy remaining).

For reasons stated above, it is proposed to amend CSOs to take account of proprietary products/solutions, to cover such circumstances from being part of a strategic, long-term investment programme to a low-value support product/solution only available on an annual basis:

17. Implications

The Councils' CSOs are maintained in accordance with changes to legislation and known best practice.

18. Conclusions

Existing Council CSOs require some minor cosmetic changes but also need to be explicit in regards the decision making powers of the Pensions Committee, Contract Termination and Proprietary Products and Services. The proposed amendments in this report will address these issues and will ensure CSOs continued good governance.

STATEMENT OF PRINCIPLES

1. The Contract Standing Orders provide the framework rules for the Council's procurement of works, goods and services. Following them will ensure value for money, propriety and the proper spending of public money.
2. The Procurement Code of Practice provides more detail and shall govern Council tendering and contract procedures. The Director of Corporate Resources and Head of Procurement shall maintain and issue the Procurement Code of Practice. Any procurement activity shall proceed in accordance with the Contract Standing Orders the Procurement Code of Practice and all such other guidance issued by the Head of Procurement.
3. The Head of Procurement shall make the latest version of the Contract Standing Orders and the Procurement Code of Practice available to every Director and Member of the Council. Directors or officers acting on their behalf shall apply the requirements of the Standing Orders and the Procurement Code of Practice when engaging in any procurement activity.
4. The purpose of procurement activity shall be to achieve best value in accordance with the Council's statutory or approved objectives. This should include an innovative approach to building partnerships with the private and not-for-profit sectors and collaborating with other public sector bodies within a robust contractual framework. Officers with responsibility for procurement shall ensure that they are able to demonstrate achievement of best value by having regard to a combination of economy, efficiency and effectiveness.
5. Every contract or official order for works, goods or services made by the Council shall be for the purpose of achieving the Council's statutory or approved objectives and shall conform to all relevant English and European Union legislation.
6. Nothing in the Contract Standing Orders or the Procurement Code of Practice shall be construed as removing or diminishing the responsibility of all involved to meet individual and collective accountabilities.
7. Directors shall ensure that the Cabinet, Cabinet Procurement Committee or appropriate Member of the Cabinet or Cabinet Procurement Committee is consulted on any procurement activity of a controversial nature.

8. Directors must ensure that audit trails are in place for all procurement activity in accordance with the Procurement Code of Practice.
9. No Member shall enter into any contract on the Council's behalf.
10. No Member shall be permitted to become security under any agreement between the Council and a contractor employed by it.
- ~~11. Where Haringey Council is the procuring authority, and it is practical to do so, contracts shall be advertised and awarded as a minimum "on behalf of public sector bodies in Greater London".~~

CONTRACT STANDING ORDERS

1. INTRODUCTION

- 1.01. Procurement decisions are among the most important decisions a manager will make because the money involved is public money and the Council is concerned to ensure that best value goods, works and services are provided. Efficient use of resources in order to achieve best value is therefore an imperative. The Council's reputation is equally important and should be safeguarded from any imputation of dishonesty or corruption.
- 1.02. For these reasons it is a disciplinary offence to fail to comply with Contract Standing Orders and the Procurement Code of Practice when letting contracts and employees have a duty to report breaches of Contract Standing Orders to an appropriate senior manager and the Head of Audit & Risk.
- 1.03. Reference should be made to the Procurement Code of Practice for more detailed procurement procedures.

2. DEFINITIONS AND INTERPRETATION

- 2.01. These Contract Standing Orders are made pursuant to section 135 of the Local Government Act 1972 and shall come into force with this Constitution.
- 2.02. Unless the context otherwise requires, in these Contract Standing Orders the terms below shall have the meanings ascribed to them.
 - a) **"Director"** means an employee of the Council holding a post designated as Director, Chief Executive or Assistant Chief Executive.
 - b) **"EU"** means European Union.
 - c) **"Cabinet"** means the ~~"Executive" Cabinet of Haringey Council or any other formally constituted Member body operating within the terms of its reference (e.g. the Cabinet Procurement Committee).~~
 - c) **"General Manager"** means the person holding the position of General Manager of Alexandra Palace and Park Charitable Trust.

- 2.03. In the event of any conflict between EU law, English law and Council policy, the requirements of EU law shall prevail over English law and the requirements of English law shall prevail over Council policy.
- 2.04. In the event of any doubt as to the interpretation of these Contract Standing Orders, or as to the proper procedure to be followed, reference should be made to the Head of Procurement.

