



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

Cabinet Procurement Committee (Special Meeting)

THURSDAY, 17TH JULY, 2008 at *09:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Adje (Chair), Bevan, Meehan and Santry.

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

3. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

4. BUILDING SCHOOLS FOR THE FUTURE (BSF): AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR HORNSEY SCHOOL FOR GIRLS (PAGES 1 - 8)

(Report of the Director of the Children and Young People's Service): To seek approval to award the pre-construction contract for Hornsey Schools for Girls following a mini competition from the BSF Constructor Partners Framework.

5. EXCLUSION OF THE PRESS AND PUBLIC

The following item is likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

The following item allows for consideration of exempt information (if required) in relation to items 4 which appears earlier on this agenda.

6. BUILDING SCHOOLS FOR THE FUTURE (BSF): AWARD OF A PRE-CONSTRUCTION AGREEMENT FOR HORNSEY SCHOOLS FOR GIRLS (PAGES 9 - 10)

(Report of the Director of the Children and Young People's Service): To seek approval to award a pre-construction contract for Hornsey School for Girls following a mini competition from the BSF Constructor Partners Framework.

NOTE BY HEAD OF LOCAL DEMOCRACY AND MEMBER SERVICES

In accordance with Part Four Section B Paragraph 17 of the Council's Constitution only the business shown on the notice convening a special meeting may be considered and no other business shall be considered.

Yuniea Semambo
Head of Local Democracy
and Member Services
5th Floor
River Park House
225 High Road
Wood Green
London N22 8HQ

Richard Burbidge
Cabinet Committees Manager
Tel: 020 8489 2923
Fax: 020 8489 2660
Email: richard.burbidge@haringey.gov.uk

9 July 2008

Agenda item:

[No.]**Procurement Committee****17th July 2008**

Report Title: **Building Schools for the Future (BSF): Award of a pre-construction agreement for Hornsey School for Girls.**

Forward Plan reference number: N/A

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

Wards(s) affected: **Hornsey**

Report for: **Non Key Decision**

1. Purpose

1.1 To seek Procurement Committee approval to award a pre-construction contract, following a mini competition from the BSF Constructor Partners framework.

2. Introduction by Cabinet Member

2.1 Hornsey School for Girls is one of the twelve schools in the Building Schools for the Future programme that has advanced to the pre-construction stage in its programme.

2.2 This project is of major significance to the school and the local community, who will all benefit from the enhanced facilities and consequential transformation.

3. Recommendations

3.1 The Procurement Committee award the preconstruction contract to the Constructor Partner in appendix 18.2

Report Author: David Bray

Report Authorised by:

Sharon Shoemith
Director
The Children and Young People's Service

Contact Officer: Gordon Smith, BSF Programme Director
e-Mail: Gordon.smith@haringey.gov.uk
Telephone: 020 8489 5368

4. Chief Financial Officer Comments

- 4.1 The Chief Financial Officer has been consulted on the preparation of this report and notes that the cost of awarding the pre-construction contract is budgeted for within the overall BSF Construction Cash Limited budget.
- 4.2 It should be noted that a funding issue has recently come to light in relation to the DCSF's position regarding financing the Council's BSF cash flow. Until recently the DCSF have made cash payments in advance of our spend on the basis that the Final Business Case (FBC) would eventually be approved. This policy has recently been revised by the DCSF whereby no future grant payments will be made until FBC is actually approved and financial close takes place. Given this change to policy any Haringey Council BSF expenditure, in excess of grant received to date, will require financing. A further report will be brought to Committee outlining how this position will be dealt with at the appropriate time.

5. Head of Legal Services Comments

- 5.1 Eversheds, the external legal advisers appointed to the BSF Programme, have confirmed that the Constructor Partners Framework Agreement ("the Framework") to which this report relates has been advertised in the Official Journal of the EU using the restricted procedure - a procedure by which expressions of interest are invited with a selection of those who have expressed an interest being invited to tender.
- 5.2 Eversheds have also confirmed that the Framework was established in accordance with EU procurement directives and regulations.
- 5.3 On the 17th April 2007 the Cabinet Procurement Committee approved the appointment of Constructor Partners to the Framework.
- 5.4 The Framework incorporates a mechanism in order to award contracts by way of a mini-competition using a pricing matrix.
- 5.5 The Public Contracts Regulations 2006 allows for the award of a contract for a specific project under a Framework Agreement based on the outcome of a mini competition held between those contractors on a Framework Agreement capable of undertaking the services required in relation to a specific project which is what has been done in this case.
- 5.6 The Head of Legal Services confirms that Legal Services are light touch monitoring the work done by Eversheds. As long as the award of the contract is in accordance with the manner outlined in paragraph 13 of this report, the Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in this report.

6. Head of Procurement Comments

- 6.1 The selection of the contractors to compete using mini competition has been carried

out in accordance with the BSF Framework Agreements for contractors.

6.2 The mini competition was undertaken with those contractors who are suitable to carry out the works based on a price/quality submission.

6.3 The price/quality evaluation was price (30%), quality assessment (70%) which included the tender written information (40%) and interview assessment (30%) and were applied in relation to the tenders received.

6.4 A pre-construction agreement is required to move the design stage forward with the constructor and to subsequently tender the work packages for the compilation of the Agreed Maximum Price (AMP).

6.5 The Head of Procurement therefore states that the recommendations in this report will result in overall best value for the Council.

7. Local Government (Access to Information) Act 1985

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

- Haringey Council's BSF Construction Framework documentation.
- The Council's Standing Orders

7.2 This report contains exempt and non-exempt information. Exempt information is contained in the appendices and is not for publication.

7.3 The exempt information is under the following categories:

- 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.
- 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.
- The identity of any person offering any particular tender for a contract for the supply of goods or services.

