
Executive Procurement Committee

TUESDAY, 3RD JANUARY, 2006 at 18:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE.

MEMBERS: Councillors Adje, Diakides, Hillman, Milner and Meehan

AGENDA

1. APOLOGIES FOR ABSENCE

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 10 below. New items of exempt business will be dealt with at item 15 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.

4. MINUTES (PAGES 1 - 6)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 6 December 2005.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. AMENDMENTS TO TENDER OPENING PROCEDURES IN CONTRACT STANDING ORDERS (PAGES 7 - 18)

(Report of the Head of Legal Services and Monitoring Officer): To seek the Committee's support in recommending revisions to Contract Standing Orders on Tender Opening Procedures.

7. REDEVELOPMENT OF UNITS 20-22 BERNARD ROAD, RANGEMOOR ROAD (PAGES 19 - 24)

8. SEVEN SISTERS SHOP FRONT RENEWALS: AWARD OF CONTRACT

(Report of the Director of Housing): To seek Members agreement to award the contract for Seven Sisters Shop Front Renewal. **FAILED TO MEET DESPATCH DATE**

9. REQUEST FOR WAIVER OF REQUIREMENT TO TENDER FOR COMMUNITY BASED RISK AND SAFEGUARDING ASSESSMENT OF CHILDREN AND FAMILIES (PAGES 25 - 30)

(Report of the Director of the Children's Service): To seek approval to a waiver of CSO 6.04 (Requirement to Tender) in connection with community based risk and safeguarding assessment of children and their families.

10. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

11. EXCLUSION OF PRESS AND PUBLIC

The following items are likely to be the subject of a motion to exclude the press and public from the meeting as they contain exempt information relating to the terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the supply of goods and services.

Note from Head of Member Services

The following item allows for consideration of exempt information (if required) in relation to items 7 – 9 which appear earlier on the agenda.

12. REDEVELOPMENT OF UNITS 20-22 BERNARD ROAD, RANGEMOOR ROAD (PAGES 31 - 32)

13. SEVEN SISTERS SHOP FRONT RENEWALS: AWARD OF CONTRACT

(Report of the Director of Housing): To seek Member agreement to award the contract for Seven Sisters Shop Front Renewal. **FAILED TO MEET DESPATCH DATE**

14. REQUEST FOR WAIVER OF REQUIREMENT TO TENDER FOR COMMUNITY BASED RISK AND SAFEGUARDING ASSESSMENT OF CHILDREN AND FAMILIES (PAGES 33 - 36)

(Report of the Director of the Children's Service): To seek approval to a waiver of CSO 6.04 (Requirement to Tender) in connection with community based risk and safeguarding assessment of children and their families.

15. NEW ITEMS OF EXEMPT URGENT BUSINESS - LEISURE CENTRES INVESTMENT : PROCUREMENT (PAGES 37 - 44)

To consider any new items of exempt urgent business admitted at item 2.

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21 December 2005

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**MINUTES OF THE PROCUREMENT COMMITTEE
6 DECEMBER 2005**

Councillors *Milner (Chair), Adje, *Diakides and *Hillman.

* Members present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PC45.	<p>APOLOGY FOR ABSENCE</p> <p>An apology for absence was submitted by Councillor Adje. An apology for lateness was submitted on behalf of the Chair. In the absence of Councillor Milner, Councillor Hillman took the Chair.</p>	
PC46.	<p>DECLARATION OF INTEREST</p> <p>Councillor Hillman in respect of items 9 and 19 – Pembury House Children’s Centre (see Minute PC51 below).</p>	
PC47.	<p>MINUTES</p> <p>RESOLVED:</p> <p>That the minutes of the meeting held on 25 October 2005 be approved and signed.</p>	HMS
PC48.	<p>NEUTRAL VENDOR SOLUTION FOR THE PROVISION OF TEMPORARY AND PERMANENT WORKERS (Report of the Director of Finance – Agenda Item 6):</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to terms proposed or to be proposed to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods and services.</p> <p>In response to a question, it was confirmed that the contract would include penalty and break clauses in relation to performance issues.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 14 and subject to a satisfactory due diligence period, approval be granted to the award of the contract for the provision of temporary and permanent workers to Hays plc on the terms and conditions set out in the Appendix to the interleaved report. 2. That the contract be awarded for a period of 5 years with an option to extend for two further periods of 1 year each on the basis detailed in the interleaved report. 	<p>HP/DF</p> <p>HP/DF</p>