3. THE ROLE AND RESPONSIBILITIES OF DIRECTORS

- 3.01. The Director has responsibility for all contracts tendered and let by under his/her control. Directorate He/she is accountable to the Cabinet for the performance of his/her duties in relation to contract letting and management, which are:
- a) to ensure compliance with English and EU legislation and Council Policy;
 - b) to ensure value for money in all procurement matters;
 - c) to ensure compliance with Contract Standing Orders and the Procurement Code of Practice;
 - d) to maintain a departmental scheme of delegation;
 - e) to ensure that all relevant staff are familiar with the provisions of Contract Standing Orders and the Procurement Code of Practice and that they receive adequate training on their operation;
 - f) to ensure compliance with any guidelines issued in respect of these Contract Standing Orders;
 - g) to take immediate action in the event of a breach of Contract Standing Orders or the Procurement Code of Practice within his or her area;
 - h) to keep proper records of all contracts, tenders etc. including minutes of tender evaluation panels and other meetings;
 - i) to keep records of waivers of any provision of these Contract Standing Orders;

- j) to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the tendering process;
- k) to ensure that the Council's seal is affixed to any document required to be executed as a deed and that where a document is
- l) not expressed to be under seal, it is signed by two people as provided for in these Contract Standing Orders;
- m) to ensure original contract documents are forwarded to the Head of Legal Services for safekeeping;
- n) to record all contracts in the Contract Register;
- o) to ensure effective management of all contracts in under his/her control area and to a level deemed appropriate in regard to risk or value of each contract.

4. THE ROLE AND RESPONSIBILITY OF THE CABINET PROCUREMENT COMMITTEE

- 4.01. The Cabinet Procurement Committee will hold Directors accountable for any decisions he/she makes under his/her delegated authority or under these Contract Standing Orders.
- 4.02. The General Purposes Committee will keep under review these Contract Standing Orders and recommend amendments to full Council for adoption.
- 4.03. The Cabinet Procurement Committee will approve extensions & variations to contracts valued over £150,000 (one hundred and fifty thousand) and award contracts valued over £250,000 (two hundred and fifty thousand) provided that the award of any contract valued over £500,000 (five hundred thousand) is a 'key decision' and as such must be in the Council's Forward Plan and comply with the other procedures in that regard set out in the Constitution.

5. CALCULATION OF CONTRACT VALUES

- 5.01. Directors must ensure that a pre-tender estimate of anticipated costs is prepared and recorded in writing. Where the Public Contract Regulations 2006 EU Public Procurement rules apply, Directors must also ascertain the value of a contract in accordance with those rules.

- 5.02. Unless otherwise specifically provided, reference to contract value or an estimated contract value in these Contract Standing Orders means the aggregate value payable in pounds sterling exclusive of Value Added Tax over the entire contract period, including any extension periods as anticipated in the proposed contract.
- 5.03. Contracts must not be artificially under or over estimated or divided into two or more separate contracts where the effect is to avoid the application of Contract Standing Orders or the Public Contract Regulations 2006 EU legislation.

6. SCOPE OF CONTRACT STANDING ORDERS

- 6.01. These Contract Standing Orders shall apply to all contracts "for the procurement by the Council of works, goods and services" unless otherwise expressly stated or these requirements are waived in accordance with CSO 7. paragraph 7.
- 6.02. Where the Council secures funding from an external funding body, and the funding is conditional upon the grant monies being used to facilitate service delivery, Contract Standing Orders shall apply to procurement by the Council of the works, goods, and services to facilitate the service delivery.
- 6.03. Where a contract has an estimated value of less than £5000 (five thousand), the relevant Director should act in the manner most expedient to the efficient management of the service, having kept a record for so doing.
- 6.04. Where a contract has an estimated value of more than £5000 (five thousand), but less than £25,000 (twenty-five thousand) quotations should be obtained or the tender procedure followed. However the Director may decide that such processes are not appropriate in order to secure value for money for the Council. If that is the case, the Director may determine another process of selecting a contractor which will meet best value criteria. The decision and process must be properly documented.
- 6.05. Except as otherwise provided, contracts with an estimated value of more than £25,000 (twenty-five thousand) must be let following a competitive tendering process in accordance with the procedures set out in these Contract Standing Orders and any guidelines or Codes of Practice issued from time to time under these Contract Standing Orders.
- 6.06. No contract shall be let unless the expenditure involved has been fully considered and approved and sufficient money has been allocated in the relevant budget.

