



NOTICE OF MEETING
***PLEASE NOTE STARTING TIME**

Cabinet Procurement Committee

THURSDAY, 19TH MARCH, 2009 at *11:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Adje (Chair), Bevan, Kober and Reith

AGENDA

1. APOLOGIES FOR ABSENCE (if any)

2. 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.

3. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

4. SUPPORTING PEOPLE - REQUEST FOR WAIVER AND AWARD OF INTERIM CONTRACTS

(Report of the Director of Adult, Culture and Community Services): To seek approval to waive the requirement for a full tendering process for the provision of two Supporting People contracts.

5. BUILDING SCHOOLS FOR THE FUTURE - AWARD OF CONTRACT FOR HORNSEY SCHOOL

(Report of the Director of Children and Young People's Service): To seek approval to award the main works design and build contract for Hornsey School for Girls following the completion of the Pre-Construction Stage.

6. RE-MODELLING AND EXTENSION OF COOMBES CROFT LIBRARY

(Report of the Director of Adult, Culture and Community Services): To seek approval to the award of a contract for the re-modelling and extension of Coombes Croft Library

7. 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 in relation to items 5 and 6 which appear earlier on this agenda.

8. BUILDING SCHOOLS FOR THE FUTURE - AWARD OF CONTRACT FOR HORNSEY SCHOOL FOR GIRLS

(Report of the Director of Children and Young People's Service): To seek approval to award the main works design and build contract for Hornsey School for Girls following the completion of the Pre-Construction Stage.

9. RE-MODELLING AND EXTENSION OF COOMBES CROFT LIBRARY

(Report of the Director of Adult, Culture and Community Services): To seek approval to award the contract for the re-modelling and extension of Coombes Croft Library.

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11 March 2009



Agenda item:

[No.]**Procurement Committee****On 19 March 2009**

Report Title.

Supporting People - Request for Waiver and Award of Interim ContractsReport of **Director, Adults, Culture and Community Services**

Signed :

Contact Officer : **Nick Crago**, Lead Officer Supporting People
ext 3302 ; nick.crago@haringey.gov.uk

Wards(s) affected: **All**Report for: **Key****1. Purpose of the report (That is, the decision required)**

- 1.1 To seek approval of Members to waive the requirement for a full tendering process for the provision of two (2) Supporting People (SP) Contracts for:
- Older People's Floating Support service
 - Accommodation based service for People with Drug and Alcohol Problems and Offending histories
- 1.2 Each contract to be awarded, on an interim basis for one year, to two separate Providers for the respective client groups in order to maintain stability in the market whilst securing the provision in the long term through full and open re-tendering
- 1.3 To seek approval of Members to waive the Council's requirement for tendering contracts under CSO 6.05 on the basis of the ground in CSO 7.3(d) that it is in the Council's overall interest.
- 1.4 That should the Members agree the waiver, that two contracts be awarded respectively to :
- Provider A for the Older Persons Floating Support service
- Provider B for the service for people with Drug and Alcohol Problems and Offending histories

2. Introduction by Cabinet Member (if necessary)

The serious nature of the investigation against this provider has required a speedy but considered response. The original approach taken to reducing financial risk to the council could not be pursued as the investigation report is still embargoed. This now means that in order to act in the council's best interest an interim arrangement needs to be pursued, while full re-tendering of the service contract is progressed

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Council Priorities –

The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the programme these have been categorised into the following client groups:

People with Alcohol Problems
 People with Drug Problems
 People with Mental Health Problems
 People with Learning Disabilities
 People with Physical/Sensory Disability
 People with HIV/Aids
 Offenders or People at Risk of Offending
 Mentally Disordered Offenders
 Single Homeless with Support Needs
 Homeless Families with Support Needs
 Older People with Support Needs
 Frail Elderly
 Young People Leaving Care
 Young People at Risk
 Teenage Parents
 Women at Risk of Domestic Violence
 Rough Sleeper
 Travellers
 Refugees
 Generic

It will be seen from this list that the client groups that are presently supported through the expiring contracts are amongst the most vulnerable that the SP programme exists to support. The existing contracts have ensured continuity of service for 6 years and there will be a significant disruption to the lives of over 360 people if these services were to cease.

Creating a Better Haringey: (cleaner, greener and) safer

In awarding the contract for Older Persons to Provider A the Council will be ensuring the service is delivered by one of the best performing Providers in the Borough, who are financially secure and vastly experienced in providing services to Older People

In awarding the contract for People with Drug and Alcohol Problems and Offending histories to Provider B the Council will be ensuring the service is delivered by England's largest provider of housing and support for vulnerable people, who have proven quality standards and experience with these client groups across London sustain engagement in training, education employment and the community

Promoting independent living while supporting adults (and children) when needed

The Supporting People programme exists for vulnerable adults and, its very ethos is to promote independent living to some of the most vulnerable, insecure and socially excluded individuals, or groups, in the Borough.

Delivering excellent, customer focused, cost effective services.

The SP programme has well established, recognised, models of governance and monitoring for all services for which they are responsible.

These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework – QAF. These will be implemented against both Providers for the duration of the one year Contract.

Service users are at the heart of all Performance Monitoring. SP have established a Service User Steering Group to advice and advocate on the needs of service users and how these are being met through existing services.

3.2. Council Strategies

Supporting People has its own 5 year strategy (2005-2010) which references the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all (Safer Communities Plan)
- Homelessness strategy
- Regeneration strategy

The links with these strategies have been well established over the six years that the programme has been live. Senior Officers from representative departments continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of the programme.

4. Recommendations

That the Cabinet Procurement Committee agree

4.1 To waive the Council's requirement for tendering contracts under CSO 6.05 on the basis of the ground in CSO 7.3(d) that it is in the Council's overall interest.