8. Background

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

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

8.3 All six contractors from the CP framework passed the financial criteria set to enter a mini competition for Hornsey School for Girls. Five of the contractors accepted to tender, (one declined, see Appendix 18.1), with tender opening taking place on Friday the 30th May 2008. For the names of the bidders see Appendix 18.1. Bidders responded with an indicative cost plan for the construction, site preliminaries and confirmed their fees to carry out the pre-construction stage of the project. The winning bidder being recommended for a contract for pre-construction services, and the opportunity to negotiate an Agreed Maximum Price.

8.4 Hornsey School for Girls does not have any proposals to carry out enabling works ahead of the main contract.

9. Evaluation

9.1 The submission was evaluated as follows:

Price (30% of total score)

9.1.1 The Contractor that submitted the lowest bid in terms of central office overheads and profits based on the anticipated net value of construction scored 100 points. All other tenders score 100 points less 1 for every percentage that their price exceeded the lowest bid. The point score was weighted by 30%.

Quality of tender submission (40% of total score)

9.1.2 The following elements made up the quality score:

- A. Confirmation that the initial pricing response still stood and adjustment of it complied with any revised programme information.
- B. Pricing of project specific preliminary items such as:
 - Provision of tower cranes
 - Scaffolding
 - Protection
 - A separate sheet detailing fixed and time related charges was requested.
- C. Quality of the cost plan – The Council looked for comfort that the initial cost plan levels were acceptable and therefore the cost plan was judged on the amount of consideration given to produce an accurate cost plan, the amount of back up provided on a micro and macro level. The actual final price of the cost plan was not considered in the evaluation of this submission.
- D. Proposed management structure and details of any sub-consultants.
- E. CVs of the relevant individuals who will be involved day-to-day provision of the works including the on site management team and an indication of

how the scheme contractor would deal with fluctuations in the workload in terms of resources.

- F. Anticipated programme – The Council looked for comfort that the initial programme durations are acceptable and a statement was asked for to confirm that.

9.1.3 The Council also looked to use the Contractors' knowledge and experience; innovative alternative programme solutions were welcomed and reflected in the score for this part of the tender submission.

9.1.4 Scores were awarded for each of the categories above and then the total was weighted at 40%.

Interview (30% of total score)

9.1.5 The Contractor Partners interviews were held on Friday the 13th June 2008 at Haringey's Civic Centre, representatives from Haringey's Construction Procurement Group, Potter Raper Partnership, TP Bennett (Design Team Partner), the Construction Project Manager and Hornsey School for Girls attended.

9.1.6 Each of the five Contractors who submitted a tender was interviewed. The personnel who would be working on the project were asked to present against three key criteria decided by the schools and their proposed logistics statement. A panel individually scored each response and the average score weighted by 30%.

The three criteria were as follows:

- A. How the Contractor ensures close liaison with Hornsey School for Girls to prevent interruptions to school activity and how Health and Safety requirements would be monitored?
- B. How the Contractor keeps the school and the community informed of activities and planned works?
- C. How the Contractor contributes to engaging the school community and the local community in fulfilment of the project?

9.2 Each Contractor Partner was scored out of 20 points, 14 points were allocated to the explanation of their logistics statement and 2 points were allocated to each of the responses to three questions raised by the school.

9.3 The table in Exempt Appendices 18.1 shows the outcome of the evaluation.

9.4 Pre-construction services will include pre-construction design, change control management, supply chain management / works package tendering with full cost management, value engineering, open book accounting, quality assurance, setting up web based document management system, pre construction management , knowledge sharing / innovation, progress

meetings, sustainability workshops, method statements, procurement of surveys, procurement of material samples insurances, warranties and bonds

10. Conclusion

10.1 The formal contract award is expected to take place in February 2009, at which point the pre-construction agreement will be superseded.

The Evaluation Matrix shows the contractors' scores in each category and their overall score (in bold).

11. Sustainability:

11.1 The Hornsey School for Girls scheme is under 1,000 m² in terms of new build and so is exempt from the Borough's 20% renewable energy requirements, notwithstanding this the project exhibits a number of sustainability features. The Learning Resource Centre is to have a 'Brown Roof'. These types of roofs benefit the wider environment through their positive impact on sustainability, biodiversity and the attenuation of storm water. The new build areas, apart from the ICT suites, are passively ventilated. Rainwater harvesting is proposed, and use of grey water is being investigated.

14 Financial Implications

12.1 The £164,459.76 fee for the pre-construction contract for the Hornsey School for Girls BSF Project is budgeted within the overall Construction Cash Limited Budget of £4,664,759.

13 Legal Implications – Comments Provided by Eversheds

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

13.2 The framework incorporates a mechanism in order to score call offs and mini competitions.

13.3 The scoring matrix compiled for this mini competition was carried out by Haringey's Construction Procurement Group with the assistance of other professional advisers set out in paragraph 9.1.5 of this report.

14 Equalities Implications

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

15 Consultation

15.1 The designs have been made available throughout the process, for resident drop in sessions, school parents and school governors review days, school council assemblies and information has been posted through the doors of local residents and is available on line for viewing.

15.2 Full consultation has been undertaken as part of the BSF Stage approvals; this had included consultation with Partnership for Schools, CABA, Council

planners and building control, the Fire Officer and the Police (Secured by Design).

15.3 Further consultation will take place as part of the planning application process, which has recently started.

16. Recommendation

16.1 The Procurement Committee award the preconstruction contract to the Constructor Partner in appendix 18.2.

17. Use of Appendices / Tables / Photographs

17.1 Evaluation Matrix (18.1)

17.2 Recommended contractor and sum (18.2)

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