- 6.07. It shall be a condition of any contract between the Council and any person (not being an Officer of the Council) who is required to manage a contract on the Council's behalf that, in relation to such contract, he/she shall comply in all respects with the requirements of these Contract Standing Orders as if he/she were an employee of the Council.
- 6.08. These Contract Standing Orders shall not apply to contracts of employment, or to contracts relating to any interest in land. For the avoidance of doubt, there are excluded from these Contract Standing Orders any agreement relating to the provision of nomination rights to housing, collateral management arrangements in respect of social housing and the acquisition of rights or benefits pursuant to the Council's Private Sector Temporary Accommodation Leasing Scheme.

Framework and Consortia Arrangements

- 6.09. Subject to the provision of CSO 6.10, these Contract Standing Orders shall not apply where the Council procures particular goods, services or works:
- a) as part of a group of public sector bodies contracting with one or more contractors (consortium arrangement), provided the contract standing orders of one of the public sector bodies constituting the group and/ or where applicable the Public Contract Regulations 2006 EU Regulations have been followed,
- Or
- b) by selecting one or more contractors from a Framework or similar arrangement (including approved lists), established by a public sector body in accordance with the contract standing orders of that public sector body and/ or where applicable the Public Contract Regulations 2006 EU regulations.

- 6.10 The Council's decision to enter into a contract with the recommended contractor must be made in accordance with ~~Contract Standing Orders CSO 11.02 to 11.04.~~
- 6.11. The Council shall observe these Contract Standing Orders where it procures goods, services and works for the benefit, or on behalf of, other public bodies.

Schools

- 6.12. In accordance with the requirements of the Council's Scheme for Financing Schools, and the Financial Regulations for Schools, where a school acts as an agent for the Council, these Contract Standing Orders apply to all

schools within the London Borough of Haringey with the exception of Academy and Trust Schools. A school's governing body shall have the powers and duties of a Director specified in these Contract Standing Orders, except in relation to waiver (paragraph CSO 7.02).

Care Contracts for Individuals

6.13. Adults, Culture and Community Services and the Children and Young People's Service care contracts may be 'block' contracts (where a number of beds, places or services are provided by the contractor at pre-agreed pricing schedules, to which the Council may refer users over the contract period) or 'spot' contracts (one-off contracts meeting an individual user's needs, or contracts where a number of beds, places or services are provided by the contractor without pre-agreed prices, such prices to be agreed upon each referral of a user over the contract period). The Directors of the Adults, Culture and Community Services and the Children and Young People's Service will seek to maximise the use of block contracts where this represents best value for the Council. The following provisions shall apply to the Adults, Culture and Community Services and the Children and Young People's Service care contracts:

- a) All Contract Standing Orders apply to block contracts;
- b) ~~Contract Standing Orders~~ CSO 8, 9, 10 and 11 (in relation to tender procedures and formation of contract) shall not apply to spot contracts;
- c) The Directors of the Adults, Culture and Community Services and the Children and Young People's Service may award all spot contracts, which shall be reviewed at least annually as part of the review of whether the service provided continues to meet the needs of the service user;
- d) The Directors of the Adults, Culture and Community Services and the Children and Young People's Service shall provide monthly reports to the relevant Cabinet Member and a quarterly report to the Cabinet Procurement Committee detailing the nature, extent and value of spot contracts entered into in the previous quarter.

Alexandra Palace and Park

6.14 These Contract Standing Orders apply to the procurement of works, goods and services by or on behalf of Alexandra Palace and Park Charitable Trust on the following basis:

- a) The General Manager shall have the powers and duties of a Director specified in these Contract Standing Orders;
- b) The Alexandra Palace and Park Board and Panel shall have the powers and duties of the Cabinet Procurement Committee and an Cabinet Member specified in these Contract Standing Orders;
- c) In the event of any conflict, the requirements of the Charities Act 1993, any regulations made under that Act or charity law in general shall prevail over the provisions of Contract Standing Orders.

Pensions Committee

- 6.15 The Pensions Committee shall have the same powers and duties of the Cabinet Procurement Committee specified in these Contract Standing Orders but limited to procurement decisions and award of contracts relating to the Pension Fund.

Proprietary products, software and services

- 6.16 A Director may award a contract for a proprietary product, software license, software support, product support and/or the renewal thereof in accordance with the procedure set out in 8.04(f). The award must be compliant with the Public Contract Regulations 2006.

