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## Executive Procurement Committee

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TUESDAY, 31ST JANUARY, 2006 at 18:00 HRS – CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE.

MEMBERS: Councillors Adje, Diakides, Hillman and Milner

### **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 13 below. New items of exempt business will be dealt with at item 21 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 20 December 2005 and 3 January 2006.

**5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

To consider any requests received in accordance with Standing Orders.

**6. CARERS CENTRE: REQUEST FOR WAIVER OF REQUIREMENT TO TENDER (PAGES 7 - 12)**

(Report of the Director of Social Services): To seek agreement to waive the requirement to tender under Contract Standing Order 7.02.

**7. SEVEN SISTERS SHOP FRONT RENEWALS: AWARD OF CONTRACT (PAGES 13 - 18)**

(Report of the Director of Environmental Services): To seek approval to the award of the contract for Seven Sisters Shop Front Renewal.

**8. CCTV SERVICES CONTRACTS (PAGES 19 - 26)**

To seek approval for the award of the contract for the design, supply and installation of the parking and community safety CCTV control room including the maintenance of the Council's CCTV systems for the next five years and provision for the supply and installation of new CCTV cameras and systems should the need arise. Also, to award separate contracts to the statutory undertakers to relocate the fibre transmission services from the existing to the new control room. **FAILED TO MEET DESPATCH DATE.**

**9. FRAMEWORK AGREEMENT FOR MINOR CONSTRUCTION WORKS - VALUE UP TO £100,000 (PAGES 27 - 34)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Minor Contractors for construction projects valued up to £100,000.

**10. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS - VALUE £100,000 - £249,999 (PAGES 35 - 42)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Major Contractors for construction projects valued between £100,000 and £249,999.

**11. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS - VALUE £250,000- £999,999 (PAGES 43 - 50)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Major Contractors for construction projects valued between £250,000 and £999,999.

**12. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS £1,000,000 - £3,799,99 (PAGES 51 - 58)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Major Contractors for construction projects valued between £1,000,000 and £3,799,999.

**13. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 2 above.

**14. 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 – 12 which appear earlier on the agenda.

**15. SEVEN SISTERS SHOP FRONT RENEWALS: AWARD OF CONTRACT (PAGES 59 - 60)**

(Report of the Director of Environmental Services): To seek approval to the award of the contract for Seven Sisters Shop Front Renewal.

**16. CCTV CONTRACTS (PAGES 61 - 64)**

(Report of the Director of Environmental Services): To seek approval for the award of the contract for the design, supply and installation of the parking and community safety CCTV control room including the maintenance of the Council's CCTV systems for the next five years and provision for the supply and installation of new CCTV cameras and systems should the need arise. Also, to award separate contracts to the statutory undertakers to relocate the fibre transmission services from the existing to the new control room. **FAILED TO MEET DESPATCH DATE.**

**17. FRAMEWORK AGREEMENT FOR MINOR CONSTRUCTION WORKS - VALUE UP TO £100,000 (PAGES 65 - 70)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Minor Contractors for construction projects valued up to £100,000.

**18. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS - VALUE £100,000 - £249,999 (PAGES 71 - 74)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Major Contractors for construction projects valued between £100,000 and £249,999.

**19. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS - VALUE £250,000 - £999,999 (PAGES 75 - 78)**

(Report of the Director of Finance): To seek agreement to award the framework contract for Major Contractors for construction projects valued between £250,000 and £999,999.

**20. FRAMEWORK AGREEMENT FOR MAJOR CONSTRUCTION WORKS £1,000,000 - £3,799,999 (PAGES 79 - 82)**

(Report of the Director of Finance): To seek agreement to award the framework contract for major contractors for construction projects valued between £1,000,000 and £3,799,999.

**21. NEW ITEMS OF EXEMPT URGENT BUSINESS**

Yuniea Semambo  
Head of Member Services  
5<sup>th</sup> Floor  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Richard Burbidge  
Principal Support Manager  
Tel: 020 8489 2923  
Fax: 020 8881 5218  
Email:  
[richard.burbidge@haringey.gov.uk](mailto:richard.burbidge@haringey.gov.uk)  
23 January 2006

**MINUTES OF THE EXECUTIVE PROCUREMENT COMMITTEE**  
**TUESDAY, 20 DECEMBER 2005**

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

\* Members present

MINUTE NO.	SUBJECT/DECISION	ACTON BY										
PROC56.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were submitted by Councillors Adje and Hillman.</p>											
PROC57.	<p><b>CONSTRUCTION MAIN CONTRACTORS FOR PROJECTS VALUED AT £3.8 MILLION AND OVER: AWARD OF CONTRACT</b>            (Report of the Director of Finance – Agenda Item 4):</p> <p>Details of the evaluation criteria which were set out in Appendix A 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 the figure in paragraph 1.1 of the report should read £3.8 million and not £.8 million as shown.</p> <p>Having noted that the proposed framework would provide a contractual mechanism for all Council Directorates to select Main Contractors without the need for further competition to be undertaken, we sought clarification of what safeguards against corruption could be introduced. We were advised that a number of other local authorities had such frameworks in place we asked that they be contacted in this respect and that officers provide details of such safeguards to Members of our Committee.</p> <p><b>RESOLVED:</b></p> <p>1. That, in accordance with Contract Standing Order 11, approval be granted to the award of the framework agreement contract for Main Contractors for projects of £3.8 million and over to the following contractors for a period of 2 years with an option to extend for a further period of 2 years –</p> <table data-bbox="496 1828 1134 2002"> <tr> <td>Breyer</td> <td>Jerram Falkus</td> </tr> <tr> <td>Hutton</td> <td>Higgins</td> </tr> <tr> <td>Apollo London Ltd.</td> <td>Mansell</td> </tr> <tr> <td>Mulalley</td> <td>Eugena</td> </tr> <tr> <td>Willmott Dixon</td> <td></td> </tr> </table>	Breyer	Jerram Falkus	Hutton	Higgins	Apollo London Ltd.	Mansell	Mulalley	Eugena	Willmott Dixon		<p>DF</p> <p>DF</p>
Breyer	Jerram Falkus											
Hutton	Higgins											
Apollo London Ltd.	Mansell											
Mulalley	Eugena											
Willmott Dixon												

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TUESDAY, 20 DECEMBER 2005**

	2. That approval be granted to the use of framework consultants as a first priority, eliminating the need to go out to tender, unless the framework contractors could be demonstrated not to be suitable.	DF
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**RICHARD MILNER**  
Chair

**MINUTES OF THE EXECUTIVE PROCUREMENT COMMITTEE  
TUESDAY, 3 JANUARY 2006**

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

\* Members present

MINUTE NO.	SUBJECT/DECISION	ACTON BY
PROC58.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were submitted by Councillor Adje and by Councillor Hillman for whom Councillor Meehan deputised.</p>	
PROC59.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Councillor Diakides in respect of Agenda Item 7 (see Minute PROC 62) below.</p>	
PROC60.	<p><b>MINUTES</b></p> <p><b>RESOLVED:</b></p> <p>That the minutes of the meeting held on 6 December 2005 be approved and signed.</p>	HMS
PROC61.	<p><b>AMENDMENTS TO TENDER OPENING PROCEDURES IN CONTRACT STANDING ORDERS (REPORT OF THE HEAD OF LEGAL SERVICES AND MONITORING OFFICER – AGENDA ITEM 6):</b></p> <p>We noted that it was proposed that the special procedure for tenders over £150,000 in value be abolished and to have a uniform process for all tender openings similar to that already existing but not involving the Legal Service. We also noted that 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 and that the selection, training and arrangements for due independence of the tender opening officers were to be approved by the Head of Corporate Procurement who was in the process of completing a Training Manual for the use of these officers.</p> <p>Having regard to the concerns previously expressed by the General Purposes Committee in relation to the possible risks of fraud and corruption if tender opening teams were drawn from the same Directorate as the tender commissioning team, the Head of Internal Audit and Risk Management had indicated that any extra risk from the revised arrangements proposed could be mitigated by an appropriate framework which defined the standard practices to be followed by all Directorates. We were of the view that details of such a framework to be devised by the Head of Internal Audit and Risk Management in conjunction with the Head of Procurement should be included when the proposals were re-submitted to the General Purposes Committee. As</p>	

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	<p>suggested in the report, audit trails should be maintained which should be reviewed and monitored by service management and Internal Audit. We also endorsed the suggestion that spot checks be made by managers on compliance should be included in the agreed framework and made part of the routine checking process signed off by managers.</p> <p>Further, the additional safeguard outlined of Internal Audit including a review of the tender opening process as part of the annual audit programme of work should be adopted to provide assurance that the risks were being managed effectively and that the controls were in place and operating as intended. We would wish to receive a report on each Review at a meeting of our Committee.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, subject to an appropriate framework which defined the standard practices to be followed by all Directorates being agreed by the General Purposes Committee and to the additional safeguards outlined above, approval be granted to 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 the interleaved report.</li> <li>2. That, subject to 1. above, the General Purposes Committee be requested to recommend the full Council to amend the Constitution accordingly.</li> </ol>	<p>HLS/ HPr/ HARM</p> <p>HLS</p>
<p><b>PROC62.</b></p>	<p><b>REDEVELOPMENT OF UNITS 20-22 BERNARD ROAD, RANGEMOOR ROAD (REPORT OF THE ASSISTANT CHIEF EXECUTIVE (ACCESS) – AGENDA ITEM 7):</b></p> <p>Councillor Diakides declared an interest in this item by virtue of being a Tottenham Green Ward Councillor.</p> <p>With the consent of our Chair an amended version of the report was tabled.</p> <p>Details of the value of the proposed additional contract to ABK which were set out in Appendix 1 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 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 and services.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 7.3(d), approval be granted to the waiver of Contract Standing Order 6.4 (Requirement to Tender) in respect of the full design and delivery consultancy contract for the Rangemoor Road project.</p>	<p>ACE (A)</p>