4.2 That should the Members agree the waiver, that two contracts be awarded respectively to :

Provider A for the Older Persons Floating Support service
 Provider B for the service for people with Drug and Alcohol Problems and Offending histories

- 4.3 Each contract to be awarded, on an interim basis for one year, to two separate Providers for the respective client groups in order to maintain stability in the market whilst securing the provision in the long term through full and open re-tendering

5. Reason for recommendation(s)

- 5.1 Each of these contracts are presently held by the same Provider and are due to expire on 31 March 2009.
- 5.2 This Provider has been under investigation, for financial irregularities, by the Tenant Services Authority (previously the Housing Corporation) and with the potential, inherent, financial risk to the Council's contract with the Provider, it has been viewed expedient to take the opportunity not to renew these contracts upon their expiry.
- 5.3 To avoid destabilising the market and disrupting services to over 360 vulnerable people from differing client groups, two alternative specialist Providers, from the respective sectors, have been identified with whom a one year interim contract can be offered, to allow time for full and open tendering of these services and their contracts. These contracts would be subject to the re-tendering process contained in the Procurement Committee report, being presented on 31 March 2009, for the SP programme as a whole.
- 5.4 The services, as presently delivered, require some reshaping to provide a better strategic fit to the Borough. The service specifications that will accompany tender documentation will ensure that these are addressed and that Performance Outcomes will be linked to LAA targets
- 5.5 It is expected that, particularly with the Floating Support service for Older Persons, there will be an efficiency saving through the period of the Interim Contract to contribute to savings required to meet the reductions in SP Grant from the Treasury in 2009/10.

6. Other options considered

- 6.1 There are no other viable available options

7. Summary

- 7.1 On 24 October 2008, the Housing Corporation issued a press release stating that *"The Housing Corporation has met with representatives of the board of [the present Provider] up to advise them that it has instituted an independent inquiry into the affairs of the Group. The inquiry will investigate aspects of the financial management of the Group"*.

- 7.2 It is the case that [the present Provider] presently hold two contracts for the delivery of SP services in Haringey
- low level floating support to 300 older residents living in their own homes
- This is a consortium arrangement and Novas are in partnership with a local Third Sector provider although Novas are the lead contractor.
- Services for Offenders and People with Drug / Alcohol Problems
- 7.3 A report was presented to the Supporting People Partnership Board on 25 November 2008, which explained action that was being taken in light of this announcement
- 7.4 Subsequent, but separate meetings with the Chief Finance Officer, Corporate Procurement and Legal Services were held. It was agreed that the financial integrity and governance of the organisation should be reviewed with immediate effect.
- 7.5 This was arranged for, and carried out on, 11th December 2008
- 7.6 The financial probity of the organisation could not be quantified on the day as financial information previously requested could not be made available and has not subsequently been made available.
- 7.7 Default notices in this regard, and for inadequate insurances, were served on the organisation
- 7.8 Meetings have continued to be held at various times with Finance, Procurement and Legal representatives to consider the most appropriate actions that could be taken whilst awaiting the formal Investigation report ; and the SPPB have been updated with progress at their meetings on 25 November 2008, 22 January 2009 and 24 February 2009.
- 7.9 The contracts are due to expire on 31 March 2009
- 7.10 Since it is not considered appropriate to extend the contracts with the current provider, it will be necessary to put into place alternative provision to ensure continuity of the services.
- 7.11 It is possible most appropriate to fully re-tender these services in open competition, but not in the short term.
- 7.12 A one year interim contract to alternative specialist providers would allow stability in the market and as well as mitigating disruption to the services and are, in fact, likely to offer improvements in strategic relevance, performance, quality standards and value for money

8. Chief Financial Officer Comments

- 8.1 This report requests a waiver of standing order 6.05 in order to award two interim contracts for Supporting People services as follows:
 Provider A £1.20m
 Provider B £0.25m
- 8.2 Existing contracts for these services expire on 31st March 2009 and have an annual value of £1.45m.
- 8.3 The maximum value of the interim contracts would be £1.45m as detailed in 8.1. However, it is anticipated that further negotiations with the proposed providers will result in lower contract values and potential savings which will contribute to the funding gap arising from the reduction in Supporting People Welfare Grant for 2009/1

9. Head of Legal Services Comments

- 9.1 CSO 6.05 provides that except as otherwise provided under the CSO's contracts with an estimated value of more than £25,000 must be let following a competitive tendering process.
- 9.2 CSO 7.02 (a) provides that the Cabinet may waive the requirement to tender if the waiver is justifiable under CSO 7.03.
- 9.3 The contracts to which this report relates are Part B services for the purposes of the Public Contract Regulations. Therefore it will not be necessary to comply with the requirements to tender in accordance with EU legislation.
- 9.4 CSO 7.03(d) provides that a waiver is justifiable where it is in the Council's best interest to do so.
- 9.5 The Head of Legal Services sees no legal reasons preventing the Cabinet Member from approving recommendations set out in paragraph 11.

10. Head of Procurement Comments –[Required for Procurement Committee]

- 10.1 The request to waive CSO 6.5 in respect of services for two SP Contracts on an interim basis for one year to two separate providers; is in the best interest for maintaining service delivery to vulnerable people in need of support and for the Council in achieving value for money.
- 10.2 Ongoing Contract management will be undertaken as set out in 3.1 of this report by Performance monitoring by the Service User Steering Group.

<p>10.3 The value of the contracts over the one year would amount to approx £1.5m which is above the EC threshold for the procurement of services (£139k) and therefore it is necessary for a Part B – Contract Award Notice to be published in OJEU, which should be organised via Corporate Procurement. This process does not prevent the award of contract from taking place following the usual Council “call in” period.</p> <p>10.4 <i>The urgent need to establish interim contracts has arisen from the fact that the existing provider is being investigated for financial irregularities and this in turn places the service at unacceptable risk.</i></p> <p>10.5 <i>The Head of Procurement therefore supports the recommendation to arrange interim contracts with 2 alternative providers pending a competitive procurement exercise.</i></p>
<p>11. Equalities &Community Cohesion Comments</p> <p>11.1 Equalities issues are a core part of Supporting People contracts and work is undertaken to ensure that the service provider really can deliver on all equalities issues in terms of service delivery and employment.</p> <p>11.2 All SP contracts are monitored and providers must demonstrate that they meet the language and cultural needs of their actual and potential service users.</p>
<p>12. Consultation</p> <p>12.1 Whilst an approach has been made, full consultation with alternative providers cannot take place until a decision has been formally made at this Cabinet meeting</p> <p>12.2 Whilst existing service users are being made aware of potential, impending changes by their respective Providers, full consultation with alternative providers cannot take place until a decision has been formally made at this Cabinet meeting</p>
<p>13. Service Financial Comments</p> <p>13.1 The current Annual Contract Value of the Floating Support service for Older People is £1.2 million, although efficiency savings are expected from the interim contract and future re-tendering</p> <p>13.2 The current Annual Contract Value of the service for people with Drug and Alcohol Problems and Offending histories is £250,000</p>
<p>14. Use of appendices /Tables and photographs None</p>