MINUTES OF THE PROCUREMENT COMMITTEE
6 DECEMBER 2005

	<p>3. That the existing approved list for agency staff due to expire on 20 January 2006 be extended until 31 March 2006.</p> <p>4. That officers explore further the option of establishing a Resource Centre presence within the Borough of Haringey and report back to a future meeting of our Sub-Committee.</p>	HP/DF HP/DF
PC49.	<p>COMMUNITY CARE STRATEGY (Report of the Director of Social Services – Agenda Item 7):</p> <p>At this juncture Councillor Milner arrived and took the Chair.</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to terms proposed or to be proposed to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods and services.</p> <p>RESOLVED:</p> <p>That approval be granted to the award of the contract for the refurbishment of the Red House Residential Home to Makers UK Ltd in the total sum including fees and salaries of £1,107,539 with a contract period of 28 weeks.</p>	DSS
PC50.	<p>DOOR ENTRY AND CONCIERGE SYSTEMS – CONTRACT EXTENSIONS (Report of the Director of Housing – Agenda Item 8):</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to terms proposed or to be proposed to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods and services.</p> <p>We noted that a full tendering process would be completed before the end of the proposed extension period for the current contracts and that consequently no further extensions would be sought for these contracts.</p> <p>RESOLVED:</p> <p>1. That, in accordance with Contract Standing Order 13.2, approval be granted to the extension of the contracts for Door Entry and Concierge systems with Eversafe Security Ltd. and Cartel Security in the sums of £175,000 and £91,000 respectively.</p> <p>2. That the contracts be extended for a period of seven months from 1st December 2005 to 30 June 2006.</p> <p>3. That the total estimated costs including fees of £293,664 be noted.</p>	DH DH
PC51.	<p>PEMBURY HOUSE CHILDREN'S CENTRE (Report of the Director of the Children's Centre – Agenda Item 9):</p>	

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Agenda item:

Procurement Committee**On****3rd January 2006**

Report Title: **Amendments to Tender Opening Procedures in Contract Standing Orders**

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

Report of: **The Head of Legal Services and Monitoring Officer**

Wards(s) affected: **All**

Report for: **Recommendation to General Purposes Committee**

1. Purpose

- 1.1 To explain to Members of the Procurement Committee the reasons for revising Contract Standing Orders on Tender Opening Procedures and the options for doing this.
- 1.2 To seek the support of the Procurement Committee in recommending these proposals to the General Purposes Committee and full Council as amendments to the Council's Constitution.

2. Introduction by Executive Member

- 2.1 That Members of the Procurement Committee agree to support the proposals to amend Contract Standing Orders on Tender Opening Procedures, as described in paragraphs 8.2 and 8.3 and set out in Appendix 1 to this report

3. Recommendations

- 3.1 That Members of the Procurement Committee agree to support the proposals to amend Contract Standing Orders on Tender Opening Procedures, as described in paragraphs 8.2 and 8.3 and set out in Appendix 1 to this report.
- 3.2 That Members of the Procurement Committee agree to recommend these proposals to the General Purposes Committee and full Council as amendments to the Council's Constitution.

Report Authorised by:

Davina Fiore, Head of Legal Services and Monitoring Officer

Contact Officer: Terence Mitchison – Senior Project Lawyer, Corporate – x5936
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4. Executive Summary

4.1 The current arrangements for higher value tender opening are a wasteful use of staff resources. The report contains proposals for a uniform tender opening process that should be more cost effective while maintaining the integrity of tendering procedures. There are also comments from the Heads of Corporate Procurement and Internal Audit which are intended to meet the concerns expressed previously by General Purposes Committee

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 The following background papers were used in the preparation of this report:

(i) report to the General Purposes Committee on this matter on 17 January 2005 (ii) report to CEMB on this matter on 26 October 2005 (iii) the Council's Constitution.

7. Background

7.1 At present Contract Standing Orders (CSO 9.3) require that all tenders with an estimated value over £150,000 must be kept safe until opening by an officer appointed by the Head of Legal Services. This officer must record the time and date of receipt of all such tenders.

7.2 Tenders for contracts with an estimated value of £150,000 or less are kept safe until opening by an officer appointed by the Director of the Service responsible for commissioning the tendering process ("the client Service").

7.3 For all contracts, whatever the value, CSO 9.4 requires that the tenders must be opened at the same time in the presence of two officers who have not been involved in the tendering process. These officers must record the relevant tender details (e.g. name of contractor and total price).

7.4 In the case of lower value tenders opened by the client Services, it is usual for the tender opening officers to come from a team other than the team that commissioned the tendering process. Generally, this will still be a team within the same Directorate.

7.5 The problem has arisen within the Legal Service. The only staff with the training and experience to undertake safe custody and tender opening reliably are the commercial lawyers. Commercial lawyers are expensive and hard to recruit. They have to be paid at the normal high market rate even when they undertake routine administrative tasks such as taking custody of, opening, and recording details of, tenders.