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PROC63.	<p><b>SEVEN SISTERS SHOP FRONT RENEWALS: AWARD OF CONTRACT</b></p> <p>We noted that this item had been withdrawn.</p>	
PROC64.	<p><b>REQUEST FOR WAIVER OF REQUIREMENT TO TENDER FOR COMMUNITY BASED RISK AND SAFEGUARDING ASSESSMENT OF CHILDREN AND FAMILIES (REPORT OF THE DIRECTOR OF THE CHILDREN'S SERVICE – AGENDA ITEM 9):</b></p> <p>Details of the market mapping exercise and market testing exercise which were set out in Appendices 1 and 2 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 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 and services.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Orders 7.2 and 7.3(a) and (d), approval be granted to a waiver of Contract Standing Order 6.4 (Requirement to Tender) in connection with the contract for community based risk and safeguarding assessment of children and families.</p>	DCS
PROC65.	<p><b>NEW ITEMS OF EXEMPT URGENT BUSINESS - LEISURE CENTRES INVESTMENT : PROCUREMENT (REPORT OF THE DIRECTOR OF ENVIRONMENTAL SERVICES – AGENDA ITEM 15):</b></p> <p>Our Chair agreed to accept the report as urgent business. The report was late because of the need to conclude negotiations and the related increase in total contract price. The report was too urgent to await the next meeting because of the need to finalise the Stage 2 contract award.</p> <p>This item was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to 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 and services.</p> <p>We noted that pursuant to our decision of 12 July 2005 (vide Minute PC 24) a two stage procurement process had been followed in respect of Leisure Centres Investment and the Stage 1 contract was awarded to Crispin and Borst. Authority had also been granted to the Director of Environmental Services, in consultation with the Executive Member for Environmental Services to finalise Stage 2 negotiations and contract award within a threshold figure.</p> <p>We also noted that on conclusion of negotiations in relation to Stage 2 works the costs had risen above the previously agreed threshold although still within the approved total investment budget. In view of the</p>	

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	<p>need to finalise the Stage 2 contract award before the Christmas holiday, action had been taken under the Council's urgency procedures in consultation with the Leader of the Council to approve a revised contract price threshold and to grant delegated authority to the Director of Environmental Services in consultation with the Executive Member for Environment and Conservation to finalise the contract detail and award.</p> <p><b>RESOLVED:</b></p> <p>That the action taken by the Director of Environmental Services in consultation with the Leader as outlined above be noted.</p>	
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RICHARD MILNER  
Chair

Agenda item:

**Executive Procurement Committee On 31<sup>st</sup> January 2006**
**Report Title:** Carers Centre: Request for waiver of requirement to tender

**Report of:** The Director of Social Services

**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 None.

**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(d)

**Report Authorised by:** Anne Bristow, Director of Social Services


**Contact Officer:** Jan Bryant, Carers Development Manager  
**Tel:** 020 8489 3420

**4. Executive Summary**

- 4.1 In 2002 an agreement was made between the PCT and the Council to fund the Haringey Carers Centre for a period of 3 years, provided that the Centre was set up and able to provide services to Carers.
- 4.2 The agreement was for the sum of £100,000 pa, the Primary Care Trust (PCT)

contributing £40,000 and the Council £60,000 pa. Joint start up funding of £105,000 was provided, overseen by the TPCT.

- 4.3 Of this initial funding, £18,670 was spent in 2002/2003, £47,129 in 2003/2004 and £40,880 in 2004/2005. It is now used up. There has been no release of funding in 2005/2006.
- 4.4 Over the last three years, the Haringey's Carers Centre has developed into a constituted Carers Association with a formal constitution and Management Board.
- 4.5 The Centre is now in the position to provide services and to further develop services to meet the needs of Carers in Haringey.
- 4.6 It would not be a good use of the Council's time and resources to tender this service as the Council, together with the TPCT, have invested time over the last three years in capacity building the Centre to provide this service.
- 4.7 Core funding will now be for one year, renewable annually for a further two years.

## **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 Background papers

- Carers Strategy 2004-2007
- Developing a Carers Centre in Haringey : A Feasibility Study
- Section 93 of the Local Government Act 2000

## **7. Background**

- 7.1 There has been a long standing campaign by Carers in Haringey to establish a Carers Centre. In 1996 the Joint Consultative Committee of the Haringey and Enfield Health Authority and Haringey Council allocated a sum of money from the joint finance fund for this purpose.
- 7.2 In February 2000 The Haringey Carers Action Group who were leading on the work folded, leaving a sum of approximately £105 000 being held by the PCT for the development of Carers Services.
- 7.3 A Consultant was employed to prepare a report which covered the feasibility of developing a carers centre which identified that without core funding from the statutory sector the Carer's Centre would not be viable.
- 7.4 After serious consideration by the Council and the PCT it was decided that core funding of £100 000 per annum (£60 000 from the Local Authority and £40 000 from the PCT) would be provided to develop the Centre.

- 7.5 This decision was then agreed by the Health & Social Care Executive on the 20th May 2002.
- 7.6 It was proposed that this agreement would come into effect from the 1<sup>st</sup> October 2003. The transfer of funds would be dependent on:
- The creation of a properly constituted Carers Association with a formal constitution, Management Board and article of association.
  - An agreed contract which specifies the purpose of the funding and the monitoring and reporting arrangements required.
  - The development of a business plan to establish the Centre.
- 7.7 The Centre's development has run behind schedule and it is only now that they are in the position for the funds to be transferred as set out in the terms of the agreement.
- 7.8 A funding agreement between ourselves and the PCT will be formalised and we propose that the funding will come into effect from the 1<sup>st</sup> April 2006.

## 8. Description

- 8.1 The Secretary of State may, with the consent of the Treasury, pay grants to local authorities in England toward expenditure incurred by them in providing, or contributing to the provision of welfare services. Under section 93 of the Local Government Act 2000, Haringey Council has been allocated a sum of money for 2006. The funding for the Carers Centre comes from this Grant and all future funding will be dependant on Haringey receiving this grant.
- 8.2 A funding agreement will be set up for the transfer of funds from Haringey's Primary Care Trust (PCT) to the Council, who will in turn be responsible for payments to the Centre.
- 8.3 The Haringey Carers Centre will be a voluntary organisation and a registered charity, with a management board made up by a majority of representatives from the voluntary sector.
- 8.4 The Centre will host and provide services which support carers in a variety of ways which they identify as a need.
- 8.5 The contract specifies the provision of information, advice, advocacy, activities, support and representation to carers living in Haringey. Methods of supporting carers include training, group work and outreach.
- 8.6 The contract sets minimum service volumes which the Carers Centre expects to exceed.
- 8.7 The outputs required are: information to 300 carers per year, advice to 80 carers per year, quarterly carers' forum/ user groups, 4 newsletters per year circulated through carers' networks, 50 'hidden' carers identified, and 80 carers attending activities that provide them with a break from caring.
- 8.8 The outcomes required include evidence of changes in the policies of

statutory organisations as a result of the Carers Centre work, evidence of carers contacting the Centre as a result of outreach/publicity, and 80% of carers using the service reporting benefit from doing so in an independent survey.

- 8.7 The Carers Centre will contribute carer's assessments of 'hidden' carers with the outcome of a carer's break service to improve performance against C62.

### **Contract Management**

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

## **9. Consultation**

- 9.1 The services offered at the Carers Centre will be developed in consultation with the Users, the PCT and Haringey Council. The Centre will promote joint initiatives across the statutory and voluntary sectors and support carer's participation in networks for communication and consultation.
- 9.2 The contract and funding agreement have been developed in consultation with the Primary Care Trust, as this is a joint undertaking.

### **Summary and Conclusions**

- 9.2 The purpose of this report is to give justification to waive the requirement to tender.
- 9.3 As the Centre is now developed it would be in the best interest of the Council to use the services provided by the Centre, rather than tendering this service out.

## **10. Recommendations**

- 10.1 That the Members approve the waiver of CSO 6.04 as allowed under CSO 7.03 (d).

## **11. Comments of the Director of Finance**

- 11.1 The Council's contribution to this project is funded by the Carer's Grant and this scheme will continue to be a commitment to the grant. The PCT have made a commitment to funding the scheme, on an annual basis, for the next three financial years. The funding arrangements will need to be reviewed if this commitment were to cease and the implications dealt with in the budget setting process for that particular year.

## **12. Comments of the Head of Legal Services**

- 12.1 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.
- 12.2 Social Services Directorate is seeking a waiver of Contract Standing Order 6.4 (requirement to tender) in accordance with the provisions of CSO 7.3 (d) i.e. that it is in the Council's overall interest.
- 12.3 Because of the value of the contract, the waiver must be approved by the Procurement Committee in accordance with CSO 7.2 (a).
- 12.4 Should the Procurement Committee agree the recommendations contained in this report, Social Services Directorate will present a further report to the next Procurement Committee meeting recommending award of the contract to the Carers' Centre.
- 12.5 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the waiver recommendations set out in this report.

### **13. Comments of the Head of Corporate Procurement**

- 13.1 This contract award is in line with the Procurement Code of Practice.
- 13.2 The Council and the PCT have invested money and resources in developing this organisation to meet the needs of Haringey residents and the award of contract to this organisation represents Best Value to the Council.
- 13.3 Ongoing contract monitoring is in place to ensure the ongoing development of the service and contractual compliance.

### **14. Equalities Implications**

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

### **15. Use of Appendices / Tables / Photographs**

- 15.1 N/A

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**Report to Procurement Committee**

Agenda Item

**31<sup>st</sup> January 2006**

**Report Title:** Seven Sisters Shop Front Renewals: Award of contract.

**Report of:** Anne Fisher, Director of Environmental Services

**1. Purpose:**

- 1.1 To seek Member agreement to award the contract for Seven Sisters Shop Front Renewal.
- 1.2 This project seeks to improve the main shopping parades in The Bridge New Deal for the Community (NDC). It will make improvements to the physical environment, enhance the sustainability of the local businesses, alter perceptions of the Seven Sisters neighbourhood and contribute towards a reduction in crime and antisocial behaviour.

This will be achieved by renewing up to 20 shop fronts along the Seven Sisters Road, focusing resources on businesses between 485 and 525. Business support will be provided and partner agencies will be encouraged to make environmental improvements.

**2. Recommendations:**

- 2.1 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.
- 2.2 That the contract be awarded for a period of 11 (eleven) weeks.

Report authorised by: *Anne Fisher*

Signed: *[Signature]* Date: *23/1/06*

Contact Officer: Russell Moffatt, Lead Officer Renewal, Environmental Services

Telephone: 020 8489 5164 or 07967336209

**3 Access to information:**

Local Government (Access to Information) Act 1985

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

*NDC Project Appraisal Form Ref. No. 233/2004-5 (March 2004)*

*Dearle & Henderson, Seven Sisters Shop Front Renewal Tender Report (November 2005)*

*AYH plc, Seven Sisters Shop front Tender Report (amended December 2005)*

*AYH plc, Seven Sisters Shop front Refurbishment programme (amended December 2005)*

*AYH plc, Seven Sisters Shop front Refurbishment Budget Summary (amended December 2005)*

3.2 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.