15. Local Government (Access to Information) Act 1985

15.1 Local Government (Access to Information) Act 1985

- Supporting People Grant Directions 2008/09 (issued by CLG)
- Supporting People Grant Conditions 2008/09 (issued by CLG)
- Supporting People Five Year Strategy 2005 – 2010 (approved by Council Executive on 22 March 2005)
- Haringey Supporting People Value for Money Policy (Approved by Haringey's Supporting People Partnership Board on 12 September 2006)
- Health, Social and Quality of Life Needs in People with Mental Health Problems: Matching Housing Related Support to Need in Haringey (report commissioned by Haringey Supporting People, completed in 2005)

[No.]

Agenda item

Report Title. Building Schools for the Future: Award of Contract for Hornsey School for Girls	
Report authorised by  Director of the Children & Young People's Service	
Contact Officer : David Bray 020 8489 1824 david.bray@haringey.gov.uk	
Wards(s) affected: Hornsey	Report for: Key Decision
1. Purpose of the report 1.1 To seek Procurement Committee approval to award the main works design and build contract for Hornsey School for Girls following the completion of the Pre-Construction Stage	
2. Introduction by Cabinet Member 2.1 The works included in this contract will bring enormous improvements to Hornsey School for Girls and will be of direct and lasting benefit to pupils. 2.2 I am satisfied that the appropriate processes have been followed and we will be getting good value for money from this contract as well as contributing to our Greenest Borough strategy via a range of sustainability features. 2.3 I am particularly pleased to note that our construction partner is to set up apprenticeships in a range of positions which will be monitored as a Key Performance Indicator. 2.4 I am happy to support the recommendations.	
3. State link(s) with Council Plan Priorities and actions and /or other Strategies: 3.1 Council Priorities 3.1.1 Making Haringey one of London's Greenest Boroughs 3.1.1.1. The Hornsey School for Girls Project exhibits a number of sustainability features, as follows:	

- Green Roof to Learning Resource Centre and to Administration Block
- Air Source Heat Pump
- Measures to min. water use
- Energy efficient lighting
- Lighting daylight sensing
- Lighting occupancy sensing
- sub-metering
- School travel plan
- Recycled construction materials
- Certified Timber (Chain of Custody)
- Reduced Volatile Organic Compound materials
- Sustainable measures visible to students
- Introduction of a wild garden

3.1.1.2. The scheme will achieve a Building Research Establishment Environmental Assessment Method (BREEAM) “Very Good” rating.

3.1.2 Creating a Better Haringey: Cleaner, Greener and Safer

3.1.2.1. The Hornsey School for Girls Project will renew, improve and extend the fabric of the school significantly enhancing the learning environment of the students. This will improve their safety both on site and moving to, from and within the site. The buildings provide for improved and secure access into the school, as well as free and convenient access for wheelchair or pushchair users throughout.

3.1.3 Encouraging Lifetime Well Being, at Home, Work, Play and Learning

3.1.3.1. The BSF programme will contribute to the transformation in outcomes for young people in Haringey by improving the learning environment, providing anywhere/anytime access to ICT, increasing inclusion and providing a wider range of pathways of study.

3.1.3.2. The BSF programme will improve access to extended services in and around schools and contribute to improving community cohesion. Examples include access to out of hours study support for children and families, sports and the arts.

3.1.4 Promoting independent living while supporting adults and children when needed

3.1.4.1. The Construction Partner has undertaken to implement, wherever possible, the Council’s policies in respect of employing local labour, and creating apprenticeships for local people.

3.1.5 Delivering Excellent, Customer Focussed, Cost Effective Services

3.1.5.1. Key to the success of the BSF programme is to improve standards in schools. Hornsey School for Girls provides an excellent education for pupils with special needs. The BSF programme will add to the learning environment for all young people to enable further progress to be made.

3.1.5.2. The BSF work to the school’s entrance and relocation of the reception area

to the front of the site will bring about much needed improvements in security and to the way in which visitors are greeted, and ensure the schools can make more cost-effective use of staffing resources, allowing prioritisation of staff use to further drive up standards.

3.1.5.3. The new Learning Resource Centre will support improvements in standards, and post 16 stay-on rates by promoting more effective independent learning for students across all key stages; potential community access to this facility will also benefit community cohesion, and improvements in adult learning.

3.2 Council Strategies

3.2.1 Safer for All

3.2.1.1. In all our work we will pay particular attention to:

- Young people and crime
- Mental health issues
- Support for victims and witnesses of crime
- Working with and through communities (Community Engagement)

3.3 Resources

3.3.1 Value for Money

3.3.1.1. Overall Value for money is achieved by the procurement methodology to prove the economy, efficiency and effectiveness of each project as it is tendered. Six suitable contractors formed a BSF contractor framework to serve each project in the programme, by means of mini competitions. The successful contractor worked through the design stage ultimately producing costed packages of work. The exercise is "open book", allowing the project manager and cost manager to see the sub-contractors tenders and confirm the price meets scope and quality criteria.

3.3.1.2. Due to the nature of the works within a live school site, Criminal Records Bureau (CRB) checks will be submitted and monitored by the London Borough of Haringey for the Construction Partners "on site" staff. Supervisors from sub-contractors will also be subjected to CRB. This will bring to the Council's attention anyone unsuitable to work with children and other vulnerable members of society.

3.3.1.3. Designers are briefed to ensure the new build elements comply to the highest level of energy saving. The project has adopted Haringey's sustainability policy. (see 3.1 above).

3.3.1.4. A thorough analysis of pupil place planning has been carried out to ensure that the school accommodation is appropriate for both current needs and the foreseeable needs of the future. Governors have signed an agreement to maintain the property in good order once the BSF work is completed. The FM aspect of the PFI contract will be reviewed at the end of the BSF works.