7.6 During the calendar year 2004 tenders relating to approximately 80 distinct contracts were opened in the Legal Service. On average each contract involved 8 tenders. The work of tender custody and opening was approximately 320 officer/hours over the year. This is diverting lawyers from real legal work and is not a cost-effective use of resources.

7.7 Tenders with an estimated value in excess of £150,000 constitute, very approximately, 50 % of all tenders received under the competitive tendering procedures in Contract Standing Orders.

8. Report to General Purposes Committee

8.1 A report was prepared jointly by the Head of Legal Services and the Head of Corporate Procurement for the General Purposes Committee (GPC) which is responsible for recommending to full Council any proposed amendments to Contract Procedure Rules (Contract Standing Orders) which form part of the Council's Constitution.

8.2 The proposal in this report was to abolish the special procedure for tenders over £150,000 in value and to have a uniform process for all tenders similar to that already existing - but not involving the Legal Service.

8.3 It was to be made express in Contract Standing Orders that the tender opening officers were to come from a different team from that involved in commissioning the tenders. The selection, training and arrangements for due independence of the tender opening officers were to be approved by the Head of Corporate Procurement. He was in the process of completing a Training Manual for the use of these officers.

8.4 GPC considered these proposals at its meeting on 17 January 2005. Members agreed that the use of commercial lawyers was expensive for these tasks and agreed, in principle, that the work should not be undertaken by lawyers.

8.5 However, GPC Members expressed concern that in the proposals there would be insufficient safeguards for the independence of the tender opening officers. Members considered that they should come from a different Directorate from the tender commissioning team, not merely a different team within the same Directorate. Accordingly, the proposals were not approved for recommendation to full Council as they stood.

9. Proposals and Options

9.1 Officers from various Directorates have since met to discuss the practicality of complying with the views of the General Purposes Committee. A major problem is that moving all tender custody and opening from the commissioning Directorate to a different Directorate would entail significant extra expense, difficulty and delay as

compared to the present arrangements. This would not be helpful in the current financial climate where the Council is being required to find efficiency savings.

9.2 After careful appraisal of the possible administrative arrangements, a report was submitted to the Chief Executive's Management Board (CEMB) on 26 October. This set out 6 options and listed their perceived advantages and disadvantages. The options are now attached to this report as Appendix 2.

9.3 CEMB considered that Option 6 was to be preferred. This involves asking GPC to re-consider the view its Members took in January 2005 and to approve the original proposals but with additional safeguards to be provided by undertaking an Internal Audit Review and spot checks to provide assurance that the agreed procedures are being followed. These safeguards are further described in the Comments of the Head of Internal Audit and Risk Management at paragraph 13.3 below. The comments of the Head of Corporate Procurement are set out more fully than before.

9.4 Although GPC must make any formal recommendations to full Council for the amendment of Contract Standing Orders, the Procurement Committee has the primary responsibility for the application of Contract Standing Orders in practice. Any views expressed on this subject of Tender Opening by Procurement Committee Members would be an important factor for GPC Members to take into account.

10. Recommendations

10.1 That Members of the Procurement Committee agree to support the proposals to amend Contract Standing Orders on Tender Opening Procedures, as described in paragraphs 8.2 and 8.3 and set out in Appendix 1 to this report.

10.2 That Members of the Procurement Committee agree to recommend these proposals to the General Purposes Committee and full Council as amendments to the Council's Constitution.

11. Equalities Implications

11.1 There are no specific equalities implications.

12. Comments of the Head of Procurement

12.1 The changes proposed to Contract Standing Orders would make the Head of Procurement responsible for approving the suitability of tender opening officers including their seniority and training. This would involve setting up the arrangements to secure the separation of the tender opening officers from the tender commissioning team within the same Directorate.

12.2 Each Directorate would be asked to supply four officers who could be trained and called upon for tender opening duties. They would be drawn from several different teams. This would ensure that for any tendering exercise there would be at least two tender opening officers available from outside the tender commissioning team.

- 12.3 The officers selected would be of appropriate seniority and reliability for this routine but responsible task. They would be given training on the processes and standards to be applied. The officers to be selected have yet to be identified in all Directorates. Nonetheless, it is certain that the staff costs of undertaking tender opening in the commissioning Directorate would be considerably less than continuing to use lawyers
- 12.4 Ending the existing distinction between contract values estimated at more than £150,000 and those below that figure would help ensure consistency of process and standards across all the Council's Procurement activity.