7. WAIVER OF CONTRACT STANDING ORDERS

- 7.01. Where these Contract Standing Orders apply to a contract (see CSO 6) any individual provision in Contract Standing Orders other than paragraph CSO 8.01 (which relates to the Public Contract Regulations 2006 EU procedures) may be waived by the appropriate person specified in paragraph CSO 7.02 on the basis set out in paragraph CSO 7.03.
- 7.02. Subject to paragraph CSO 7.05, a waiver of a provision of these Contract Standing Orders may be agreed by:
- a) the Cabinet Procurement Committee;
- Or**
- b) a Director where the contract value is £50,000 (fifty thousand) or less (save that the Director shall not have authority to waive any of the provisions of Contract Standing Order CSO 12 which relate to conditions applying to contracts unless expressly stated in CSO 12);
- or

c) a Cabinet Procurement Committee Member where the contract value is between £50,000 (fifty thousand) and £250,000 (two hundred and fifty thousand).

7.03. A waiver may be agreed by the appropriate person if they are satisfied after considering a written report by the appropriate officer that the waiver is justified because:

- a) the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Standing Orders is justifiable; or
- b) the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- c) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English law); or
- d) it is in the Council's overall interest; or
- e) there are other circumstances which are genuinely exceptional.

7.04. A record of the decision approving a waiver and the reasons for it must be kept and an entry made in a central register maintained and monitored by the Head of Procurement.

7.05. Where a waiver of Contract Standing Orders is sought for the second time in relation to the same contract, then regardless of the value of the contract, that waiver may only be agreed by the Cabinet Procurement Committee.

8. TENDER PROCEDURES

8.01 Where the value of a works, goods or services contract is equal to, or exceeds, the applicable threshold set out in the Public Contracts Regulations 2006, the provisions of those Regulations shall govern the tendering process and shall take precedence over the provisions of these Contract Standing Orders in the event of any conflict.

8.02. In respect of contracts to which CSO 8.01 apply:

- a) where the tender is for appointment to a Framework Agreement, the total period of the Framework Agreement including any possible

extension, shall not exceed four years except in exceptional circumstances relating to the subject of the Framework Agreement;

- b) all bidders must be notified in writing of a tender selection decision by the Council at least 10 (ten) calendar days prior to the proposed contract award date. Where the last day of this ten-day notice period falls on a non-working day, the period must be extended to the next working day.

8.03 Where the subject matter of a contract is not exempt under the Public Contract Regulations 2006 and when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, it may be awarded only to a particular contractor, a negotiated procedure without prior publication of a contract notice may be used for such award

8.04 Where tenders are to be invited the procedure to be followed shall be determined prior to advertising and shall be one of the following:

- a) open tender (all interested contractors submit a tender in response to an advertisement);
- b) restricted procedure (expressions of interest from interested contractors in response to an advertisement, with a selection of those contractors being invited to submit a tender);
- c) c) negotiated procedure (expressions of interest from interested contractors in response to an advertisement, with a selection of those contractors being invited to negotiate);
- d) d) competitive dialogue (expressions of interest from interested contractors in response to an advertisement, followed by dialogue with a selection of those contractors to identify a solution (or solutions) which meets the Council's requirements, and an invitation to the selected contractors to submit tenders based on the solution/s resulting from the dialogue);
- e) where a Framework arrangement (including approved lists) exists in respect of the subject matter, tenders shall be invited using the Framework arrangement from all capable contractors having regard to the principles of best value.
- f) single tender where the product and/or support is for a proprietary product, software or service which, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular contractor. Where applicable, this must be compliant with the Public Contract Regulations 2006. Where this procedure is used, an advertisement is not required.

9. RECEIPT AND OPENING OF TENDERS

9.01. Contractors must be informed that their tenders will only be considered if they are:

- a) sent in a plain envelope or parcel with a label on which is printed the word "Tender" followed by the subject of the contract; and
- b) contained in a sealed envelope or parcel which does not show the identity of the tendered in any way;

and

- c) delivered to the place and by the date and time stated in the tender invitation.

9.02. Tenders which do not meet the requirements of ~~Contract Standing Order~~ CSO 9.01 may only be considered if the other tenders have not yet been opened and:

- a) failure to comply is the Council's fault; or
- b) a tender is late, and it is clear without any contact with the contractor that the tender was sent in such a way that in the normal course of events it would have arrived on time.