3.3.1.5. Work streams within the programme incorporate people from the Haringey work force where practical.

3.3.1.6. A workforce development programme is already in place to ensure the skills, knowledge and experience of the staff match the needs of an effective school.

3.3.2 Engagement of the Community

3.3.2.1. The designs have been made available prior to the construction stage for resident drop in sessions, school parents and school governors' review days, school council meetings, assemblies and information has been posted through the doors of local residents (also available on line for viewing). These initiatives will continue through the construction phase.

3.3.2.2. Full consultation has been undertaken as part of the BSF Stage approvals; this included consultation with Partnership for Schools, Commission for Architecture and the Built Environment (CABE), Council planners and building control, the Fire Officer and the Police (Secured by Design).

3.3.2.3. The BSF team held a number of sessions at the School where parents and local residents were invited to review the proposals, ask questions and make comments. The main issues raised were the height and appearance of the buildings and in particular its position at street edge. The subsequent changes to the design included setting the learning resource centre (LRC) back by 2m from street edge and lowering it by 700mm, increasing the amount of fenestration to the front elevation and introducing a planter in front of the LRC. Planting has also been incorporated along the car park frontage as well as replacing the fencing along the front elevation to give a more welcoming appearance.

3.3.2.4. The residents were generally supportive of the changes but wanted the Admin block to be set back to match the positioning of the LRC, but a satisfactory way of achieving this could not be found. The Planning Application proceeded and was granted on the basis of moving the LRC but not the admin block. We held a 'Meet the Contractor' session on 17th February 09 at which the works were discussed along with the measures we will be implementing to minimise disruption throughout the programme. Monthly resident meetings will be held once the works commence.

3.3.2.5. Full planning permission was received for the scheme on the 18th of December 2008.

3.3.2.6. The selected construction partner will have a Community Liaison Officer (CLO) whose role is to actively engage with the community through drop in sessions, leaflet drops, open evenings and many more stakeholder engagement activities to allow for comment and feedback during the construction process.

3.3.2.7. During the construction phase of the works the construction partner will set up apprenticeships and encourage the use of locally based labour and unemployed people. Apprenticeships will be within various positions, for example, trades,

administration and management. These will be monitored as a Key Performance Indicator.

3.3.3 Risk Management

3.3.3.1. Risks are managed within the governance of the BSF programme. This includes Stream Lead meetings and reporting to the Programme Board. The projects are managed within Prince 2 methodology and Managing Successful Programmes.

Procurements are managed to European Legislation and advice is taken from legal advisers to ensure compliance. A BSF Project Management Assurance Audit (undertaken by Deloitte & Touche Public Sector Internal Audit Limited) was completed in January 2009 and gave an overall programme rating of 'Substantial Assurance'.

4. Recommendations

4.1 That the Procurement Committee award the design and build contract, with a value set out in Appendix 16.1, with a 52 week programme to complete by 6th April 2010.

4.2 The procurement committee authorise spending on this contract up to the sum detailed in 16.1.2, with reference to the build up of this sum in 16.1.1.

5. Reason for recommendation(s)

5.1 In April 2007, following an Official Journal of the European Union (OJEU) process, Haringey's Procurement Committee agreed a framework of six Constructor Partners (CP's). These CP's would be used to source the twelve school projects in the BSF programme.

5.2 In May 2008 it was agreed with the Leader of the Council that, in order to give full Member involvement in the BSF Design and Build process, the pre-construction stage would be reported to Procurement Committee for approval. Subsequently the main award with an Agreed Maximum Price (AMP) would also be presented to Procurement Committee.

5.3 All the CP's on the framework were invited to submit proposals for Hornsey School for Girls project, via a mini-competition. The mini-competition process for Hornsey School for Girls was completed on 30th May 2008 and a preconstruction agreement was awarded to Apollo London Ltd on 17th July 2008.

5.4 The Pre Construction stage was undertaken as follows:

5.4.1.1. The Design Team Partner developed the level of design up to RIBA Stage D+ (detailed design) which formed the basis of the Council's Requirements. To allow the contractor partner to formulate an AMP the following information was sent to them:

- Drawings (architectural, structural and civils, mechanical and electrical,

- landscape and acoustic)
- Specifications
- ICT proposals
- Waste management proposals
- Statutory requirements
- Programme
- Planned maintenance programme
- Key performance indicators
- Contract terms and conditions

5.4.2 Pre Construction Services /Contractor's Proposals

5.4.2.1. The Contractor Partner undertook the following services in order to submit an AMP:

- Pre-construction design
- Supply chain management/works package tendering, with full cost management
- Value engineering/open book accounting
- Procurement of surveys
- Quality assurance
- Method statements
- Procurement of material samples
- Insurances/warranties and bonds

5.4.3 The Contractor Partner received the Council's Requirements on 12th November 2008 and then worked with the Design Team Partner and stakeholders to develop their Contractor's Proposals in response.

5.5 Review

5.5.1 The majority of the works package items within the design were tendered by the Contractor Partner (CP) (The exceptions were loose furniture and utilities). The CP was instructed to send out individual work packages to a minimum of three suppliers. The suppliers returned their prices to Potter Raper Partnership's (cost consultant) office, for opening and recording, and the CP submitted a recommendation report for the individual packages, which demonstrated value for money. As a result, Potter Raper Partnership (PRP) confirmed that the AMP is a bona fide competitive tender with over 70% of the works received three tenders; the remainder were qualified, with PRP confirming these demonstrated value for money.

5.5.2 The Design Team Partner has reviewed the recommendation to ensure that they are compliant with the Council's Requirements There have been no significant derogations from the Council Requirements.

5.6 Final Tender

5.6.1 The AMP was submitted and opened on 11th February 2009. The tender included the following information:

- Form of Tender
- Contractor AMP form

- Programme
- Contractor's Proposals

5.7 Health and Safety Implications

5.7.1 During the pre-construction stage the designs have been reviewed by a Construction Design and Management Co-ordinator, (Gardiner and Theobald). Their duties have included:

- Advise and assist the client with their health and safety duties
- Notify details of the project to HSE
- Co-ordinate health and safety aspects of the design work and co-operate with others involved with the project
- Facilitate good communication between the client, designers and contractors
- Liaise with the principal contractor regarding ongoing design work
- Identify, collect and pass on pre-construction information
- Prepare and update the health and safety file

5.7.2 As part of their acceptance onto the Contractor's Framework for BSF the contractor partner is a member of the Contractors Health and Safety Assessment Scheme (CHAS). This has allowed the Council access to contractor partner's information on their Health and Safety record, to ensure that they are meeting the necessary regulations.