13. Comments of the Head of Internal Audit and Risk Management

- 13.1 Internal Audit has considered the proposals contained in this report and also the concerns expressed by GPC Members last January about the possible risks of fraud and corruption if tender opening officers were drawn from the same Directorate as the tender commissioning team. The Internal Audit view is that any extra risk from the arrangements now proposed would be mitigated provided an appropriate framework is agreed and implemented effectively.
- 13.2 A framework must be agreed and put in place which defines the standard practices to be followed by all Directorates. This will ensure that appropriate controls, including the segregation of tender opening from commissioning, are in force and that there are audit trails which can be reviewed and monitored by service management and Internal Audit.
- 13.3 As an additional safeguard, Internal Audit can include a Review of the tender opening processes as part of the annual audit programme of work which would provide assurance that the risks are being managed effectively and that the controls in place are operating as intended. The Review would highlight any problems, areas of non-compliance or issues of control weaknesses. Spot checks by managers on compliance should be included in the agreed framework and made part of the routine checking process signed off by managers. This would demonstrate good risk management and improve controls.

14. Comments of the Director of Finance

- 14.1 The proposed amendments to tender opening procedures would result in more cost effective use of staff resources and should assist in achieving efficiency savings.

15. Comments of the Head of Legal Services

- 15.1 The proposed amendments to tender opening procedures would remove from commercial lawyers a routine administrative task that could be performed equally well by officers in other Service without any prejudice to the integrity of tendering procedures. It would enable the lawyers to focus on their proper roles i.e. giving legal advice to client Services and helping to improve Service delivery.
- 15.2 It would not be practicable or cost effective to employ extra administrative staff within the Legal Service just to carry out the tender custody and opening functions.

16. Use of Appendices / Tables / Photographs

16.1 Appendix 1 to this report sets out the amendments proposed to Contract Standing Orders at section 9 on the Receipt and Opening of Tenders.

16.2 Appendix 2 to this report sets out the options for tender opening procedures considered by the Chief Executive's Management Board on 26 October 2005.

APPENDIX 1

[the words recommended for deletion are shown struck through and the words recommended for addition or insertion are shown in italics and underlined]

PART G.3 of the Constitution – CONTRACT PROCEDURE RULES (CONTRACT STANDING ORDERS) – this extract starts at page 9 of the version last updated in June 2005

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 tenderer in any way; and
- c) delivered to the place and by the time stated in the tender invitation.

9.02. Tenders which do not meet the requirements of Contract Standing Order 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. Tenders must be kept safe until the time for their opening by an officer given this duty by the Director responsible for the tendering process.

- ~~a) Director for contracts with an estimated value of £150,000 (one hundred and fifty thousand) or less, and~~
- ~~b) Head of Legal Services for all other contracts.~~

Records of the time and date of receipt of all unopened tenders must be kept by that Officer.

9.04 Tenders for a particular contract must be opened at the same time in the presence of two officers who ~~have not been~~ are employed in teams not involved in the tendering process. ~~and who~~ These officers are responsible for properly recording ~~receipt~~ the price, duration of 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.
- 9.06 Tenders may be received electronically with the prior approval of, and in accordance with, a procedure specified by the Head of Procurement.

APPENDIX 2

OPTIONS FOR TENDER OPENING PROCEDURES CONSIDERED BY CHIEF EXECUTIVE'S MANAGEMENT BOARD ON 26 OCTOBER 2005

Option 1

Original Proposals but comply with the views of General Purposes Committee and have all tenders opened by a different Directorate from that commissioning the tender process

Advantages: (i) Saving on costs of using lawyers
(ii) Uniformity and perceived independence of process

Disadvantages: (i) Significant extra expense, difficulty and delay as compared to existing process because of the need to move tenders between Directorates
(ii) Problem of equalising burdens between Directorates i.e. some Directorates (notably Housing and the Children's Service) have more tenders to open than others

Option 2

Fresh Proposal to Centralise all tender opening away from all the Directorates that commission tendering

Details: (i) This would require the establishment of an "independent" officer team which would be difficult unless the task were outsourced away from all existing Council Directorates

Advantages: (i) Potential saving on staff costs, if outsourced
(ii) Uniformity and perceived independence of process, if outsourced

Disadvantages: (i) Hard to manage and assure quality control from a distance, if outsourced
(ii) Risks of additional delays, if outsourced

- (iii) If not outsourced, then a new “independent” team would be hard to accommodate within the Legal Service. The space requirement for extra staff and paper-work would be expensive and would add to existing acute pressures at Alexandra House or River Park House.

Option 3

Fresh Proposal to Outsource High Value (over £150,000) Tender Opening only

- Advantages:
- (i) Potential saving on staff costs
 - (ii) Perceived independence of outsourced part of tender process
- Disadvantages (i) and (ii)
- (i) Perpetuates a differential treatment of high and low value tenders that is not obviously logical
 - (ii) As for disadvantages (i) and (ii) under Option 2.