## **4. Background**

- 4.1 The physical and social environment has a significant impact on both the health and quality of life of an individual. They also have an impact on businesses and their sustainability within a neighbourhood. This project brings together different elements of a sustainable community, such as environmental improvement, crime reduction and enterprise enhancement under a single scheme.
- 4.2 Seven Sisters Road, in recent years has developed a dilapidated and neglected look. This is the result of;
- Vandalism e.g. graffiti and fly-posting
  - Poorly maintained shop fronts and flat entrances
  - Poor signage (sign and condition)
  - Lack of a coherent and consistent parade identity
  - Poor refuse management
- 4.3 In addition to the above, the area has been prone in the past to prostitution and other anti-social behaviour. This adds to a sense of poor security and perceived high levels of crime, especially during dark hours.
- 4.4 The renewal of the shop fronts will compliment the renewal work to residential front garden walls and pathways already completed on this stretch of road (between 635-661 Seven Sisters Road).

## **5. Report**

- 5.1 The Seven Sisters Shop Front Renewal project involves the following works:
- Undertaking asbestos surveys (type 2 and type3) as deemed appropriate.
  - Careful stripping out of the existing shop fronts
  - Carrying out asbestos surveys (type3)
  - Installation of new shop fronts together with side entrance doors as required, signage and additional lighting.
  - Installation of canopies
  - Installation of security shutters
  - Making good any affected areas
  - Undertaking works in accordance with the Disability Discrimination Act 1995
  - Carrying out limited internal and external decoration
- 5.2 The works are being procured under a competitive tendering process. Four contractors were invited to submit a fixed price tender for the works from the approved list. Contractors were also asked to submit bids based on alternative contract periods if appropriate.
- 5.3 The four contractors are listed in Appendix A. Details regarding number of invitations to tender, selections, rotation and successful bids can be seen in Appendix B
- 5.4 None of the tenders received are qualified in anyway.

- 5.5 The lowest bid submission included a serious tender error. It did not include a figure for the 7.5% contingency sum within the tender submission in accordance with Alternative 1, contained in section 6 of the code of procedure for single stage selective tendering. The lowest bidder was asked whether they would wish to stand by or withdraw their tender. They confirmed that they would be prepared to stand by arithmetical errors, but would like to withdraw if they were not able to revise their tender figure to include the 7.5% contingency sum. Procedure does not allow for this, therefore the lowest bidder was excluded from the final stages of the tender process.
- 5.6 The second lowest bid contained a contingency but had a number of arithmetical errors. Again, in accordance with procedures they were asked to stand by their price or withdraw their tender. The contractor has confirmed that they would be prepared to stand by the bid price, including all arithmetical errors.
- 5.7 The pre-tender estimate based on 28 shops was lower than all the fixed price tenders. The scope of work has therefore been reduced from 28 to 19 shops.
- 5.8 Excluding the rejected submission by the lowest bidder for reasons discussed above, the range of tender sums is 23%.
- 5.9 All tenders are open for acceptance for a period of six months from 22<sup>nd</sup> November the date for the submission of the tenders. Consequently a tender should be accepted not later than 22<sup>nd</sup> April. However to achieve the project program the contractor needs to be instructed by February 7th 2006.

## **6. Budget**

- 6.1 The project budget for 2005/2006 is £517,000.00. This stems from two main sources plus private sector contributions.
- i) The Bridge NDC have allocated £407,000.00
  - ii) European Regional Development Fund £100,000.00
  - iii) Private sector contributions £10,000.00 (approximately 5%)

## **7. Recommendations**

- 7.1 That Members award the contract for the renewal of Seven Sisters Road shop fronts renewal to the second lowest tender as listed at Appendix A.

## **8. Health & Safety Implications**

- 8.1 All contractors have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry wide body. They also comply with the requirements of the Council's Health and Safety policy.
- 8.2 The Construction Design and Management Regulations 1994 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor prior to the commencement of work on site.
- 8.3 A Pre construction H&S Plan has been prepared by the Planning Supervisor and was attached to the tender documentation.

## **9. Equal Opportunities Implications**

- 9.1 The scheme has been designed to allow the Authority to meet its statutory requirements in relation to the Disability Discrimination Act 1995. Building Regulations Approved Documents 2004, Part M regarding access to and use of buildings will be complied with.
- 9.2 The contractors have been assessed with regard to equality issues such as race relations, equal pay act and the sex discrimination act.
- 9.3 The shop keepers consulted and encouraged to enter the scheme are representative of the diverse community based in South Tottenham. The scheme aims to improve and develop these businesses.

## **10. Sustainability Implications**

- 10.1 The sustainability of the commercial businesses along the Seven Sisters Road and the wider neighbourhood is central to this scheme. Significant consideration has been given to the physical and social aspects of the project. Evidence suggests that improvements to the built environment attract trade and investment in to an area.
- 10.2 Throughout the process of design priority has been placed on the sustainability and longevity of the new shop fronts. The shop keepers and the freeholders have been consulted on issues of maintenance and the future upkeep of the new shop fronts. For example, powder coated aluminium frames have been selected over hardwood for its maintenance free qualities. Furthermore, shop owners have been consulted on their views to ensure the design is best able to deter and deflect psychical damage.
- 10.3 Efforts have been made to integrate the local community into the design phase through consultation and engagement. Pupils at Gladesmore Community School will contribute to the shop front designs as part of their studies. This will provide the pupils with an appreciation of the building process from design through to manufacture and construction. It is hoped this will also contribute towards a sense of community ownership and pride in the local area.

## **11. Comments of the Director of Finance**

- 11.1 The Director of Finance has no additional comments to make.

## **12. Comments of the Head of Legal Services**

- 12.1 The estimated value of the contract is below the threshold for tendering in the EU under the Public Works Contracts Regulations 1991. The threshold is £3,834,411.
- 12.2 The Contract has been tendered in accordance with Contract Standing Orders in that bidders from one of the Council's Approved Lists were invited to tender (see CSO 8, 2 (d)).
- 12.3 Because the value of the contract is in excess of £250,000 any award must be approved by Members in accordance with CSO 11.3.
- 12.4 The recommendation is to award on the basis of the lowest tender in accordance with CSO 11.1 (a).
- 12.5 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations set out in paragraph 2 above.

**13. Comments of the Head of Procurement**

- 13.1 Contractors selected for this work were provided by the Construction procurement group from the Council's approved contractor list.
- 13.2 Of the tenders returned, the lowest price tender contained serious arithmetic errors and omissions, and the contractor was unable to stand by his original tender price.
- 13.3 The second lowest tender has therefore been selected for the project.
- 13.4 The pre-tender estimate for the works was significantly lower than the tender submissions received from contractors, which has reduced the scope of the work from 28 – 19 shops within the project. CPG will note going forward (and pass through to cost consultants) that future pre-tender estimates need to recognise the buoyancy of the market in this specialised field.
- 13.5 The Head of Procurement supports the recommendations to award contract as outlined in paragraph 2 above, and at Appendix A.

**Procurement Committee****On 31 January 2006**

**Report Title: Supply, installation and maintenance of CCTV control room and cameras: award of contract**

Report of: **Director of Environment**

Wards(s) affected: **All**

Report for: **Non Key Decision**

**1. Purpose**

- 1.1 To seek Member agreement to award the contract for the supply, installation and maintenance of the CCTV control room and cameras.
- 1.2 Also, to agree the relocation of the fibre transmission services from the existing to the new CCTV control room by the service providers

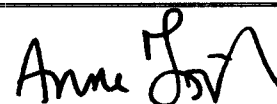
**2. Introduction by Executive Member**

2.1 This report asks members to agree the awarding of a contract for the provision of CCTV services at a multi-functional control room. This will facilitate the enforcement of parking, highways management, community safety and environmental enforcement. The procurement of CCTV services will ensure that the Council can deliver its CCTV strategy. Members are therefore asked to agree this report.

**3. Recommendations**

- 3.1 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 11 of this report.
- 3.2 That the contract be awarded for a period of five years with an option to extend for a further period of 12 months.

Report Authorised by: **Anne Fisher, Director of Environment**



Contact Officer: **Ann Cunningham, Head of Parking, ext 1355**

#### **4 Executive Summary**

4.1 The Executive, 20 January 2004, endorsed the Haringey CCTV strategy and agreed to relocate the parking enforcement, environmental enforcement and community safety CCTV control rooms to larger and more suitable premises. The council is in the process of refurbishing these premises prior to the installation of the control room equipment. The CCTV control room will also serve as the reserve control room for the activation of the borough's emergency plan.

4.2 The council has conducted a restricted tender procedure under the EU procurement rules to let a contract for the design, supply and installation of the new CCTV control room. This report summarises the evaluation of the tenders and recommends the appointment of the selected contractor to carry out these works. The contract also includes the maintenance of the council's CCTV systems for the next five years and includes provision for the supply and installation of new CCTV cameras and systems should the need arise and without to requirement to conduct further costly tendering exercises.

4.3 In addition, the relocation of the fibre transmission services from the existing to the new control room will be let under separate contracts with the statutory undertakers that supply these services. This report shows the cost of the relocation and recommends that contracts are let with the service contractors.

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

#### **6 Local Government (Access to Information) Act 1985**

6.1 Tenders from installation companies: Siemens Building Technologies, ADT and Quadrant Video Systems. Report on evaluation of tenders. All available in Street Scene division, 1<sup>st</sup> floor, River Park House

6.2 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 report to the Executive in January 2004 summarised a series of developments and improvements necessary to implement the Haringey CCTV strategy. These included improved accommodation as the existing control room is far too cramped for service development. A new integrated control room is needed to modernise and improve the operators' facilities and provide better accommodation for the existing safety and parking operations and also police and environmental enforcement officers. The council has identified accommodation for the new control room; this is being refurbished by an approved contractor and is due for completion in March 2006.
- 7.2 The council now requires a specialist CCTV contractor to be the council's partner in the supply, maintenance and development of its CCTV services. This contractor will both supply and install the CCTV control room equipment and maintain it and the council's cameras for the next five years. In addition to this, the contractor will work with the council to install further cameras and enable it to keep abreast developments in public area surveillance at competitive prices but without the need for costly re-tendering
- 7.3 The pre-tender estimates for these services are as shown in Annex A.
- 7.4 The council is to vary its existing contracts with the fibre communications service suppliers to include the redirection of the services from the current to new control rooms.

## **8 Budget**

- 8.1 A budget has been allocated for the capital costs of this project. (see Annex A)
- 8.2 The council has an existing budget for the maintenance of the camera systems in this contract. (see Annex A)

## **9 Description**

- 9.1 **Tender specification** The tender specification includes the design, supply and installation of the new control room and the maintenance of the control room equipment and CCTV cameras for the next five years. Crucially, it allows for the development of the service as it includes a framework agreement that allows for the supply and installation of further cameras and equipment during the contract term.
- 9.2 **Tender process** The form of procurement selected was a restricted procedure. A procurement timetable was produced and an advert placed in the European Journal, trade journals and the local press. Following the advertisement, expressions of interest were received from about fifty contractors, each of which was sent a pre-tender question along with a prospectus that outlined the council's requirements. Completed pre-tender questionnaires were received from 28 contractors. These were first

assessed by the procurement unit's appointed agency for their general financial health, twelve contractors failed to meet the relevant status.