6. Other options considered

6.1 Not Applicable

7. Summary

7.1 The Hornsey School for Girls BSF project has been the subject of a 2 stage tendering process with a contractor appointed to undertake pre-construction services. This report addresses the process used to ensure value for money, identifies the anticipated costs resulting from the procurement exercise and seeks approval to proceed to award the main design and build contract.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer has been consulted on the content of this report and has no additional comments to make.

9. Head of Legal Services Comments

9.1 The Director of children and Young People Services is seeking Procurement Committee approval of an award of the contract for the Design and Build phase of the Hornsey School for Girls Project (the Project), to the contractor named in paragraph 16.1 (the Contractor), and for authorisation to spend on this contract up to the sum

detailed in 16.1.2, with reference to the build up of this sum on 16.1.1.

9.2 The Contractor was recommended to the Procurement Committee for the award of the Pre-construction contract for the Project and the opportunity to negotiate an Agreed maximum Price for the project as a whole, following a mini-competition held with the contractors on the BSF Contractor Partners Framework Agreement.

9.3 As confirmed by external legal advisers to the BSF programme, Eversheds, the BSF Construction Partners Framework Agreement was established following the correct advertisement in accordance with EU public procurement directives and regulations.

9.4 The Pre-Construction services contract was awarded to the Contractor under delegated authority on 17th July 2008.

9.5 The Construction Procurement Group have confirmed that all parties to the Pre-Construction Services contract mini-competition understood that the Council reserved the right to award the subsequent contract for the Design and Build stage of the contract to the same contractor that was awarded the contract for the Pre-construction stage of the contract provided agreement as to an Agreed Maximum Price and other terms of the D & B contract is reached with that contractor.

9.6 Agreement as to the Agreed Maximum Price and other terms of the Design and Build contract have now been reached with the Contractor therefore this report is seeking approval of the award of the contract for the Design and Build stage of the Project to the Contractor.

9.7 As the value of the Agreed Maximum Price in relation to the proposed contract exceeds £250,000, the Procurement Committee is the appropriate body with the power, under CSO 11.3, to approve the award of the proposed contract.

9.8 The Head of Legal Services confirms that, subject to funding, there are no legal reasons preventing Members from approving the recommendation as to the proposed contract award set out in Paragraph 4 of this report.

10.Head of Procurement Comments

10.1 The process for assembling the Agreed Maximum Price (AMP) is based on an open book process where the sum of each package of works compiles the AMP.

10.2 The AMP has been assembled by the contractor following a series of mini competitions to their supply chain and the figures received are arithmetically checked by the Cost Consultant. The prime contractor recommends the intended sub-contractor for each package for examination by the Cost Consultant and Project Manager.

10.3 The Agreed Maximum Price is then received and processed by Council officers in accordance with standing orders and financial regulations.

11. Equalities and Community Cohesion Comments

11.1 The new build elements of the Hornsey School for Girls project are being designed to be fully accessible to all levels of physical ability (DDA compliance). As part of the vision for the campus, the facilities have the potential to be open to the local community.

11.2 An Equalities Implication Assessment is complete and submitted to the Director of CYPS .

12. Consultation

12.1 The Construction Procurement Group has been fully consulted in the preparation of this report. Updates and any issues have been reported via scheduled meetings between the Construction and Procurement streams.

12.2 A wide range of internal and external stakeholders have been consulted during the course of project development. These stakeholders include the school and its administrators, the local community, local Members, Partnerships for Schools, DCFS, and the Commission for Architecture and the Built Environment (CABE).

12.3 A Governing Body Agreement has been agreed in principle with Hornsey School for Girls which acknowledges that the Contractor Partner will require access to the school premises to carry out the works and that the school will liaise closely with them to support the phasing and decanting requirements of the scheme.

12.4 Legal Implications (provided by Eversheds)

12.4.1 The BSF Framework Agreements with the Construction Partners were established following the correct advertisement in accordance with EC procurement directives and regulations.

12.4.2 The framework incorporates a mechanism in order to score call offs and mini competitions. It anticipates that, subsequent to the appointment of a contractor to a Pre-Construction Services Agreement, a Design and Build Contract will be entered into with that contractor in substantially the same form as the draft in the framework

12.4.3 Whilst the contractor has been proceeding with the services under the Pre-Construction Services Agreement, Haringey's Construction Procurement Group, with the assistance of other professional advisers, has been progressing the process of establishing the scope and price for the Design and Build Contract.

13. Service Financial Comments

13.1 Appendix 1 presents the AMP Stage Cost Schedule. This table confirms all project cost elements associated with the project's design and build phases based on information from Potter Raper Partnership and confirmed by the Mace Project Manager – this table incorporates previous stages approved via delegated authority. This table shows that the Maximum Project Cost equals the cash limited budget for this project and therefore has the necessary budget provision available for this

approval to be made.

13.2 The level of client provisional sums is relatively high (See Provisional Sum Schedule 16.2), representing 9.35% of the AMP sum. Agreement of final costs within the identified provisional sums plays a critical part in ensuring that the project can be managed within agreed budget levels. The Procurement Committee should therefore note the increased risk in settling the AMP contract incorporating client provisional sums in excess of 9% of the AMP sum. These sums are related to access and utilities, mechanical & electrical and ICT works to the legacy areas and will be carefully managed to ensure the project can be delivered within the available budget. The costs consultant have confirmed that the provisional sums allocated are reasonable for the works anticipated.

13.3 DCSF issued a revised promissory letter on Monday 24th November 08 confirming the BSF programme FBC had successfully been signed off, and the total grant funding payable to the council. As defined in the DCSF Funding Protocol, the date of this Promissory letter defines the moment of financial close for funding purposes. This was confirmed by the discussion and minute of the 21st October BSF Programme Board.