9.03. In accordance with the responsibilities set out at CSO 3.01 (j), tenders must be kept safe until the date and time for their opening by the officers given this duty by the Director responsible for the tendering process. Records of non-compliant bids and of the date and time of receipt of all unopened tenders must be kept by those officers.

9.04. Tenders for a particular contract must be opened at the same time in the presence of two officers who have had no involvement in the tendering process. These officers shall be responsible for properly recording the price, duration of any works and all other relevant details of each opened tender.

9.05. The Head of Procurement must approve the training and seniority of all officers employed to open tenders and also the arrangements in each Directorate for ensuring the independence of such officers from the teams involved in the tendering process.

E-Tendering

- 9.06 Invitations to tender may be dispatched, and tenders received, by electronic means with the prior approval of, and in accordance with a procedure specified by the Head of Procurement.
- 9.07 Tenders received electronically must be stored securely, and must not be accessible until after the closing date and time in respect of submission of the tenders.
- 9.08 At an appointed time for opening the electronically submitted tenders, two authorised officers who have had no involvement in the tendering process shall access the submitted tender data simultaneously, open the tenders and record the price, duration of any works and all other relevant details of each opened tender.

E-Auctions

- 9.09 In appropriate cases, the submission of prices for a tender may be conducted by e-auction using an on-line facility, with the prior approval of, and in accordance with a procedure specified by the Head of Procurement.

10. POST TENDER NEGOTIATIONS

- 10.01. Except where the negotiated procedure referred to in paragraph CSO 8.04(c) applies, negotiation after receipt of formal bids or tenders and before the award of contract is only permitted:
 - a) with those tenderers submitting the most economically advantageous tender, and
 - b) with a view to obtaining an improvement in content in circumstances which do not put other tenderers at a disadvantage, distort competition or adversely affect trust in the competitive tendering process, and
 - c) if the prior authority of the Director has been obtained.
- 10.02. There may be circumstances where an officer authorised by the Director may contact a contractor in order to clarify an ambiguous tender. This does not constitute post tender negotiations.
- 10.03. All communication with contractors under this Contract Standing Order must be in writing or recorded in writing.

11. TENDER ACCEPTANCE AND CONTRACT AWARD

11.01 Tenders are to be accepted on the basis of either:

a) The lowest price;

Or

b) The most economically advantageous tender (i.e. the tender providing the most benefit to the Council) as determined by such criteria, to include whole life costing methodologies, as are relevant to the type of works, goods or services.

11.02. A Director may award, assign, or novate contracts valued at £250,000 (two hundred and fifty thousand) or less.

11.03. Subject to the provisions of paragraph CSO 11.04 and 11.05, all contracts valued over £250,000 (two hundred and fifty thousand) at the time of award may only be awarded, assigned, or novated by the Cabinet Procurement Committee.

11.04. The award of any contract valued at over £500,000 (five hundred thousand pounds) is a 'key decision' and as such must be in the Council's Forward Plan and comply with the other procedures in that regard set out in the Constitution. In accordance with Part 5 Section C of the Constitution, the award of spot contracts and contracts for the supply of energy to the Council are not "key decisions".

11.05. Contracts for the supply of energy to the Council valued over £250,000 may be awarded by a Director or in accordance with CSO 6.09.

12. CONDITIONS APPLYING TO CONTRACTS

Form and execution of contracts

12.01. Except as provided in CSO12.02, all contracts above £50 (fifty) in value must be in writing by way of a document prepared, or on a basis approved, by the Head of Legal Services.

12.02. Where the works, goods or services to be provided under a contract are required to commence prior to the issuance and execution of a formal contract, a Director, if satisfied that it is in the Council's best interest in the particular circumstances, may approve issuance of a Letter of Intent pending the issuance and execution of a formal contract. However, the maximum cover afforded by any Letter of Intent shall not exceed 10% of

the contract price in respect of works or services contracts, or £50,000 in respect of supplies contracts.

12.03 A contract made in extreme urgency need not be in writing so long as it is confirmed in writing within four weeks

12.04. Every contract shall specify:

- a) the works, goods or services to be provided or executed;
- b) the price to be paid or the precise method of its ascertainment and a statement of any discounts or other deductions; and
- d) as appropriate, the start and finish dates, or delivery dates, and any maintenance or defects liability period.
- e) compliance with the Council's insurance requirements. The requirement to comply with the Council's standard insurance requirements may only be waived with the Director of Corporate Resource's approval.
- f) compliance with the Council's equality policy.