9.3 The remaining contractors' questionnaires were assessed for quality management, health and safety and finance. References were also taken up. One further company withdrew at this stage. Following this, a tender selection panel was convened and five contractors were invited to tender.

9.4 **Tender evaluation** Tenders were evaluated as shown in the council's instructions for tenderers. This stated that the tender that is the most economically advantageous will be selected and that this will be assessed against the following criteria: the ability to meet all of the requirements of the contract, technical expertise, the price, the quality of the services, the ability to meet service deadlines, the results of any visits carried out by the council to examine evidence that systems exist to enable the contractor to fully deliver the contract, the quality of the proposal submitted, timescale for installing the system and, any added value that contractors may offer.

9.5 Tenders were received from four companies. One of these was excluded under contract standing order because the tender was incorrectly labelled and thus opened as an item of post and not at the formally convened tender opening panel. Another tenderer did not return its tender by the due date. Tenders were assessed and scored, see below. Following this process, two contractors, were called in for interview, held on 6 January 2006.

#### 9.6 Summary of tendered prices

The table in Annex A summarises the tenders received and shows the prices adjusted for facilities management and environmental enforcement systems that will not be included in this contract. It is followed by a table summarising the scores for the tender evaluation described at paragraph 9.4 above.

#### Summary of tenders

9.7 **Company A** total score 23/58 - made the most expensive but least developed tender and had not understood the requirements for managing the whole contract. The contractor showed a reluctance to project manage the installation and was not prepared to co-ordinate the involvement of other service providers. Not all of the items of equipment were detailed on the bill of quantities and, particularly without a schematic, it was not clear that it had understood the council's requirements nor how it proposed to install the equipment.

9.8 The tender is non-compliant on aspects of the maintenance specification. It does not offer a comprehensive maintenance contract as required in the specification. It reserves the right to exclude certain items of equipment if it determines that they have become obsolete or beyond economical repair and insists on different terms and conditions for some control room equipment. Further, it excludes the requirement of 24 hour response to

faults, some civil works, the availability of an access platform and offered only one PPM visit per annum.

9.9 The installation was to be carried out by the contractor's employees, managed by an appointed contractors project manager. Unfortunately, the tender did not demonstrate the required technical capacity to carry out the contract, save for an assumption that it could do so. Furthermore, the maintenance of the equipment will be carried out by its approved partner,. This had not been suggested at the pre-tender qualification stage and no evidence was provided that they had any experience of carrying out similar work elsewhere.

9.10 **Company B** – score 32/58. Presented the cheapest tender. This company has installed CCTV cameras and control rooms at various locations across the country. It has installed TfL type cameras in some London authorities so can demonstrate experience of working with this equipment but recent experience elsewhere gives some concern about the quality of its work.

9.11 The project plan lacked the detail required to evaluate it initially. A list of parts was provided but no schematic was supplied with the tender though, on request, this was provided at interview. It was clear that they had not evaluated the extent of the technical difficulties that will be faced by the changeover between the old and new control rooms and the quality of its submission suffered as a result. Its tendered price was about one sixth cheaper than the next lowest tender but it is unlikely that it can perform the service at such a cost. Indeed, an examination of the maintenance price schedule leads one to question whether or not the contractor has under-priced its maintenance of certain systems?

9.12 **Company C** - score 38/58 has looked after the council's cameras in a satisfactory manner for the past three years and has taken over the maintenance of the parking cameras, establishing a back-to-back agreement with a specialist supplier where its engineers do not have the skills required. The company has also worked in partnership with this supplier, on a recent large-scale installation.

9.13 The company's proposal was the most considered and comprehensive, including detailed equipment lists and a schematic showing how it will be installed and function together. The company has considered all of the technical aspects of the installation and identified aspects that will present difficulties and how it will overcome them. Greater consideration was given to the difficulties and management of the changeover than the others and its clarity exceeded them as well.

9.14 Its proposal for the maintenance of the cameras and equipment was, again, the strongest tender that was received. It showed how for the installation as well as the future maintenance of specialist equipment it will establish back-to-back agreements with the manufacturers a matter that gives the council far greater confidence in its ability to deliver than the others that tendered for these services.

## **10 Summary and Conclusions**

- 10.1 Company A submitted a bid but was not interviewed because it was both expensive and its proposals for the installation and maintenance of the CCTV cameras and control room were poorly executed.
- 10.2 Company C presented the most robust method statements for the installation and maintenance of the CCTV equipment and cameras. Company B was marginally cheaper than company C on installation and maintenance. However, the council is concerned that Company B cannot achieve the quality of service required for the price quoted. Also, the cost of further installations by company B will be in the region of 5% more expensive than those carried out by company C.
- 10.3 It is recommended that company C is commissioned by the council to install the CCTV control room and maintain it and the cameras for the five years from 1 April 2006.

## **11 Recommendations**

- 11.1 That Members award the contract for the design, supply, installation and maintenance of the CCTV control room and cameras to company C Ltd in the sum and for maintenance as stated in annex B
- 11.2 That Members vary the contracts for the relocation of the fibre transmission services for the prices shown in annex B.

## **12 Equalities Implications**

- 12.1 None

## **13 Health and Safety Implications**

- 13.1 As part of the pre-qualification process, all of the tendering companies were assessed by the council's health and safety officers to ensure that their systems complied with the council's requirements.

## **14 Sustainability Implications**

- 14.1 Establishing a multi-functional, integrated control room for the enforcement of parking and environmental enforcement as well as for highways management and community safety will enable the council to make best use of its existing and future resources.
- 14.2 All of the council's public area cameras will be available for each service to use for its own surveillance activities. The community safety CCTV operators will work with the police, the environmental enforcement division, customs and excise and other statutory enforcement agencies and the highways management division carrying out surveillance on their behalf. Thus, routine and directed surveillance will be carried out by the control room operators freeing up council and its partners' staff to focus upon their professional activities.

14.3 All electronic and electrical equipment will be disposed of in accordance with the EU WEEE directive and the waste hierarchy that requires officers to look for the reuse of items prior to recycling.

### 15 Comments of the Director of Finance

15.1 Environmental Services capital budget for 2005/06 contains a provision of £962k for the CCTV Control Room scheme which comprises two stages detailed as follows:

	£000
• Stage 1 – refurbishment and extension of the disused canteen at Ashley Rd Depot. These works are already underway and scheduled to finish at the end of March.	332
• Stage 2 – supply and installation of equipment Including non tendered works by communications service providers and network completion managed by Council's IT division.	630
<b>Total</b>	<b>962</b>

15.2 A 5 year maintenance contract for the control room and cameras is also being proposed at the same time. There is currently a revenue budget provision of £84k to meet the cost of maintenance.

15.2 A summary of the budgets and costs, based on the preferred tender for stage 2 is as follows:

(£000)	Budget	Cost	Variance
Capital			
Supply and installation tender	350	305	-45
Fibre transmission service contractor A	75	100	25
Fibre transmission service contractor B	25	25	-
Sub Total	450	430	-20
Network Completion	180	200*	20
Total	630	630	-
*Estimated –to be procured later			
Revenue			
Maintenance – year1	84	76	-8
Maintenance – years 2 to 5	357	408	51
Total	441	484	43

15.3 The cost of the tender for supply and installation works and communications contractors A and B can be met from within the capital budget available, leaving a balance of £200k for network completion. This

element of the works is to be managed by Central IT and is to be procured separately.

- 15.4 The cost of the 5 year maintenance contract is projected to be £43k above the currently projected revenue budget. The Service is proposing to meet this sum via a contribution from the Parking budget, on average about £9k per annum), which will be a significant user of the new facility.

## **16 Comments of the Head of Legal Services**

16.1 The EU procurement regulations apply to service contracts in excess of £144,459, CCTV service is considered a schedule A service and therefore subject to the full EU procurement regime. The Contract was tendered under the EU restricted procedure. In accordance with the EU procurement rules the evaluation of the award was made on the basis of the most economically advantageous tender .

16.2 As the contract value exceeds £250,000 the proposed award must be approved by the Procurement Committee in accordance with Contract Standing Order 11.3.

16.3 The fibre transmission service contract may be varied by the Procurement Committee ( CSO 13.02)

16.4 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations.

## **17 Comments of the Head of Procurement**

17.2 The process undertaken to select and evaluate the tenderers, is demonstrated to be extremely thorough.

17.3 Careful consideration has been given to the desired outcomes of this project and a robust evaluation of the tender responses against these criteria has been clearly demonstrated.

17.4 The market can be seen to have been explored and tested, and a good selection of market suppliers has been taken forward.

17.5 Additionally, there is a clear understanding of the needs of this project now and for the duration of the contract. This will no doubt reduce the risk management element of this project, given that so many considerations have been addressed at this point.

17.6 A good evaluation of price and quality aspects has been demonstrated throughout this report.

17.7 The Head of Procurement fully supports the recommendation to Members made at paragraph 11 to award the contract to company C, as outlined in the Appendix A.

## **18 Use of Appendices / Tables / Photographs**

18.1 Part B – exempt information for this report

**Report to Procurement Committee**

 Agenda Item  
**31<sup>st</sup> January 2006**

**Report Title:** Framework Agreement For Minor Construction Works - Value Up To £ 100,000:  
Award of contract.

**Report of:** Director of Finance

**1. Purpose:**

- 1.1 To seek Member agreement to award the framework contract for Minor Contractors for construction projects valued up to £100,000.

The framework will provide a contractual mechanism for all Council Directorates to select Minor Works Contractors, without the need to undergo further competition for every construction project, unless a mini competition is thought appropriate. It should be noted that the appointment of companies under this arrangement does not constitute a binding commitment to award, or agreement to carry out, work by either party.

**1.2 Introduction from Executive Member**

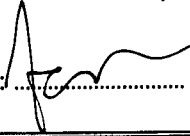
"The time and money savings to benefit the council are outlined in the Background section of the report and due process appears to have been followed to secure this contract. In line with the supporting comments of senior officers from legal and finance, I recommend this report to the procurement committee"

- Councillor Richard Milner

**2. Recommendations:**

- 2.1 That Members agree to award the framework contract for the above Minor Contractor services, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.
- 2.2 That the contract be awarded for a period of two years with an option to extend for one further period of two years subject to satisfactory performance of the companies listed in Appendix E.

Report authorised by: .....