14. Use of appendices / Tables and photographs

- 14.1 Agreed Maximum Price Summary (16.1)
- 14.2 Provisional sum schedule (16.2)
- 14.3 Programme Milestones (16.3)
- 14.4 Construction awards to date (16.4)

15. Local Government (Access to Information) Act 1985

15.1 The following documents were used in the compilation of this report:

15.2 The Council's Standing Orders

15.3 Appendix 1 of this report contains exempt information 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):

- *Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).*

Agenda item:

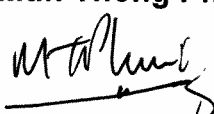
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Cabinet Procurement Committee

On 19th March 2009

Report Title. Remodelling and extension of the Coombes Croft Library

Report of:- Mun Thong Phung, Director of Adult, Culture & Community Services.

Signed : 

Contact Officer : Diana Edmonds, Asst Director Culture, Libraries & Learning (Project Client)
Malcolm Greaves, Corporate Landlord Manager (Client Agent)

Wards(s) affected: North Tottenham

Report for: Key Decision

1. Purpose of the report

- 1.1 To seek Cabinet Procurement Committee approval to award the contract for the remodelling and extension of Coombes Croft Library

2. Introduction by Cabinet Member (if necessary)

- 2.1. The redevelopment of this popular library facility will improve the level of services which we can provide for local communities. It was an achievement to win this award in open competition and I wholeheartedly support the remodelling and extension programme.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. Haringey Library Service provides excellent library services although the facilities in which they are provided are often far from excellent. The Big Lottery grant will allow us to ensure that the Coombes Croft library provides excellent facilities and services to the local community.

4. Recommendations

- 4.1 That Members approval is granted to award the contract for the remodelling and extension of Coombes Croft Library in accordance with Contract Standing Order (CSO) 11.03, to the contractor named in Appendix A1.
- 4.2 That the contract be awarded based on the pricing arrangements set out in Appendix A.

5. Reason for recommendation(s)

Background

- 5.1 The purpose of this proposal is to remodel and extend the floor space at Coombes Croft Library to provide for increased Public library use. The project will address the lack of space by increasing the floor area by 100m² (i.e. approximately 37% increased area) and provide modern facilities in a welcoming, safe and green environment.
- 5.2 The key objectives are to remodel the interior of the existing library and create 100m² increase in floor area to provide:-
 - Meeting space
 - Double the capacity of the People's Internet facility
 - Improved toilet facilities (including DDA access)
 - Basic café vending facilities.
 - Improved access to the front and rear of the library
 - Improved space planning within the building
- 5.3 The library is located on the High Road, near to the Tottenham Hotspur Football Ground and was opened in 1954. It occupies the ground floor of a mixed-use development with residential accommodation on four floors above. The ground floor library is divided into two public areas, separated by a staff office and reception desk which is directly opposite the main entrance. The larger of the two public areas is used as an adult lending library with IT facilities. The smaller area is used as the children's library which also provides IT facilities and a small storage area used by a toy library.
- 5.4 In March 2007 the Assistant Director Culture, Libraries & Learning submitted an application to the Big Lottery Fund, under the Communities Library programme. The bid was based on the need to provide an improved and expanded library facility in an area of significant urban deprivation. Haringey has been formally advised that this bid was successful and a capital grant has been allocated towards the building works. Subject to Haringey demonstrating that it has carried out a professional design and procurement process the monies will be released for the construction works to commence.
- 5.5 The project will provide increased floor space by the construction of extensions at the front and rear of the building. Space planning will be improved to open up the route and view through to the library, as well as bringing staff into direct contact with library users. Improved toilet facilities including DDA access, drinks vending, storage and staff accommodation will also be provided.

- 5.6 Pre planning permission statutory checks revealed the existence of an underground watercourse (Moselle Brook) located in a culvert immediately under the library forecourt. The watercourse remains under the auspices of the Environment Agency/Thames Water although as riparian owners the Council is responsible for repair and maintenance of the structure. The Environment Agency placed a formal and positive objection to the scheme which they considered contrary to policy arising from the Water Resources Act 1991. Conditional planning permission was received however, subject to resolution of issues arising from the culvert (*and also some issues of external detailing – since resolved*). Negotiations with the Environment Agency followed but had a significant adverse impact upon the programme although agreement in principle (subject to formal agreement) has now been reached.
- 5.7 A specialist water engineering consultant (Halcrow) was engaged to assist negotiations and to provide appropriate designs and specifications for the agreed repairs to a short section of the Moselle culvert. The latter activity will enable the proposed front extension to the library to be constructed. Some additional costs associated with the culvert repairs provisionally estimated presently at £50 - £60K may be required and by necessity will fall outside the cost plan as originally submitted to the Big Lottery. There is a risk that these additional costs will accrue in part or whole as a liability against the Authority. There is likely to be an impact of between 1 and 3 weeks on the previously planned 32 week build programme.
- 5.8 It must be noted that arising from the delay, the Big Lottery have now stipulated a start on site during March 2009 which by negotiation it is believed can be extended to April 2009. Failure to meet this deadline now carries high risk of loss of the capital grant and therefore the whole improvement project as described here. This is the main reason for submitting this authority request ahead of full cost details for the culvert repairs being resolved. Consideration was given to omitting the planned front extension to the library. NOTE Omission of the front extension will not meet the specification agreed with the Big Lottery and which formed the basis of the funding agreement.
- 5.9 It should be noted that contracts for this work cannot be let until formal agreement to the negotiated position concerning the Moselle Culvert has been received from the Environment Agency. Application has been made and detailed liaison will continue throughout the appraisal period.

Sustainability

- 5.10 The contractor's pre-qualification and tender submissions required a response and evidence of their commitment to the sustainability agenda. The contractor named in Appendix A has demonstrated this throughout the evaluation process, including delivery methods, material selection, innovation and areas such as waste reduction and disposal.
- 5.11 WRAP and site waste management documentation was included in the original tender invitation. Following recent clarification of the position regarding the culvert repairs (which had a material effect on the direction of the build phase), arrangements for this aspect will be instituted following appointment of the main contractor.