12.05. A contract up to and including £150,000 (one hundred and fifty thousand) in value does not require sealing and should be signed on behalf of the Council, by both the relevant Director and by the Head of the relevant business unit.

12.06. A contract over £150,000 (one hundred and fifty thousand) in value must be executed on behalf of the Council under seal as a deed.

Conditions applying to all contracts with value of £25,000 (twenty-five thousand) or more

12.07 Every contract with a value of £25,000 (twenty five thousand) or more must unless the Head of Legal Services and Director of Corporate Resources agree to the contrary contain clauses to cover the following:

- a) compliance with all applicable legislation;
- b) a prohibition on assignment and/or subletting without the written consent of the Director;
- c) a provision allowing the Council to cancel the contract and recover any resulting loss from the contractor if the contractor does anything which is contrary to the Prevention of Corruption Acts 1889 to 1916 or incites breach of Section 117 (2) of the Local Government Act 1972;

- d) a provision to ensure the Council is protected against the contractor's defective performance by default provisions which are appropriate to the contract;
- e) if the contractor is in breach of contract the Council can do any or all of the following:
 - i. determine all or part of the contract or determine the contractor's appointment;
 - ii. itself perform the contract in whole or in part;
 - iii. recover from the contractor any additional cost resulting from the completion or cancellation of the contract.
- f) If the contractor has obtained or received by whatever means any information which gives or is intended or likely to give the contractor any unfair advantage over any other tenderer (including the Council's own workforce) in relation to the tendering for, and award of, any works/services contract, that the Council shall be entitled to terminate that contract;
- g) that the contractor shall be required to make available to the Council or its auditors such documents or access to information or access to the staff/officers of the contractor as is necessary to conduct any audit investigation into the contract;
- h) that the contractor shall be required to make available to the Council upon request such information the Council considers necessary whether in relation to staff or otherwise, to enable the Council to meet its duties in relation to re-tendering the contract.

Conditions applying to all contracts over £250,000 (two hundred and fifty thousand)

12.08. Every contract which exceeds £250,000 (two hundred and fifty thousand) in value must contain clauses to cover the following:

- a) if it is a contract for works, that the Council may require the contractor to provide security for completing the contract in the form of a bond;
- b) that where the contractor is a subsidiary or group company, the contractor may be required to provide a parent or group company guarantee.

12.09 The decision as to whether or not a bond or parent company guarantee will be required in respect of a contract will ultimately be made by the Director of Corporate Resources, or an officer acting under his/her delegated authority.

Conditions applying specifically to computer software contracts

- 12.10. All computer software contracts shall contain a clause to the effect that use of the software by the Council's contractors shall not amount to use by a third party for which an additional software licence might otherwise be required.

Conditions applying specifically to contracts involving Children and Vulnerable Adults

- 12.11. All contracts for the provision of services which may potentially involve either direct contact with children and vulnerable adult or access to their personal records shall contain a provision requiring the service provider (including agents and assigns) to undertake a Criminal Records Bureau check on relevant employees prior to provision of the services under the contract and at appropriate intervals thereafter.

13. VARIATIONS AND EXTENSIONS

- 13.01. Subject to the provisions of CSO 11.02 5, any statutory the Public Contract Regulations 2006 restrictions and compliance with Financial Regulations, a Director may authorise the following extensions and variations to an existing contract:
- a) Either:
 - (i) an extension for a particular period provided for within the terms of the contract (but subject to satisfactory outcomes of contract monitoring, such information having been provided to the relevant Cabinet Procurement Committee Member); or
 - (ii) a single extension of the contract by up to six months, or half the contract term (whichever is less); and
 - b) any other variation, and if relevant a consequent change in price, determined in accordance with the contract terms.
- 13.02. In any other circumstances the Cabinet Procurement Committee may vary or extend a contract providing that to do so is consistent with the Public Contract Regulations 2006 and the Council's Financial Regulations.
- 13.03 In addition a Director may authorise variations to a contract where either delay would incur substantial cost penalties to the Council or the proposed

variations are unavoidable and/or essential for the contract to proceed or continue, and the additional cost of such variations does not exceed 25% of the value of the contract, up to a maximum of £150,000 (one hundred and fifty thousand). Variations above this level may be authorised by a Director, where the Director considers that circumstances require such authorisation, as long as such variations are reported to the Cabinet Procurement Committee at the earliest opportunity.