Option 4

Status Quo i.e. Legal Service Continues to Open High Value (over £150,000) Tenders

- Advantages (i)
- (i) No change to existing practice
- Disadvantages (i) and (ii)
- (i) Perpetuates a differential treatment of high and low value tenders that is not obviously logical
 - (ii) Continues the expensive use of commercial lawyers. There is no spare capacity and little scope for using existing administrative/clerical staff for these tasks.

Option 5

Status Quo but Increase Limit for High Value Tenders to be Opened by Legal Services from £150,000 to £500,000

- Advantages (i)
- (i) Limited change to existing practices

(ii) Some savings in staff costs

Disadvantages 4 As for disadvantages (i) and (ii) under Option

Option 6

Original Proposals but Persuade General Purposes Committee that their Concerns about Independence can be met

Advantages (i) Saving on costs of using lawyers
(ii) Uniformity of process

Disadvantages (i) Requires further meetings in the short term.

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7

HARINGEY COUNCIL

Agenda item:

Procurement Committee**On 3rd January 2006**

Report Title: Redevelopment of Units 20-22 Bernard Road, Rangemoor Road.

Award of contract

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

Report of: Assistant Chief Executive (Access)

Wards(s) affected: Tottenham Green

Report for: Key Decision

1. Purpose

- 1.1 To seek Member agreement to waive the requirement to tender under Contract Standing Orders.

2. Introduction by Executive Member

- 2.1 This project will directly support the Haringey City Growth Strategy and provide a valuable local facility for businesses in the early stage of development. I support the recommendation of this paper, particularly in light of the time constraints to take full advantage of the grant funding available.

3. Recommendations

- 3.1 That Members agree the waiver of Contract Standing Order (CSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3.(d) namely that it is in the Councils overall interest.

Report Authorised by: Justin Holliday, Assistant Chief Executive (Access)

Signed..... *Justin Holliday*

Date..... 3.1.06

Contact Officer: Zena Brabazon, Head of Neighbourhood Services

Telephone: 020 8489 4534

4. Executive Summary

- 4.1 This report seeks a waiver of the CSO requirement to tender so that a contract for the provision of full design and delivery services in respect of the Rangemoor Road Project can be awarded to ABK Architects, who are already working on the project as the Project Architects. The value of the proposed additional contract to ABK is detailed at Appendix 1.
- 4.2 The report is presented to the procurement committee because a previous waiver of tendering requirements was obtained in respect of the appointment of ABK Architects as Project Architect and second waiver is now sought.

5 Reasons for any change in policy or for new policy development (if applicable)

- 5.1 N/A

6 Local Government (Access to Information) Act 1985

- 6.1 List of background documents:

The following background documents were used in production of this report:

- Request for Implementation of Contract standing Orders (CSO) 6.3, July 4th 2005 – Waiver to appoint ABLK Architects as project Architect
- Rangemoor Road Estate Options Study, April 2005
- Request for authority to appoint Project Architect and tender exercise report, March 2005
- Invitation to Tender and supporting documentation, January 2005.

- 6.2 Appendix 1 to this report is **not for publication** as it contains exempt information under the following categories:

- (viii) The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

and/or

- (ix) Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

7 Background

- 7.1 The redevelopment of units 20-22 Bernard Road N15 is one of five projects in the Upper Lee Valley Industrial Estates programme; part funded through European Regional Development Fund 3.1. This programme was approved at the CEMB on 25th January 2005. The project will provide 450 square metres of new Managed Workspace on the estate. Initial cost estimates for the development were identified at approximately £540,000 plus fees and VAT.
- 7.2 The Project is consistent with the Haringey City Growth Strategy and the London Development Agency's (LDA) strategy document, 'Sustaining Success - Developing London's Economy'. It will create increased opportunities for new and emerging businesses in the Upper Lee Valley area and Tottenham in particular by provision of additional good quality space linked to structured business support programmes. It will further contribute to narrowing the gap in opportunities between the east and the west of the borough.
- 7.3 Neighbourhood Management Service (NM) is project managing the scheme in partnership with Property Services, the site owner. In January 2005 the Neighbourhood Management team (NM) undertook a tender exercise to commission a feasibility study and options appraisal for the site in accordance with Contract Standing Orders. ABK Architects were selected for this task.
- 7.4 ABK Architects provided the final report to the deadline and budget agreed. This was presented to a Steering Group and it was decided to progress design Option 2, which consists of demolition of the existing units at 20-22 Bernard Road and the creation a new flexible workspace building. The firm was appointed as Project Architect by means of a Waiver in July 2005 to develop the chosen option.
- 7.5 Subsequently ground investigation, topographic and asbestos surveys were commissioned. The design was further developed and reviewed against the available budget. This process is now complete and a planning application was made in December 2005.
- 7.6 The next stage is to work up detailed design and production information to support the procurement of a contractor through a tender exercise. This stage and the subsequent project delivery requires input from a full design and delivery team.