Risks

- 5.12 The key risks in the delivery of this project are:-

- **Cost Escalation above the Big Lottery Capital Grant**

The project has been implemented on the basis of a detailed design and then tender process to minimise changes. The project will be managed and reported on the basis of the Haringey Project Management Best Practice procedures. Paragraph 5.7 above refers to potential for additional costs associated with the repairs to the Moselle Culvert. Funding to this level can be contained within the funding envelope, however should these costs escalate, and consideration will be

required to determine the appropriate source of funding bearing in mind the Authority's overall repairing obligations in respect of structures of this type across the Borough. It should be noted that in this case the Environment Agency retains a right of enforcement under the Water Resources Act 1991.

- **Programme Delays in the Construction Works**

The underground culvert works are scheduled to take between 1 and 3 weeks which will be in addition to the 32 week library construction programme. The design team are working to negotiate this extension out of the planned programme.

- **Under Ground Culvert Repair Works**

As detailed above, works will be undertaken to designs and specifications and under the general supervision of Environment Agency approved water engineers (Halcrow). The aim is to mitigate risk associated with this aspect.

- **Impact on the Local Area**

The loss of library facilities will be mitigated by the provision of temporary facilities during the construction programme. Consultation with local residents will also take place to minimise and mitigate the impact of the construction works.

- **Hazardous Materials**

Limited amounts of asbestos materials have been discovered within the library. These materials will be removed by a licensed asbestos removal company prior to the mobilisation of the construction works.

Legal Implications

5.13 The terms and condition of the Big Lottery Grant have been fully detailed and the offer has been formally accepted by the Haringey Chief Executive. The project team will ensure that all the pre-conditions for releasing the funds will be met.

Contract Implementation

5.14 The procurement process has been completed in accordance with the Council's Major Works Framework Agreement supported by the Construction Procurement Group. Invitation to tenders were requested from 10 contractors and 9 tender bids were received

5.15 Tenders have been evaluated on their value for money. Appendix A Exempt information of this report details this analysis.

5.16 Following the approval of the Cabinet Procurement Committee, the release application for the capital grant will be submitted to the Big Lottery Fund.

5.17 It is anticipated that the contract will be mobilised during late March and the construction works completed over the summer and autumn of 2009.

5.18 During the construction works the existing Coombes Croft Library facility will require closure. Over this period a mobile library service will be in operation.

6. Other options considered

6.1 The options were considered in an earlier paper entitled "Coombes Croft Community Libraries Application Final Review 22/06/07 to the Big Lottery Fund". This was reviewed by the Council and formally approved by the Chief Executive on the 7th November 2007.

6. Summary

7.1 This report seeks the approval of the Cabinet Procurement Committee for the award of the contract to the company named in Appendix A.

7.2 The contracts will be managed on the behalf of Haringey by a professional team appointed under the Haringey Construction Procurement Framework Agreement

7.3 The project will provide some 100m² of additional floor space by the provision of a front and rear ground floor extension.

7.4 The project will be funded by the Big Lottery and take between 32 and 35 weeks for completion (see para 5.11 point 2).

7.5 The issue of the underground culvert running under the area of the proposed front extension will be mitigated by employing the Environmental Agency approved water engineering consultant (Halcrow) to oversee the modification works.

7.6 The potential for financial risk/exposure to costs relating to the unforeseen remedial works to the Moselle Culvert must be noted (see paras 5.7 and 5.11 point one above)

8 Chief Financial Officer Comments

8.1 The funding for the proposed contract outlined in this report is coming from a Big Lottery capital grant of £0.880m.

8.2 As outlined in the body of the report, the project start date has been delayed due to issues around the Moselle brook culvert. Any further delay would compromise receipt of the grant and as stated in paragraph 5.8 the funding body are pushing to get the capital work started on site by March. Full spend must be achieved by 31.3.2010 although once work begins, the contract period is 32 weeks so achieving this is not expected to be a problem.

8.3 In terms of additional financial risks, the main one is around the uncertainty of the final costs of works to repair the culvert. In mitigation, property services have prioritised £38k from the overall capital maintenance budget for 2009/10 although it is hoped that the costs can be contained within the overall grant envelope.

8.4 Tight project management should mitigate against the risk of the project overall breaching the capital grant.

9 Head of Legal Services Comments

9.1 CSO 11.03 provides that contracts above £250,000 may only be let by the Cabinet.

9.2 The contract to which this report relates has been procured under the Council's Framework Agreement for Major Works and therefore complies with the Council's CSOs and EU legislation.

9.3 Subject to obtaining formal agreement from the Environment Agency as detailed in paragraph 5.9 the Head of Legal Services sees no legal reasons preventing Members from approving the recommendations set out in paragraph 4.

10 Head of Procurement Comments –[Required for Procurement Committee]

6.1 The selection of the contractors to tender for this work has been carried out in accordance with the Major Works framework agreement.

6.2 The competition was undertaken with those contractors who are suitable to carry out the work based on the lowest price.

6.3 To enable good project control and change management it is recommended that a construction project manager is employed to lead this project.

6.4 Due to the issues of the culvert it is essential that design warranties are put in place by the Council.

11 Head of Corporate Property Services

11.1 In January 2008 a project team was mobilised under the direction of Corporate Property Services to support the Library Service by developing the project from the concept stage and also co-ordinating the appointed design team. Following the recognised RIBA Stages of project implementation, detailed design has now been completed; outline planning approval obtained (para 5.6 refers) and the project has been tendered to 10 contractors following the Haringey Corporate Procurement Procedures.

11.2 Following discovery of the unforeseen underground Moselle Brook, CPS has led engagement and negotiations with the Environment Agency. Agreement in principle has been achieved that has enabled the scheme to proceed and has reduced the potential financial liability for works to the culvert structure by an estimated 50-60%. (Paragraphs 5.7/8 refer).

11.3 The potential for exposure to financial risk/exposure caused by the requirement to carry out remedial works to the Moselle Culvert is outlined in paragraphs 5.7 and 7.6

11.4 In overall terms the scheme as it stands has not been without challenges but is fully supported as a means of achieving worthwhile external investment aimed at improving the Council's property assets in addition to enhancing delivery of excellent cultural and learning opportunities within this sector of the Borough.

11.5 CPS has prioritised a sum of £38,000 within the 2009/10 Capital Maintenance Programme as a contribution reflecting presently required property asset maintenance activity at this site.