13.04. All variations and extensions must be recorded in writing.

14. NOVATIONS (TRANSFERS)

14.01 In appropriate circumstances the Council may agree to the novation or assignment of a contract. This decision must be taken based on the value of the contract at the date of award and subject to CSO 11.02 – 11.04.

15. CONTRACT TERMINATION

15.01 In the event of a supplier being declared bankrupt, going into administration, receivership or liquidation then a Director may terminate any associated contract(s) and initiate alternative arrangements as may be required taking into account CSO 14 in cases of novation or CSO 6 in cases that warrant the re-letting of the contract(s).

15.02 The decision to terminate a contract early in all other circumstances must be approved by a Director.

15.03 In all cases of contract termination for whatever reason where the awarded contract value was more than £250,000, a report must be presented at the earliest opportunity to Cabinet Procurement Committee.

16. DISPOSAL OF ASSETS

16.01 Where Council assets (other than land & buildings) are to be disposed of because they are surplus to requirements, damaged or obsolete, reasonable endeavours must be undertaken to realise the residual value of the assets.

16.02 Assets having little or no realisable value may be disposed of as waste with the approval of the relevant Head of Business Unit, provided the disposal shall be in favour of recycling wherever possible.

- 16.03 In respect of assets to be disposed of having an estimated value of less than £5,000 (five thousand), the Director concerned should act in the manner most expedient to the efficient management of the service, having kept a record for so doing.
- 16.04 Assets recommended for disposal with an estimated value of more than £5,000 (five thousand), shall be disposed of in such a manner as to secure best value.
- 16.05 Disposal of assets valued at more than £150,000 (one hundred and fifty thousand) must be approved by the Cabinet Procurement Committee.
- 16.06 Under no circumstances shall disposal of Council assets be made to employees or Members of the Council without the prior approval of the Director.

17. URGENT DECISIONS

- 17.01 These provisions apply where action needs to be taken urgently on any matter between meetings of the Cabinet Procurement Committee and that action would be outside the powers given to a Director or an individual Cabinet Procurement Committee Member. They may only be used in cases of genuine urgency and not to avoid proper forward planning.
- 17.02 All urgent decisions, including waivers and awards of contract, that are not "key decisions", may be taken by the Chair of the Cabinet Procurement Committee or in his/her absence by the Leader of the Council.
- 17.03 All urgent decisions, including waivers and awards of contract, that are "key decisions", may be taken by the Leader of the Council in accordance with his/her powers under the Constitution and subject to the statutory "Special Urgency" rules where these apply. In the absence of the Leader, the decision may be taken by the Chair of the Cabinet Procurement Committee subject to the same procedures being followed.

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Agenda item:

Procurement Committee

on

25 November 2008

Report Title: **Provision of Consultancy Services for BSF – Programme Director**

Forward Plan reference number (if applicable): **not applicable**

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

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose

- 1.1 This report seeks approval to waive contract standing orders in order to enable the extension of the programme director, BSF and Capital Programme, pending re-tendering of the contract.

2. Introduction by Cabinet Member

- 2.1 For the reasons set out in this report I recommend a waiver in this instance and the award of the contract as proposed. In my view this is in the Council's overall interest.

3. Recommendations

- 3.1 That Committee Members agree the waiver of Contract Standing Order Rule 6.05 (requirement to tender) as allowable under CSOs 7.02 and 7.03 (a) & (d) in that the nature of the market for the services has been investigated and it has been demonstrated that such that a departure from CPRs is justifiable, and it would be in the Council's overall interest.
- 3.2 That Committee Members agree to award the contract for consultancy services to perform the duties of BSF programme director for the period from 1 April 2008 to 31 March 2009 to the consultant named in Appendix 1.

Report Authorised by:

**Sharon Shoesmith
Director**

The Children and Young People's Service



Contact Officer: Ian Bailey
Deputy Director, Business Support and Development
The Children and Young People's Service

4. Director of Finance Comments

- 4.1 The Chief Financial Officer has been consulted on the preparation of this report and is satisfied that the full costs associated with the appointment outlined in this report can be met from within the BSF budget.