Signed:  Date: 23.1.06

Contact Officer: Jey Jeyakumar

Telephone: 020 8489 1070

**3. Access to information:**

Local Government (Access to Information) Act 1985

**3.1 List of background documents:**

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

- Construction Related Consultants Services report 23<sup>rd</sup> March 2003

**3.2 The appendices attached to this report (**Appendices A - E**) are **not for publication** as they contain exempt information under the following categories:**

(i) 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

(ii) 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.



#### **4.0 Background**

- 4.1 The Council currently runs an approved list of contractors who have been pre-qualified to undertake construction projects on behalf of the Council.
- 4.2 However, given that the contractors are only pre-qualified, and have not provided the relevant information to permit a competitive tender, there is still a need to undertake a full tender exercise each time Council Directorates wish to appoint contractors to carry out a project.
- 4.3 This exercise is often, by necessity, a lengthy process, requiring relevant and appropriate advertising of the project, invitations to tender, bid document submission and evaluation, and contractor interviews. This work is also generally required at a time when there is pressure to undertake and indeed complete the project to tight timescales.
- 4.4 Time and cost efficiency gains will be delivered by the use of a framework agreement for the appointment of Minor Contractors. Indeed, early indications have suggested that contractors, tendering for this framework agreement will reduce their profit margins.
- 4.5 In order to cover the requirement to consult with leaseholders (under Section 20 of the Landlord and Tenant Act, 1985), consultation with leaseholders in relation to housing work will be undertaken on a project by project basis. The tender process for housing work will be as open as possible. Specifically, invitations to tender will not be limited to Framework Agreement contractors and any contractors nominated by leaseholders.
- 4.6 The framework agreement reduces the time for the competitive process for each appointment, as part of the competition process has already been undertaken as part of the process of establishing suitable and best value contractors for the framework agreement.
- 4.7 The performance of the companies under the framework agreement will be monitored by the Corporate Procurement Unit (CPU)'s Construction Procurement Group (CPG) within the Finance Directorate. The mechanisms used to measure performance will include:
- Monthly commissioning meetings
  - Client satisfaction surveys
  - Performance against agreed construction Key Performance Indicators
- 4.8 At the start of the contract period, work will be allocated on the following basis:
- the ranking achieved in the tender evaluation (based on the most economically advantageous (MEAT))
  - consideration of allocated work and the company's capability and capacity to undertake new work.

The performance of the individual contractors will be taken into account for any MEAT evaluation. The data will be drawn from reports from Client Directorates and the measurement of achievement against key performance indicators

- 4.9 Directorates will be required to select contractors from this framework agreement in accordance with the terms of the framework where justified by the type of work to be undertaken.

Any requirement to select contractors not included on the framework agreement or to deviate from the selection process (based on the above) must be fully justified.

## 5 Report

5.1 In accordance with the Public Works Contracts Regulations 1991, advertisements were placed in the Official Journal of the European Union (OJEU) on 15<sup>th</sup> October 2004, and in *Building* magazine and *Contracts Journal* for a number of categories of framework agreements, of which this is one category. All interested contractors were required to complete a pre-qualification questionnaire.

5.1.1 Initially, 84 companies expressed an interest for the Minor Works frameworks of projects valued: £1 - £100,000.

5.1.2 Following assessment by the Council, against its pre agreed criteria, 53 contractors were excluded at the pre-qualification stages for failing to meet one or more of the following:

- The required criteria in individual evaluation areas were not met (i.e. Health and Safety, financial capacity, equalities etc.) or
- The pre-set overall pass mark was not achieved.

5.1.3 Thirty-one (31) contractors were invited to tender, and provided responses by the response due date of 11<sup>th</sup> November 2005. Seven (7) contractors did not submit tenders. A further two (2) contractors failed to submit a method statement. Twenty-two (22) contractors were considered for the price and quality evaluation. Those contractors who scored 35% or more of a possible 80%, for the combined quality and price evaluations were short-listed for interview (quality 40%, price 40%). This eliminated eight (8) contractors, with fourteen (14) being invited to interview. Of these contractors, one firm declined to attend an interview. Therefore, thirteen (13) contractors fully complied with all stages of the evaluation process, i.e. price, quality and interview. Their scores are attached in Appendix A.

## 5.2 Tender Evaluation

5.2.1 The bids submitted have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with Council Contract Standing orders. The evaluation process consisted of the following stages:

5.2.2 Quality (1) – Method Statement Evaluation (40% of total marks available)

- Evaluation of the written submissions for each of the sections of method Statement:

- A) Health and Safety
- B) Contract Programme
- C) Client and consultant liaison
- D) Waste management, including asbestos
- E) Cost control, variation and final account
- F) Supply chain management
- G) Quality control
- H) Complaints procedures

5.2.3 Interview – 30 minutes (20% of total marks available)

Interviews comprised the following:

- Presentation (15 minutes), comprising the following:
  - A) Health & Safety Issues

- B) Project planning and programming
- C) Economic use of labour in the community
- D) Material ordering and delivery
- E) Recording and maintaining a site diary
- F) Estimating procedure
- G) Record keeping and examination by the client
- H) Cost reporting
- I) Interim valuation and final account, including backup information

- A question and answer session (15 minutes), comprising 4 questions, of which the contractors had been made aware of prior to interview. The questions addressed categories as below:

- A) Previous experience with schedules of rates contracts
- B) Dealing with end-user complaints
- C) Interaction with the community and end user.
- D) Contribution to the elimination of risk issues

#### 5.2.4 Pricing Mechanism (40% of the total marks available)

The Pricing Mechanism, devised in-house by CPG's Quantity Surveying team, tested not only the company's ability to accurately and competitively price, but also acts as the competitive basis upon which future projects will appoint contractors.

Each bidder had been asked to supply pricing matrices to be used against a broad scenario of possible project types and values. The bidders were required to provide four pricing elements, which were:

- Price uplift
- Central Office Overheads
- Profit
- Preliminaries (site based overheads)

5.2.5 The evaluation team included representatives from the Corporate Procurement Unit and Construction Procurement Group, covering procurement, sustainability and technical construction areas.

5.2.6 The scores against each of the evaluation criteria are shown at Appendix A.

5.2.7 Interview Evaluation can be seen in Appendix B.

5.2.8 Quality Evaluation (Method Statement) can be seen in Appendix C.

5.2.9 The pricing element document of the evaluation can be seen at Appendix D.

5.2.8 The number of contractors selected for the Minor Works Contractors Framework Agreement (£1-£100,000) is based on the scores obtained by the contractors and the number of contractors deemed to be suitable for the execution of this category of project.

5.2.9 This was based on the expected number of projects over this value and the overall financial capacity of the contractors in this category and their overall capability to meet the needs of the Council's capital programme. The evaluation team also took into consideration that the number of contractors in this category should not be so great as to falsely raise the expectations of the contractors.

## **6.0 Recommendations**

- 6.1 That Members award the framework agreement contract for Minor Works Contractors for projects of £1-£100,000 to those contractors as outlined in Appendix E for a period of 2 years with an option to extend for a further period of 2 years:
- 6.2 That Members approve the use of framework contractors as a first priority, eliminating the need to go out to tender, unless the framework contractors can be demonstrated not to be suitable.

## **7.0 Equal Opportunities Implications**

- 7.1 The response to the pre-qualification questionnaires regarding the company's equalities policies were evaluated by the Council Equalities Advisor and the companies invited to Tender met the Councils criteria for Equality.
- 7.1 Equalities questions were further examined within the method statements submitted by the companies and within the interviews.

## **8.0 Health & Safety Implications**

- 8.1 The response to the pre – qualification questionnaires regarding the companies' Health & Safety policies were evaluated by the Council and those companies invited to Tender met the Councils criteria for Health & Safety.
- 8.2 Health & Safety questions were further examined within the method statements submitted by the companies.

## **9.0 Sustainability Implications**

- 9.1 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by the Council's sustainable development manager and the companies invited to tender met the Councils criteria for sustainability.
- 9.2 Sustainability questions were further examined within the method statements submitted by the companies.

## **10.0 Comments of the Director of Finance**

- 10.1 Director of Finance has no additional comments to make.

## **11.0 Comments of the Head of Legal Services**

- 11.1 The new EU Public Sector Procurement Directive permits local authorities to use Framework arrangements in selecting contractors.
- 11.2 This framework agreement has been tendered in the EU in accordance with the Public Works Contracts Regulations 1991, using the open procedure, which is a tendering procedure whereby any interested organisation may submit a tender in response to an advert placed in the Official Journal of the EU and relevant trade publications.
- 11.3 Contractors for the framework agreement have been selected based on the most economically advantageous tenders in accordance with Regulation 20 of the Public Works Contracts Regulations.

- 11.4 As the total value of this framework agreement is likely to exceed £250,000 the proposed award must be approved by Members pursuant to CSO 11.3 which provides that the Executive must award all contracts valued over £250,000.
- 11.5 The Head of Legal Services is satisfied that the use of an separate tender process for housing works, whereby invitations to tender are not limited to the Framework contractors or contractors nominated by leaseholders, will ensure compliance with the Council's leaseholder consultation obligations under Landlord and Tenant Act 1985 and the Service Charge (Consultation Requirements) (England) Regulations 2003.
- 11.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in Paragraphs 2 and 6 of this report.

## **12.0 Comments of the Head of Procurement**

- 12.1 The Head of Procurement has sponsored the establishment of a number of framework agreements, of which this minor construction works (up to £100,000) is one of a series that members will soon be asked to approve.
- 12.2 Framework agreements provide a faster route to market for those procuring capital and construction services, thereby contributing to efficiency and efficiency savings.
- 12.3 In order to ensure that framework agreements develop the local economy, care has been taken to select those contractors to this framework agreement who recognise and can contribute to Haringey's community strategy.



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**HARINGEY COUNCIL**


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**Report to Procurement Committee**
 Agenda Item  
**31st January 2006**

**Report Title:** Framework Agreement For Major Construction Works - Value £ 100,000 to £249,999:  
Award of contract.

**Report of:** Director of Finance

**1. Purpose:**

- 1.1 To seek Member agreement to award the framework contract for Major Contractors for construction projects valued between £100,000 and £249,999.

The framework will provide a contractual mechanism for all Council Directorates to select Major Works Contractors for construction contracts valued at £100,000 to £249,999, without the need to undergo further competition for every construction project, unless a mini competition is thought appropriate. It should be noted that the appointment of companies under this arrangement does not constitute a binding commitment to award, or agreement to carry out, work by either party.

**1.2 Introduction from Executive Member**

"The time and money savings to benefit the council are outlined in the Background section of the report and due process appears to have been followed to secure this contract. In line with the supporting comments of senior officers from legal and finance, I recommend this report to the procurement committee"

- Councillor Richard Milner

**2. Recommendations:**

- 2.1 That Members agree to award the framework contract for the above Major Contractor works, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.
- 2.2 That the contract be awarded for a period of two years with an option to extend for a further period of up to two years subject to satisfactory performance of the companies listed in Appendix B.