12 Equalities &Community Cohesion Comments

12.1 The Council's Equal Opportunities policies have been embedded into the tender specification and contractor's policies and procedures have been reviewed during the pre-qualification stages for compliance with Haringey's standards.

12.2 An Equalities Impact Assessment has been carried out for this project and the main issue of accessibility incorporated into the design of the new facilities

13 Consultation

- 13.1 An extensive consultation programme has taken place with library users and community groups. An initial consultation, which sought the community's views on the library facilities and the services provided, took place in February 2005. This formed part of the library development strategy, agreed by Members in June 2005, which recognised the need to improve Coombes Croft Library in order to meet the needs and aspirations of the community.
- 13.2 Plans were drawn up to optimise the existing floor space within the library. These were presented to the Council's Executive in June 2006 which were rejected on the basis that remodelling could not provide adequate accommodation for the library's future development.
- 13.3 A community workshop was held in February 2007 made up of a wide range of people comprising library users, community group members and representatives from statutory organisations. Those attending the consultation event expressed the view that the library was too small for the current needs and there was a need to expand the facilities being currently provided.
- 13.4 Concept designs were developed from these workshops on which further consultation has taken place. This was then used as the basis of a capital bid to the Big Lottery Fund under the Community Libraries Programme in March 2007.

14 Service Financial Comments

- 14.1 The project will be funded through a "Big Lottery Capital Grant" which has been secured by the Project Sponsor, Diana Edmonds Assistant Director Culture, and Libraries & Learning. This was approved by the Chief Executive on the 7th November 2007.

15 Use of appendices /Tables and photographs

- 15.1 Appendix A Exempt information of this report details the analysis of the tenders .
- 15.2 Appendix B: Outline design of the remodelled and extended library.
- 15.3 Appendix 3: Programme of Construction

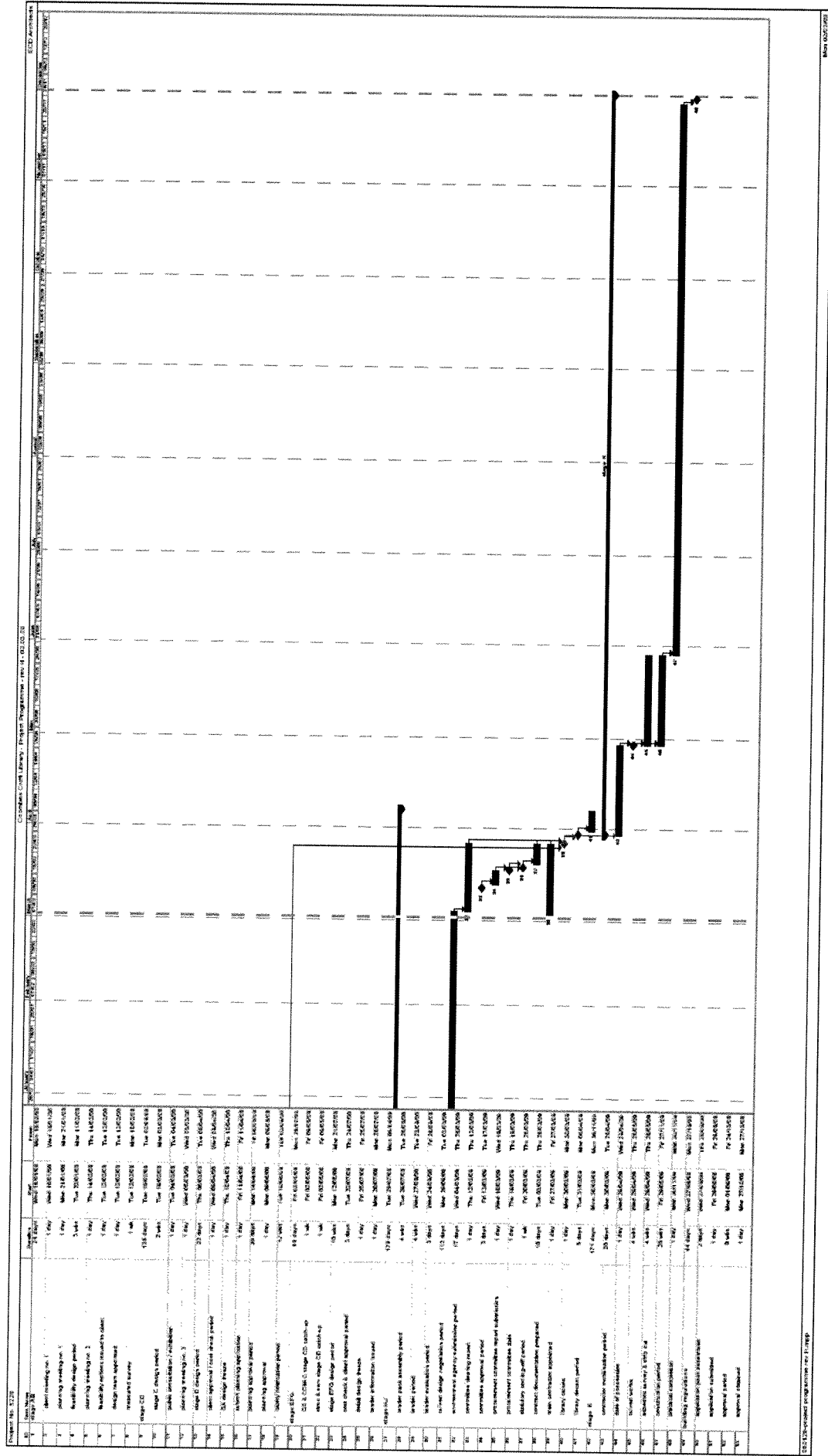
16 Local Government (Access to Information) Act 1985

- 16.1 The following background paper was used in the preparation of this report:-
- Coombes Croft Community Libraries Application Final Review 22/06/07 to the Big Lottery Fund
- 16.2 The exempt information is exempt under the following category (identified in the amended schedule 12A of the Local Government Act 1972: s. (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

Appendix A:

Exempt information of this report details the analysis of the tenders.
(Separate Document)

Appendix C: Programme of Construction



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