8 Budget

- 8.1 Project funding is now confirmed as £683,000 made up of £415,000 from a LDA grant, £238,000 ERDF 3.1 and £30,000 Neighbourhood Renewal Fund allocation (NRF). There may be a further £18,000 available through further ERDF match against the site value. This will be confirmed on review of the valuation report commissioned by Property Services.
- 8.2 The team will undertake a value engineering exercise once the detailed design stage is underway. This process will ensure design and build will conform to the project budget.

9 Description

- 9.1 ABK Architects were commissioned to carry out an Options Study in March 2005 following a tender exercise in accordance with Haringey Council Contract Standing Orders. Corporate Procurement supported NM through this process and approved the evaluation process.
- 9.2 ABK provided the Options Study and the steering group agreed that Option 2 should be progressed further. NM sought a waiver in accordance with Contract standing Orders to enable the retention of ABK Architects for this purpose. This was approved in July 2005.

10 Consultation

- 10.1 In producing the report the firm consulted with a steering group, comprising of the local Ward Councillor, Property Services, Neighbourhood Management Service, Planning (Development Control), and Planning (Design and Conservation). The decision to progress Option 2 was made at a steering group meeting and reported in May 2005.

11 Summary and Conclusions

- 11.1 This report is seeking a waiver of the requirement to tender in respect of the full design and delivery consultancy contract for the Rangemoor Road Project. This will facilitate the appointment of ABK Architects as the Project's full design and delivery consultant, and enable the project to be completed by the December 2006 deadline, which must be met in order to take full advantage of the grant funding available.
- 11.2 It is recommended that Members agree the waiver of Contract Standing Order (SCSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3.(d) namely that is in the Councils overall interest.

12 Recommendations

- 12.1 That Members agree the waiver of Contract Standing Order (CSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3(d) that it is in the Councils overall interest.

13 Equalities Implications

- 13.1 There are no specific equal opportunities implications arising from this report. However, any efforts to regenerate Tottenham must recognise the diversity and ethnicity of the area. The project will develop business premises to support the growth of small enterprises in Tottenham. Many of these businesses are set up and run by people from ethnic minority communities.

14 Health and Safety Implications

- 14.1 The Council will monitor all stages of the project to ensure that all health and safety risks have been assessed and appropriate control measures identified and implemented.

15. Sustainability Implications

- 15.1 The architect's brief for the design included the requirement to consider the application of renewable energy technology and measures to use water economically. Various innovative solutions were considered however the available budget has not allowed the team to pursue these.
- 15.2 The team has adopted practical mainstream technologies. The building has been designed to provide natural ventilation and will have a water system incorporating spray taps and low volume dual flush cisterns. Heating will be provided by means of a condensing gas boiler. In addition the design makes use of the building's orientation for solar gain. There will be secure cycle parking and showers to promote this as a means of transport for users and visitors and the ease of access to public transport links will be emphasised in promotional literature and location plans.
- 15.3 The new facility will provide workspace for emerging small businesses. This coupled with business support will contribute to a sustainable economic incubator locally.

16 Financial Implications

- 16.1 In order to claim the full available amount of ERDF grant the building must be complete by December 2006. Detailed design and procurement actions are required as a matter of urgency to achieve this challenging timetable. If this is not achieved there is a risk that Haringey Council may be required to fund outstanding works in full.

17 Comments of the Director of Finance

- 17.1 Given that funding is time limited, and that the fee quote is regarded as reasonable by Procurement, the DoF supports this waiver.

18 Comments of the Head of Legal Services

- 18.1 The Chief Executive Directorate seeks a waiver of Contract Standing Order 6.4 (requirement to tender) in respect of a contract for provision of design and delivery services on the Rangemoor Road Project.
- 18.2 The request is made on the basis that a waiver is in the Council's overall interest in accordance with CSO 7.3 (d) because it will enable the deadlines necessary to take full advantage of available funding to be met.
- 18.3 The proposed contract is below the threshold where tendering in Europe is required under the Public Services Contracts Regulations 1993.
- 18.4 The Procurement Committee has the power, under CSO 7.5, to approve the waiver.
- 18.5 If the waiver is approved, a Director has the power under Contract Standing Order 11.2, to award the additional contract to ABK Architects.
- 18.6 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendation set out in paragraph 3 of this report.