5. Head of Legal Services Comments

- 5.1 This report is requesting that Procurement Committee waive CSO 6.05 (requirement to tender) on the grounds set out in CSOs 7.03 (a) and (d) i.e on the basis that the nature of the market has been investigated and it is shown to be such that a departure from CSOs is justifiable, and that it is in the Council's overall interest.
- 5.2 The Procurement Committee has power under CSO 7.02 (a) to approve a waiver where the contract value is over £250,000.
- 5.3 Should the Procurement Committee see fit to agree a waiver, Children and Young People's Service request that Members agree an award of contract. Under CSO 11.03 the Procurement Committee has power to award contracts valued over £250,000.

Paragraphs 5.4 to 5.6 consists of exempt information and is contained in the Appendix.

6. Head of Procurement Comments

- 6.1 The shortage of suitably experienced Programme Directors and specifically with regards to BSF is apparent given the various recruitment campaigns that have been initiated across England.
- 6.2 The current Programme Director has demonstrated his abilities and fully meets the expectations of Haringey Council.
- 6.3 On this basis, it would be in the Council's overall best interests to retain the services of the incumbent consultant.

7. Local Government (Access to Information) Act 1985

- 7.1 This report contains exempt and non-exempt information. Exempt information is contained in the Appendix 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 (3)): information relating to the financial or business affairs of any particular person (including the authority holding that information).

8. Financial Implications

- 8.1 The total cost at the conclusion of the contract in March 2009 is exempt information and is set out in Appendix 1.

9. Legal Implications

- 9.1 See Legal comments in Paragraph 5

10. Equalities Implications

- 10.1 This arrangement arises from the need to pursue the Building Schools for the Future (BSF) project. BSF investment is targeted at areas of high deprivation and social exclusion.

11. Health and Safety Implications

- 11.1 The contract terms will include requirements to comply with all relevant legislation

12. Background

- 12.1 The Programme Director for Building Schools for the Future (BSF) was appointed on 1 August 2006. At that time the contract was intended to last for a period of one year, with a total value within the EU tendering threshold. The appointment took place at a point when the contract of the previously appointed Programme Director was terminated due to performance shortcomings. Accordingly it was in the best interests of the Council to proceed quickly to a new appointment to secure the stability of the programme and its funding.
- 12.2 Clearly, the number of candidates available to manage such a complex programme is at any time extremely limited, and options were limited further by the urgency of this appointment. Having found a suitable candidate, it would not have been in the best interests of the council to commence tender procedures normally applicable to a post of this value. Prior to this appointment, two attempts had been made to find a directly-employed Programme Director.
- 12.3 Subsequently, it became clear that the programme required stable leadership through to the commencement of the main construction phase, in March 2008. For this reason, it was in the best interests of the Council to extend the contract through to the end of March 2008 without further tendering, even though this took the total contract value beyond the EU threshold and the Cabinet member made the decision to do so on 18th December 2007.

- 12.4 Recruitment of a permanent Programme Director for BSD and for other CYPS capital programmes commenced in April 2008. Despite two rounds of recruitment, a suitable appointee was not found. In the first round, with support from GatenbySanderson recruitment consultancy, 11 applications were received. 5 were considered at preliminary interview and 3 were interviewed by Member panel on 21 April 2008. None were considered suitable. Subsequently, a further 6 candidates were brought forward. 5 were considered at preliminary interview. 1 was considered suitable for further interview, but had already accepted another offer of employment.
- 12.5 Following extensive reviews of the available options, the current Programme Director has agreed to continue in post and to take on the extended responsibilities. The Public Contract Regulations (2006) require that contracts of over a stipulated value (currently £139,893) be advertised in Europe. However, it is reasonable to retain the services of the existing Programme Director while this process is conducted.
- 12.6 To comply fully with advertising and other requirements, a tender process can be completed by March 2009. We thus propose that the current contract with the Programme Director is extended until the end of that month.
- 12.7 During that period a tendering process, compliant with the Public Contract Regulations 2006, will take place. This will seek the appointment to deliver Programme Director services until the completion of the main BSF construction phase, in September 2010, with potential for extensions if a suitable permanent Programme Director has not been found.

At that point – in 2010 – we would expect the current wave of BSF Programme Director appointments nationally to have passed, allowing greater prospects of a successful appointment. Also, the scope of the post will be less demanding, as the major BSF programme will be over.

We therefore seek a waiver of CSO 6.05 (requirement to tender) on the grounds stated in CSO 7.03 (a) i.e the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of CSOs is justifiable, and CSO 7.03 (d) it is in the Council's overall interest.

We also request that the Procurement Committee agrees the award of the contract.

13 Use of Appendices / Tables / Photographs

13.1 Appendix 1 – Part B – Exempt Information

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