Report authorised by: .....

Signed:  Date: 21.1.06

Contact Officer: David Mulford

Telephone: 020 8489 1037

**3. Access to information:**

Local Government (Access to Information) Act 1985

**3.1 List of background documents:**

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

- Construction Related Consultants Services report 23<sup>rd</sup> March 2003

**3.2 The appendices attached to this report (Appendix A and B ) are **not for publication** as they contain exempt information under the following categories:**

(i) 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

(ii) 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.



#### **4.0 Background**

- 4.1 The Council currently runs an approved list of contractors who have been pre-qualified to undertake construction projects on behalf of the Council.
- 4.2 However, given that the contractors are only pre-qualified, and have not provided the relevant information to permit a competitive tender, there is still a need to undertake a full tender exercise each time Council Directorates wish to appoint contractors to carry out a project.
- 4.3 This exercise is often, by necessity, a lengthy process, requiring relevant and appropriate advertising of the project, invitations to tender, bid document submission and evaluation, and contractor interviews. This work is also generally required at a time when there is pressure to undertake and indeed complete the project to tight timescales.
- 4.4 Time and cost efficiency gains will be delivered by the use of a framework agreement for the appointment of Major Contractors. Indeed, early indications have suggested that contractors tendering for this framework agreement have reduced their profit margins.
- 4.5 In order to cover the requirement to consult with leaseholders (under Section 20 of the Landlord and Tenants Act, 1985), consultation with leaseholders in relation to housing projects will be undertaken on a project by project basis. The tender process will be as open as possible. Specifically, invitations to tender will not be limited to Framework Agreement contractors, and contractors nominated by leaseholders.
- 4.6 The framework agreement reduces the time for the competitive process for each appointment, as part of the competition process has already been undertaken as part of the process of establishing suitable and best value contractors for the framework agreement.
- 4.7 The performance of the companies under the framework agreement will be monitored by the Corporate Procurement Unit (CPU)'s Construction Procurement Group (CPG) within the Finance Directorate. The mechanisms used to measure performance will include:
- Monthly commissioning meetings
  - Client satisfaction surveys
  - Performance against agreed construction Key Performance Indicators
- 4.8 At the start of the contract period, work will be allocated on the following basis:
- the ranking achieved in the tender evaluation ( based on the most economically advantageous (MEAT))
  - consideration of allocated work and the company's capability and capacity to undertake new work.

The performance of the individual contractors will be taken into account for any MEAT evaluation. The data will be drawn from reports from Client Directorates and the measurement of achievement against key performance indicators

- 4.9 Directorates will be required to select contractors from this framework agreement in accordance with the terms of the framework where justified by the type of work to be undertaken.

Any requirement to select contractors not included on the framework agreement or to deviate from the selection process (based on the above) must be fully justified.

## 5 Report

5.1 In accordance with the Public Works Contracts Regulations 1991, advertisements were placed in the Official Journal of the European Union (OJEU) on 15<sup>th</sup> October 2004, and in *Building* magazine and *Contracts Journal* for a number of categories of framework agreements, of which this is one category. All interested contractors were required to complete a pre-qualification questionnaire.

5.1.1 Initially, 114 companies expressed an interest for the 4 categories of Major Works frameworks of projects valued: (1) £100,000 - £249,999; (2) 250,000 - £999,999; (3) £1000,000 - £3799,999 and (4) over £ 3.8million.

5.1.2 Following assessment by the Council, against its pre agreed criteria, 53 main contractors were excluded at the pre-qualification stages for failing to meet one or more of the following:

- The required criteria in individual evaluation areas were not met (i.e. Health and Safety, financial capacity, equalities etc.) or
- The pre-set overall pass mark was not achieved.

5.1.3 Thirty-eight contractors were invited to tender, and provided responses by the response due date of 11<sup>th</sup> November 2005. Six (6) contractors did not submit tenders. Three (3) contractors of the thirty two returned tenders failed to submit a method statement in the required format. One (1) contractor failed to complete the pricing framework. Twenty-four (24) contractors who expressed an interest in this category were considered for the price, quality evaluation and interview. Their scores are attached in Appendix A.

## 5.2 Tender Evaluation

5.2.1 The bids submitted have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with the Council's Contract Standing Orders. The evaluation process consisted of the following stages:

5.2.2 Quality (1) – Method Statement Evaluation (40% of total marks available)

- Evaluation of the written submissions for each of the sections of method Statement:

- A) Contract Management.
- B) Supply Chain Management.
- C) Client Liaison and Satisfaction.
- D) Labour Resources, Recruitment, Training and Development.
- E) Cost Management.
- F) Health and Safety.
- G) Sustainability.
- H) Quality.
- J) Partnering.

5.2.3 Interview – 30 minutes (20% of total marks available)

Interviews comprised the following:

- A question and answer session comprising nine questions, 4 of which the contractors had been made aware of prior to interview. The questions addressed categories as below:

- A) Organisational structure and management of the Framework Agreement.
- B) Supply Chain implementation and Management.
- C) Management of their own performance.
- D) Key/ Critical success for the Framework Agreement.
- E) Project Management within the Framework Agreement.
- F) The minimisation of natural (non-renewable resources).
- G) The improvement of the local economy.
- H) How the partnering ethos would be instilled.
- I) How the Framework Agreement would deliver improved value and quality to the Council's construction projects.

5.2.4 Pricing Mechanism (40% of the total marks available)

The Pricing Mechanism, devised in-house by CPG's Quantity Surveying team, tested not only the company's ability to accurately and competitively price, but also acts as the competitive basis upon which future projects will appoint contractors.

Each bidder had been asked to supply pricing matrices to be used against a broad scenario of possible project types and values. The bidders were required to provide three pricing elements, which were:

- Central Office Overheads
- Profit
- Preliminaries (site based overheads)

5.2.5 The evaluation team included representatives from the Construction Procurement Group, covering procurement, sustainability and technical construction areas.

5.2.6 The Quality and Pricing scores are shown at Appendix A.

5.2.8 The number of contractors selected for the Major Works Contractors Framework Agreement value £100,000 - £249,999 is based on the scores obtained by the contractors and the number of contractors deemed to be suitable for the execution of this category of project.

5.2.9 This was based on the expected number of projects over this value and the overall financial capacity of the contractors in this category and their overall capability to meet the needs of the Council's capital programme. The evaluation team also took into consideration that the number of contractors in this category should not be so great as to falsely raise the expectations of the contractors.

## 6.0 Recommendations

6.1 That Members award the framework agreement contract for Major Works Contractors for projects of £100,000 – £249,999 to those contractors as outlined in Appendix B for a period of 2 years with an option to extend for a further period of 2 years:

- 6.2 That Members approve the use of framework contractors as a first priority, eliminating the need to go out to tender, unless the framework contractors can be demonstrated not to be suitable.

### **7.0 Equal Opportunities Implications**

- 7.1 The response to the pre-qualification questionnaires regarding the company's equalities policies were evaluated by the Council Equalities Advisor and the companies invited to Tender met the Councils criteria for Equality.
- 7.2 Equalities questions were further examined within the method statements submitted by the companies and within the interviews.

### **8.0 Health & Safety Implications**

- 8.1 The response to the pre – qualification questionnaires regarding the companies' Health & Safety policies were evaluated by the Council and those companies invited to Tender met the Councils criteria for Health & Safety.
- 8.2 Health & Safety questions were further examined within the method statements submitted by the companies.

### **9.0 Sustainability Implications**

- 9.1 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by the Council's sustainable development manager and the companies invited to tender met the Councils criteria for sustainability.
- 9.2 Sustainability questions were further examined within the method statements submitted by the companies.

### **10.0 Comments of the Director of Finance**

- 10.1 Director of Finance has no additional comments to make.

### **11.0 Comments of the Head of Legal Services**

- 11.1 The new EU Public Sector Procurement Directive permits local authorities to use Framework arrangements in selecting contractors.
- 11.2 This framework agreement has been tendered in the EU in accordance with the Public Works Contracts Regulations 1991, using the open procedure, which is a tendering procedure whereby any interested organisation may submit a tender in response to an advert placed in the Official Journal of the EU and relevant trade publications.
- 11.3 Contractors for the framework agreement have been selected based on the most economically advantageous tenders in accordance with Regulation 20 of the Public Works Contracts Regulations.
- 11.4 As the total value of this framework agreement is likely to exceed £250,000 the proposed award must be approved by Members pursuant to CSO 11.3 which provides that the Executive must award all contracts valued over £250,000.

- 11.5 The Head of Legal Services is satisfied that the use of a separate tender process for housing works, whereby invitations to tender are not limited to the Framework contractors or contractors nominated by leaseholders, will ensure compliance with the Council's leaseholder consultation obligations under Landlord and Tenant Act 1985 and the Service Charge (Consultation Requirements) (England) Regulations 2003.
- 11.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in Paragraphs 2 and 6 of this report.

**12.0 Comments of the Head of Procurement**

- 12.1 The Head of Procurement has sponsored the establishment of a number of framework agreements. The Main Contractor Works (Value £3.8m and over) Framework Agreement was approved by Members on 20<sup>th</sup> December.
- 12.2 This Major Construction Works (Value £100,000 - £249,999) is one of four (3 Main and 1 Minor Contractor reports) that Members are now being asked to approve.
- 12.3 Framework Agreements not only provide a faster route to market for those procuring capital and construction services, thereby contributing to efficiency and efficiency savings, but also offer some degree of capacity certainty in a market which is already extremely stretched.
- 12.4 In order to ensure that framework agreements develop the local economy, extreme care has been taken to select those contractors to this framework agreement who recognise, understand and can contribute to Haringey's community strategy.
- 12.5 The Head of Procurement therefore asks members to approve the Framework Agreement and the nominated contractors herein.



**Report to Procurement Committee**

 Agenda Item  
**31st January 2006**

**Report Title:** Framework Agreement For Major Construction Works - Value £ 250,000 to £999,999:  
Award of contract.

**Report of:** Director of Finance

**1. Purpose:**

- 1.1 To seek Member agreement to award the framework contract for Major Contractors for construction projects valued between £250,000 and £999,999.

The framework will provide a contractual mechanism for all Council Directorates to select Major Works Contractors for construction projects valued at £250,000 to £999,999, without the need to undergo further competition for every construction project, unless a mini competition is thought appropriate. It should be noted that the appointment of companies under this arrangement does not constitute a binding commitment to award, or agreement to carry out, work by either party.