19 Comments of the Head of Procurement

- 19.1 The Corporate Procurement Unit has worked very closely with the Rangemoor Road Project Manager, and has discussed in depth the continued use of ABK Architects and the design team who prepared the Options Appraisal and Feasibility Study.
- 19.2 Given that a full tender exercise was completed for the initial phase of this project, and that ABK have been demonstrated to show value for money against rates of those consultants on the Haringey approved list, Corporate Procurement Unit is satisfied that the procurement exercise has been undertaken in a commercially robust and satisfactory manner.
- 19.3 The benefits of consistency of using ABK for the next stage of the project are clear, and in line with construction best practice principles. Similarly, the Project Manager has demonstrated to CPU that the architect has thus far produced high quality outputs in conjunction with the other consultants in the Feasibility Study team. The Project Manager has also demonstrated a challenging approach to the outputs made by the architect, and has been using a proactive approach to keeping the project on track in terms of time, cost and quality.
- 19.4 In this instance, the Head of Procurement fully supports the extension of the appointment of ABK Architects to provide a full design and delivery service, with responsibility for the appointment and performance of the full design and delivery team.

20 Use of Appendices / Tables / Photographs

- 20.1 Appendix 1 – Exempt Information.

Agenda item:

Executive Procurement Committee On 3rd January 2006

Report Title: Request for waiver of requirement to tender for Community based Risk and safeguarding Assessment of children and families

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

Report of: The Executive Director of the Children's Service

Wards(s) affected: [All] - this service is available to residents of all wards

Report for: Non-Key Decision

1. Purpose

- 1.1 To seek Members agreement to waive the requirement to tender under Contract Standing Orders (CSO 7.02).

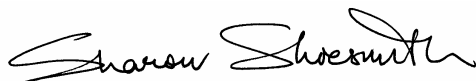
2. Introduction by Executive Member

- 2.1 I endorse the recommendations of this report and ask for members to agree to the waiver of the Contract Standing Order.

3. Recommendations

- 3.1 That Members agree the waiver of Contract Standing Order (CSO)6.04 (requirement to tender), as allowed under CSO 7.02, in accordance with waiver requirements noted under CSO 7.03 (a) and (d)

4. **Report Authorised by:** Sharon Shoesmith
Director of the Children's Service



5. **Contact Officer:** Marion Wheeler
Service Manager, Children & Families
Telephone: 0208 489 1862

6. Executive Summary

- 6.1 In 1997, Haringey's Voluntary Sector grants service funded the NSPCC, to provide Community based Child protection assessments, therapy and staff consultation

and training for Children and Families social work staff in Haringey. The assessments are primarily for families involved in s31 1989 Children Act proceedings and therapeutic services for children recovering from the effects of abuse

- 6.2 It is a Haringey's initiative to promote the Gershon review, in securing value for money and efficiency, and to work with Small and medium sized enterprises, voluntary charitable agencies to promote local regeneration. Thereby, working in partnership with NSPCC, Haringey will implement this initiative.

7. Reasons for any change in policy or for new policy development (if applicable)

- 7.1 N/A

8. Local Government (Access to Information) Act 1985

Background papers

- 8.1 Buying a Better London
 8.2 Voluntary Sector grants Committee report 6th September 2005
 8.3 The two appendices attached to this report is **not for publication** as it contains exempt information under the following categories:
 viii) The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

And

(ix) Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

9 Background

- 9.1 Historically the NSPCC have been providing a service to Haringey Council since the 1st April 1997. They are based at Maya Angelou Centre located in Tottenham which is leased to NSPCC by the Council. The following services are provided by the NSPCC to Haringey.
- 9.1.1 Specialist family assessments where children are on the child protection register or subject to court proceedings. Referrals are made by the two District Service Managers.
- 9.1.2 Therapeutic work with children with a particular focus on disabled children who have suffered abuse. In addition they also provide two therapeutic surgeries in two special schools (Moselle and The Vale). A third link with Blanche Neville school is in progress.
- 9.1.3 Training and Consultations to child care professionals.
- 9.2 The National Society for the Prevention of Cruelty to Children herein referred to as NSPCC is a registered charity whose constitutional objectives are to: -
- Prevent children suffering from significant harm as a result of ill treatment.

- Help protect children who are at risk from such harm
- Help abused children to overcome the effects of such harm
- Work to protect children from further harm.

10. Description

- 10.1 The NSPCC is currently funded by the Council's grant section until the 31st March 2006. On the 6th of September 2005 the Voluntary sector grants committee have agreed to transfer these funds to Children and Families Commissioning. The funding is awarded for a period of three years from April 2006 to March 2009.
- 10.2 Since 1997, families known to The Children's Service have benefited from the support provided by the NSPCC, through the comprehensive assessments, therapeutic work and consultations sessions that are undertaken as part of this agreement.