**1.2 Introduction from Executive Member**

"The time and money savings to benefit the council are outlined in the Background section of the report and due process appears to have been followed to secure this contract.  
In line with the supporting comments of senior officers from legal and finance, I recommend this report to the procurement committee"

- Councillor Richard Milner

**2. Recommendations:**

- 2.1 That Members agree to award the framework contract for the above Major Contractor works, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.
- 2.2 That the contract be awarded for a period of two years with an option to extend for a further period of up to two years subject to satisfactory performance of the companies listed in Appendix B.

Report authorised by: .....

Signed:  .....

Date: 21.1.06

Contact Officer: David Mulford

Telephone: 020 8489 1037

**3. Access to information:**

Local Government (Access to Information) Act 1985

**3.1 List of background documents:**

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

- Construction Related Consultants Services report 23<sup>rd</sup> March 2003

**3.2 The appendices attached to this report (Appendix A and B) are **not for publication** as they contain exempt information under the following categories:**

(i) 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

(ii) 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.



## 4.0 Background

- 4.1 The Council currently runs an approved list of contractors who have been pre-qualified to undertake construction projects on behalf of the Council.
- 4.2 However, given that the contractors are only pre-qualified, and have not provided the relevant information to permit a competitive tender, there is still a need to undertake a full tender exercise each time Council Directorates wish to appoint contractors to carry out a project.
- 4.3 This exercise is often, by necessity, a lengthy process, requiring relevant and appropriate advertising of the project, invitations to tender, bid document submission and evaluation, and contractor interviews. This work is also generally required at a time when there is pressure to undertake and indeed complete the project to tight timescales.
- 4.4 Time and cost efficiency gains will be delivered by the use of a framework agreement for the appointment of Major Contractors. Indeed, early indications have suggested that contractors tendering for this framework agreement have reduced their profit margins.
- 4.5 In order to cover the requirement to consult with leaseholders (under Section 20 of the Landlord and Tenants Act, 1985), consultation with leaseholders in relation to housing projects will be undertaken on a project by project basis. The tender process for housing work will be as open as possible. Specifically, invitations to tender will not be limited to Framework Agreement contractors, and contractors nominated by leaseholders.
- 4.6 The framework agreement reduces the time for the competitive process for each appointment, as part of the competition process has already been undertaken as part of the process of establishing suitable and best value contractors for the framework agreement.
- 4.7 The performance of the companies under the framework agreement will be monitored by the Corporate Procurement Unit (CPU)'s Construction Procurement Group (CPG) within the Finance Directorate. The mechanisms used to measure performance will include:
- Monthly commissioning meetings
  - Client satisfaction surveys
  - Performance against agreed construction Key Performance Indicators
- 4.8 At the start of the contract period, work will be allocated on the following basis:
- the ranking achieved in the tender evaluation ( based on the most economically advantageous (MEAT))
  - consideration of allocated work and the company's capability and capacity to undertake new work.

The performance of the individual contractors will be taken into account for any MEAT evaluation. The data will be drawn from reports from Client Directorates and the measurement of achievement against key performance indicators

- 4.9 Directorates will be required to select contractors from this framework agreement in accordance with the terms of the framework where justified by the type of work to be undertaken.

Any requirement to select contractors not included on the framework agreement or to deviate from the selection process (based on the above) must be fully justified.

## 5 Report

5.1 In accordance with the Public Works Contracts Regulations 1991, advertisements were placed in the Official Journal of the European Union (OJEU) on 15<sup>th</sup> October 2004, and in *Building* magazine and *Contracts Journal* for a number of categories of framework agreements, of which this is one category. All interested contractors were required to complete a pre-qualification questionnaire.

5.1.1 Initially, 114 companies expressed an interest for the 4 categories of Major Works frameworks of projects valued: (1) £100,000 - £249,999; (2) 250,000 - £999,999; (3) £1000,000 - £3799,999 and (4) over £ 3.8million.

5.1.2 Following assessment by the Council, against its pre agreed criteria, 53 main contractors were excluded at the pre-qualification stages for failing to meet one or more of the following:

- The required criteria in individual evaluation areas were not met (i.e. Health and Safety, financial capacity, equalities etc.) or
- The pre-set overall pass mark was not achieved.

5.1.3 Thirty-eight contractors were invited to tender, and provided responses by the response due date of 11<sup>th</sup> November 2005. Six (6) contractors did not submit tenders. Three (3) contractors of the thirty two returned tenders failed to submit a method statement in the required format. One (1) contractor failed to complete the pricing framework. Twenty-five (25) contractors who expressed an interest in this category were considered for the price, quality evaluation and interview. Their scores are attached in Appendix A.

## 5.2 Tender Evaluation

5.2.1 The bids submitted have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with the Council's Contract Standing Orders. The evaluation process consisted of the following stages:

5.2.2 Quality (1) – Method Statement Evaluation (40% of total marks available)

- Evaluation of the written submissions for each of the sections of method Statement:

- A) Contract Management.
- B) Supply Chain Management.
- C) Client Liaison and Satisfaction.
- D) Labour Resources, Recruitment, Training and Development.
- E) Cost Management.
- F) Health and Safety.
- G) Sustainability.
- H) Quality.
- J) Partnering.

5.2.3 Interview – 30 minutes (20% of total marks available)

Interviews comprised the following:

- A question and answer session comprising nine questions, 4 of which the contractors had been made aware of prior to interview. The questions addressed categories as below:

- A) Organisational structure and management of the Framework Agreement.
- B) Supply Chain implementation and Management.
- C) Management of their own performance.
- D) Key/ Critical success for the Framework Agreement.
- E) Project Management within the Framework Agreement.
- F) The minimisation of natural (non-renewable resources).
- G) The improvement of the local economy.
- H) How the partnering ethos would be instilled.
- I) How the Framework Agreement would deliver improved value and quality to the Council's construction projects.

**5.2.4 Pricing Mechanism (40% of the total marks available)**

The Pricing Mechanism, devised in-house by CPG's Quantity Surveying team, tested not only the company's ability to accurately and competitively price, but also acts as the competitive basis upon which future projects will appoint contractors.

Each bidder had been asked to supply pricing matrices to be used against a broad scenario of possible project types and values. The bidders were required to provide three pricing elements, which were:

- Central Office Overheads
- Profit
- Preliminaries (site based overheads)

**5.2.5** The evaluation team included representatives from the Construction Procurement Group, covering procurement, sustainability and technical construction areas.

**5.2.6** The Quality and Pricing scores are shown at Appendix A.

**5.2.8** The number of contractors selected for the Major Works Contractors Framework Agreement value £250,000 - £999,999 is based on the scores obtained by the contractors and the number of contractors deemed to be suitable for the execution of this category of project.

**5.2.9** This was based on the expected number of projects over this value and the overall financial capacity of the contractors in this category and their overall capability to meet the needs of the Council's capital programme. The evaluation team also took into consideration that the number of contractors in this category should not be so great as to falsely raise the expectations of the contractors.

**6.0 Recommendations**

**6.1** That Members award the framework agreement contract for Major Works Contractors for projects of £250,000 – £999,999 to those contractors as outlined in Appendix B for a period of 2 years with an option to extend for a further period of 2 years:

**6.2** That Members approve the use of framework contractors as a first priority, eliminating the need to go out to tender, unless the framework contractors can be demonstrated not to be suitable.

**7.0 Equal Opportunities Implications**

- 7.1 The response to the pre-qualification questionnaires regarding the company's equalities policies were evaluated by the Council Equalities Advisor and the companies invited to Tender met the Councils criteria for Equality.
- 7.2 Equalities questions were further examined within the method statements submitted by the companies and within the interviews.

**8.0 Health & Safety Implications**

- 8.1 The response to the pre – qualification questionnaires regarding the companies' Health & Safety policies were evaluated by the Council and those companies invited to Tender met the Councils criteria for Health & Safety.
- 8.2 Health & Safety questions were further examined within the method statements submitted by the companies.

**9.0 Sustainability Implications**

- 9.1 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by the Council's sustainable development manager and the companies invited to tender met the Councils criteria for sustainability.
- 9.2 Sustainability questions were further examined within the method statements submitted by the companies.

**10.0 Comments of the Director of Finance**

- 10.1 Director of Finance has no additional comments to make.

**11.0 Comments of the Head of Legal Services**

- 11.1 The new EU Public Sector Procurement Directive permits local authorities to use Framework arrangements in selecting contractors.
- 11.2 This framework agreement has been tendered in the EU in accordance with the Public Works Contracts Regulations 1991, using the open procedure, which is a tendering procedure whereby any interested organisation may submit a tender in response to an advert placed in the Official Journal of the EU and relevant trade publications.
- 11.3 Contractors for the framework agreement have been selected based on the most economically advantageous tenders in accordance with Regulation 20 of the Public Works Contracts Regulations.
- 11.4 As the total value of this framework agreement is likely to exceed £250,000 the proposed award must be approved by Members pursuant to CSO 11.3 which provides that the Executive must award all contracts valued over £250,000.
- 11.5 The Head of Legal Services is satisfied that the use of a separate tender process for housing works, whereby invitations to tender are not limited to the Framework contractors or contractors nominated by leaseholders, will ensure compliance with the Council's leaseholder consultation obligations under Landlord and Tenant Act 1985 and the Service Charge (Consultation Requirements) (England) Regulations 2003.

11.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in Paragraphs 2 and 6 of this report.

## **12.0 Comments of the Head of Procurement**

12.1 The Head of Procurement has sponsored the establishment of a number of framework agreements. The Main Contractor Works (Value £3.8m and over) Framework Agreement was approved by Members on 20th December.

12.2 This Major Construction Works (Value £250,000 - £999,999) is one of four (3 Main and 1 Minor Contractor reports) that Members are now being asked to approve.

12.3 Framework agreements not only provide a faster route to market for those procuring capital and construction services, thereby contributing to efficiency and efficiency savings, but also offer some degree of capacity certainty in a market which is already extremely stretched.

12.4 In order to ensure that framework agreements develop the local economy, extreme care has been taken to select those contractors to this framework agreement who recognise, understand and can contribute to Haringey's community strategy.

12.5 The Head of Procurement therefore asks members to approve the Framework Agreement and the nominated contractors herein.



**Report to Procurement Committee**

 Agenda Item  
**31st January 2006**

**Report Title:** Framework Agreement For Major Construction Works - Value £ 1,000,000 to £3,799,999:  
Award of contract.

**Report of:** Director of Finance

**1. Purpose:**

- 1.1 To seek Member agreement to award the framework contract for Major Contractors for construction projects valued between £1,000,000 and £3,799,999.