11. Reason for Waiver

- 11.1 A market mapping exercise was undertaken whereby local authorities and agencies were contacted to ascertain whether they could provide a similar service and at what cost.
- 11.2 10 Neighbouring boroughs were also contacted to ascertain if and how similar services were provided within their boroughs, 5 authorities responded and the results are set out in Appendix 1.
- 11.3 Three providers were identified through the research and their cost of assessments were compared, see Appendix 2
- 11.4 The current NSPCC contract has provision for 20 Specialist assessments, 6 therapeutic interventions and 10 training /consultations to child care professionals per year for the contracted annual value of £88,750.00.
- 11.5 This is a cost effective service as NSPCC's funds the Maya Angelou project at a total cost £345,000.00 per annum, of which Haringey contributes £88,750.00, a small proportion of the total cost. Haringey Council, therefore benefits from a high quality service at a comparatively low price proving to be best value to the Council.
- 11.6 An average breakdown of the annual contract price and the unit cost to Haringey is as follows
- 20% - £17,800.00 towards 6 -Therapeutic and 10 -Consultations /training sessions
80% - £71,200.00 towards 20 – Community Assessments.
Therefore the unit cost to Haringey Council is £3,560.00 per assessment. See appendix 2 for comparison with other independent providers.

A recent internal review of the service by the NSPCC which sought the views of both parents and social workers praised the child centred work that was being carried out.

12 Contract Management

12.1 The Providers will be subject to robust monitoring processes to ensure contract compliance. To ensure performance targets are met in accordance with the contract and the service specification, the Providers will be subject to monitoring visits and on-going spot-checks.

13 Consultation

13.1 In July 2005, a service evaluation was convened, where by child care professionals were surveyed and it was validated that NSPCC provide an exceptional and very valuable service.

13.2 Service Managers have expressed confidence in the quality of the work being carried out through the contracts compliance meetings.

14 Summary and Conclusions

14.1 The purpose of this report is to give justification to waiver the requirement to tender.

14.2 It would be a waste of Councils resources to go to tender for these services and in the best interest of the Council to continue contracting with NSPCC. As they have the experience and knowledge of providing a specialised service at a cost effective price as set out in **section 9 & 11** of this report.

14.3 It is proposed to seek members agreement to waive CSO7.02, 7.03 and it is intended to let a three year contract to NSPCC from 1st of April 2006 to 31st of March 2009.

15 Recommendations

15.1 That the Members approve the waiver of CSO 6.04 as allowed under CSO 7.03 (a) and (d).

16 Financial Implications

16.1 Members agreed on the 6th of September 2005 to transfer Voluntary Sector grants of £88,750 annually to Children and Families Commissioning.

16.2 There is no financial implication over and above these as the grant awards have been agreed to be 'ring-fenced' for 3 years funding arrangement in line with the financial year 2008/09.

17 Comments of the Director of Finance

17.1 The Director of Finance has been consulted and his comments have been included in the body of the report through the Voluntary Sector Grants Committee Report of the 6th September 2005, Section 9.

18 Comments of the Head of Legal Services

18.1 The services to be provided are categorised as "residual activities" under the

Public Services Contracts Regulations 1993 and therefore do not need to be tendered in Europe.

- 18.2 The Children's Services Directorate is seeking a waiver of Contract Standing Order 6.4 (requirement to tender) in accordance with the provisions of CSO 7.3 (a) i.e that the nature of the market has been investigated and is shown to be such that a departure from CSOs is justified, and (d) i.e that it is in the Council's overall interest.
- 18.3 Because of the value of the contract the waiver must be approved by the Procurement Committee in accordance with CSO 7.2 (a).
- 18.4 The Head of Legal Services confirms that there is no legal reason preventing Members from agreeing the recommendations in this report.

19 Comments of the Head of Corporate Procurement

- 18.1 The Head of Procurement is satisfied at the amount of market research done with other boroughs in the process of options appraisal.
- 18.2 The recommendation to award to NSPCC is supported by the financial and qualitative aspects of the current provision compared to other providers and therefore provides a best value solution.
- 18.3 The Head of Procurement considers that the waiver route exposes the Council to the minimum amount of risk considering other options.
- 18.4 The Head of Procurement considers there to be adequate contract management arrangements in place to ensure compliance with the service aims and objectives.

20 Equalities Implications

- 20.1 The Providers will all operate a robust Equality Policy that complies with all relevant legislation and is reviewed on an annual basis.
- 20.2 The Council will monitor all equality consideration throughout the life of the contract.

21 Use of Appendices

Appendix 1 & 2

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