The framework will provide a contractual mechanism for all Council Directorates to select Major Works Contractors for construction contracts valued at £1,000,000 to £3,799,999, without the need to undergo further competition for every construction project, unless a mini competition is thought appropriate. It should be noted that the appointment of companies under this arrangement does not constitute a binding commitment to award, or agreement to carry out, work by either party.

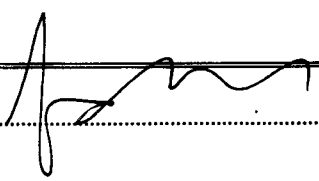
**1.2 Introduction from Executive Member**

“The time and money savings to benefit the council are outlined in the Background section of the report and due process appears to have been followed to secure this contract. In line with the supporting comments of senior officers from legal and finance, I recommend this report to the procurement committee”

- Councillor Richard Milner

**2. Recommendations:**

- 2.1 That Members agree to award the framework contract for the above Major Contractor works, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in Appendix B of this report.
- 2.2 That the contract be awarded for a period of two years with an option to extend for a further period of up to two years subject to satisfactory performance of the companies listed in Appendix B.

Report authorised by:  .....

Signed: 23.1.06 Date: .....

Contact Officer: David Mulford

Telephone: 020 8489 1037

**3. Access to information:**

Local Government (Access to Information) Act 1985

**3.1 List of background documents:**

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

- Construction Related Consultants Services report 23<sup>rd</sup> March 2003

**3.2 The appendices attached to this report (Appendix A and B) are **not for publication** as they contain exempt information under the following categories:**

(i) 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

(ii) 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.



#### **4.0 Background**

4.1 The Council currently runs an approved list of contractors who have been pre-qualified to undertake construction projects on behalf of the Council.

4.2 However, given that the contractors are only pre-qualified, and have not provided the relevant information to permit a competitive tender, there is still a need to undertake a full tender exercise each time Council Directorates wish to appoint contractors to carry out a project.

4.3 This exercise is often, by necessity, a lengthy process, requiring relevant and appropriate advertising of the project, invitations to tender, bid document submission and evaluation, and contractor interviews. This work is also generally required at a time when there is pressure to undertake and indeed complete the project to tight timescales.

4.4 Time and cost efficiency gains will be delivered by the use of a framework agreement for the appointment of Major Contractors. Indeed, early indications have suggested that contractors tendering for this framework agreement have reduced their profit margins.

4.5 In order to cover the requirement to consult with leaseholders (under Section 20 of the Landlord and Tenants Act, 1985), consultation with leaseholders in relation to housing projects will be undertaken on a project by project basis. The tender process for housing work will be as open as possible. Specifically, invitations to tender will not be limited to Framework Agreement contractors and contractors nominated by leaseholders.

4.6 The framework agreement reduces the time for the competitive process for each appointment, as part of the competition process has already been undertaken as part of the process of establishing suitable and best value contractors for the framework agreement.

4.7 The performance of the companies under the framework agreement will be monitored by the Corporate Procurement Unit (CPU)'s Construction Procurement Group (CPG) within the Finance Directorate. The mechanisms used to measure performance will include:

- Monthly commissioning meetings
- Client satisfaction surveys
- Performance against agreed construction Key Performance Indicators

4.8 At the start of the contract period, work will be allocated on the following basis:

- the ranking achieved in the tender evaluation (based on the most economically advantageous (MEAT))
- consideration of allocated work and the company's capability and capacity to undertake new work.

The performance of the individual contractors will be taken into account for any MEAT evaluation. The data will be drawn from reports from Client Directorates and the measurement of achievement against key performance indicators

4.9 Directorates will be required to select contractors from this framework agreement in accordance with the terms of the framework where justified by the type of work to be undertaken.

Any requirement to select contractors not included on the framework agreement or to deviate from the selection process (based on the above) must be fully justified.

## 5 Report

5.1 In accordance with the Public Works Contracts Regulations 1991, advertisements were placed in the Official Journal of the European Union (OJEU) on 15<sup>th</sup> October 2004, and in *Building* magazine and *Contracts Journal* for a number of categories of framework agreements, of which this is one category. All interested contractors were required to complete a pre-qualification questionnaire.

5.1.1 Initially, 114 companies expressed an interest for the 4 categories of Major Works frameworks of projects valued: (1) £100,000 - £249,999; (2) 250,000 - £999,999; (3) £1,000,000 - £3,799,999 and (4) over £ 3.8million.

5.1.2 Following assessment by the Council, against its pre agreed criteria, 53 main contractors were excluded at the pre-qualification stages for failing to meet one or more of the following:

- The required criteria in individual evaluation areas were not met (i.e. Health and Safety, financial capacity, equalities etc.) or
- The pre-set overall pass mark was not achieved.

5.1.3 Thirty-eight contractors were invited to tender, and provided responses by the response due date of 11<sup>th</sup> November 2005. Six (6) contractors did not submit tenders. Three (3) contractors of the thirty two returned tenders failed to submit a method statement in the required format. One (1) contractor failed to complete the pricing framework. Twenty-three (23) contractors who expressed an interest in this category were considered for the price, quality evaluation and interview. Their scores are attached in Appendix A.

## 5.2 Tender Evaluation

5.2.1 The bids submitted have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with the Council's Contract Standing orders. The evaluation process consisted of the following stages:

5.2.2 Quality (1) – Method Statement Evaluation (40% of total marks available)

- Evaluation of the written submissions for each of the sections of method Statement:

- A) Contract Management.
- B) Supply Chain Management.
- C) Client Liaison and Satisfaction.
- D) Labour Resources, Recruitment, Training and Development.
- E) Cost Management.
- F) Health and Safety.
- G) Sustainability.
- H) Quality.
- J) Partnering.

5.2.3 Interview – 30 minutes (20% of total marks available)

Interviews comprised the following:

- A question and answer session comprising nine questions, 4 of which the contractors had been made aware of prior to interview. The questions addressed categories as below:

- A) Organisational structure and management of the Framework Agreement.
- B) Supply Chain implementation and Management.
- C) Management of their own performance.
- D) Key/ Critical success for the Framework Agreement.
- E) Project Management within the Framework Agreement.
- F) The minimisation of natural (non-renewable resources).
- G) The improvement of the local economy.
- H) How the partnering ethos would be instilled.
- I) How the Framework Agreement would deliver improved value and quality to the Council's construction projects.

#### 5.2.4 Pricing Mechanism (40% of the total marks available)

The Pricing Mechanism, devised in-house by CPG's Quantity Surveying team, tested not only the company's ability to accurately and competitively price, but also acts as the competitive basis upon which future projects will appoint contractors.

Each bidder had been asked to supply pricing matrices to be used against a broad scenario of possible project types and values. The bidders were required to provide three pricing elements, which were:

- Central Office Overheads
- Profit
- Preliminaries (site based overheads)

5.2.5 The evaluation team included representatives from the Construction Procurement Group, covering procurement, sustainability and technical construction areas.

5.2.6 The Quality and Pricing scores are shown at Appendix A.

5.2.8 The number of contractors selected for the Major Works Contractors Framework Agreement value £1,000,000 to £3,799,999 is based on the scores obtained by the contractors and the number of contractors deemed to be suitable for the execution of this category of project.

5.2.9 This was based on the expected number of projects over this value and the overall financial capacity of the contractors in this category and their overall capability to meet the needs of the Council's capital programme. The evaluation team also took into consideration that the number of contractors in this category should not be so great as to falsely raise the expectations of the contractors.

## 6.0 Recommendations

6.1 That Members award the framework agreement contract for Major Works Contractors for projects of £1,000,000 to £3,799,999 to those contractors as outlined in Appendix B for a period of 2 years with an option to extend for a further period of 2 years:

6.2 That Members approve the use of framework contractors as a first priority, eliminating the need to go out to tender, unless the framework contractors can be demonstrated not to be suitable.

## 7.0 Equal Opportunities Implications

7.1 The response to the pre-qualification questionnaires regarding the company's equalities policies were evaluated by the Council Equalities Advisor and the companies invited to Tender met the Council's criteria for Equality.

- 7.2 Equalities questions were further examined within the method statements submitted by the companies and within the interviews.

## **8.0 Health & Safety Implications**

- 8.1 The response to the pre – qualification questionnaires regarding the companies' Health & Safety policies were evaluated by the Council and those companies invited to Tender met the Councils criteria for Health & Safety.
- 8.2 Health & Safety questions were further examined within the method statements submitted by the companies.

## **9.0 Sustainability Implications**

- 9.1 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by the Council's sustainable development manager and the companies invited to tender met the Councils criteria for sustainability.
- 9.2 Sustainability questions were further examined within the method statements submitted by the companies.

## **10.0 Comments of the Director of Finance**

- 10.1 Director of Finance has no additional comments to make.

## **11.0 Comments of the Head of Legal Services**

- 11.1 The new EU Public Sector Procurement Directive permits local authorities to use Framework arrangements in selecting contractors.
- 11.2 This framework agreement has been tendered in the EU in accordance with the Public Works Contracts Regulations 1991, using the open procedure, which is a tendering procedure whereby any interested organisation may submit a tender in response to an advert placed in the Official Journal of the EU and relevant trade publications.
- 11.3 Contractors for the framework agreement have been selected based on the most economically advantageous tenders in accordance with Regulation 20 of the Public Works Contracts Regulations.
- 11.4 As the total value of this framework agreement is likely to exceed £250,000 the proposed award must be approved by Members pursuant to CSO 11.3 which provides that the Executive must award all contracts valued over £250,000.
- 11.5 The Head of Legal Services is satisfied that the use of a separate tender process for housing works, whereby invitations to tender are not limited to the Framework contractors or contractors nominated by leaseholders, will ensure compliance with the Council's leaseholder consultation obligations under Landlord and Tenant Act 1985 and the Service Charge (Consultation Requirements) (England) Regulations 2003.
- 11.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in Paragraphs 2 and 6 of this report.

**12.0 Comments of the Head of Procurement**

- 12.1 The Head of Procurement has sponsored the establishment of a number of framework agreements The Main Contractor Works (Value £3.8m and over) Framework Agreement was approved by Members on 20<sup>th</sup> December.
- 12.2 This Major Construction Works (Value £1,000,000 - £3,799,999) is one of four (3 Main and 1 Minor Contractor reports) that Members are now being asked to approve.
- 12.3 Framework agreements not only provide a faster route to market for those procuring capital and construction services, thereby contributing to efficiency and efficiency savings, but also offer some degree of capacity certainty in a market which is already extremely stretched.
- 12.4 In order to ensure that framework agreements develop the local economy, extreme care has been taken to select those contractors to this framework agreement who recognise, understand and can contribute to Haringey's community strategy.
- 12.5 The Head of Procurement therefore asks members to approve the Framework Agreement and the nominated contractors herein.



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