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## Cabinet Procurement Committee

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TUESDAY, 7TH JULY, 2009 at 18:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Bob Harris (Chair), Bevan, Kober and Reith

### **AGENDA**

**1. APOLOGIES FOR ABSENCE** (if any)

**2. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 14 below. New items of exempt business will be dealt with at item 23 below.

**3. DECLARATIONS OF INTEREST**

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

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

**4. MINUTES**

To confirm and sign the minutes of the meetings of the Procurement Committee held on 28 April, 14 May and 11 June 2009.

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

To consider any requests received in accordance with Standing Orders.

**6. SOCIAL CARE SPOT CONTRACTS (1ST APRIL 2008 - 31ST MARCH 2009)**

(Report of the Director of Adult, Culture and Community Services): To report the annual summary of Adult Services block contracts and spot contracts for the financial year 2008/09 together with a comparison with the previous financial year (2007/08).

**7. BOILER/MECHANICAL AND ELECTRICAL PLANNED PREVENTIVE MAINTENANCE CONTRACTS**

(Report of the Director of Corporate Resources): To seek approval to award a contract for the provision of boiler, mechanical and electrical planned maintenance across the operational building portfolio.

**8. REPLACEMENT OF THE WATER TREATMENT SYSTEM AT TOTTENHAM GREEN LEISURE CENTRE - WAIVER OF CONTRACT STANDING ORDERS**

(Report of the Director of Adult, Culture and Community Services): To seek a waiver from the tendering procedures set out in CSO 8.04 and approval to the award of the contract under CSO 11.01(b) for the replacement of the main components of the water treatment system at Tottenham Green Leisure Centre.

**9. PARKLAND WALK IMPROVEMENTS - PROJECT MANAGER APPOINTMENT**

(Report of the Director of Adult, Culture and Community Services): To seek a waiver of Contract Standing Order 6.04 in respect of the appointment of a Project Manager for the Parkland Walk Improvement Programme.

**10. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 PHASE NT11**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works relating to various properties known as Phase NT11 at St Pauls Road, St Marys Close, Vicarage Road, Hampden Road, Whitbread Close, Shelbourne Road, Romney Close, Altair Close, Trulock Road, Commonwealth Road, Worcester Avenue, Whitehall Street, High Road, White Hart Lane, Park Lane Close, Halefield Road, Hanbury Road, Scotland Green, Parkhurst Road, Sherringham Avenue, Thackeray Avenue, Kimberley Road, Dowsett Road, Bamburgh House, Bellingham House, Alnwick House and Hanbury Road N17 within the delivery of the Decent Homes Programme.

**11. WOOD GREEN DECENT HOMES PROGRAMME 2009/10 PHASE WG16**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works relating to various properties in the Wood Green Area known as WG16 at Henningham Road, Courtman Road, Roundway, Fryatt Road, Great Cambridge Road, Stockton Road, Warkworth Road and Spottons Grove N17 and Acacia House N22 within the delivery of the Decent Homes Programme.

**12. WOOD GREEN DECENT HOMES PROGRAMME 2009/10 - WG COMMERCE ROAD COMMUNITY CENTRE**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and wc facilities.

**13. STATUTORY GAS SAFETY CHECKS AND MAINTENANCE TO PRIVATE SECTOR LEASED PROPERTIES AND HOSTELS**

(Report of the Director of Urban Environment): To seek approval to the appointment of a contractor for a limited period to provide vital gas safety services while a full procurement exercise is undertaken. **To follow**

**14. NEW ITEMS OF URGENT BUSINESS**

To consider any items submitted at 2 above.

**15. EXCLUSION OF THE PRESS AND PUBLIC**

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

Note from the Head of Local Democracy and Member Services

The following item allows for consideration of exempt information in relation to items 7 - 13 which appear earlier on this agenda.

**16. BOILER/MECHANICAL AND ELECTRICAL PLANNED PREVENTIVE MAINTENANCE CONTRACTS**

(Report of the Director of Corporate Resources): To seek approval to award a contract for the provision of boiler, mechanical and electrical planned maintenance across the operational building portfolio.

**17. REPLACEMENT OF THE WATER TREATMENT SYSTEM AT TOTTENHAM GREEN LEISURE CENTRE - WAIVER OF CONTRACT STANDING ORDERS**

(Report of the Director of Adult, Culture and Community Services): To seek a waiver from the tendering procedures set out in CSO 8.04 and approval to the award of the contract under CSO 11.01(b) for the replacement of the main components of the water treatment system at Tottenham Green Leisure Centre.

**18. PARKLAND WALK IMPROVEMENTS PROGRAMME - PROJECT MANAGER APPOINTMENT**

(Report of the Director of Adult, Culture and Community Services): To seek a waiver of Contract Standing Order 6.04 in respect of the appointment of a Project Manager for the Parkland Walk Improvement Programme.

**19. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT11**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works relating to various properties known as Phase NT11 at St Pauls Road, St Marys Close, Vicarage Road, Hampden Road, Whitbread Close, Shelbourne Road, Romney Close, Altair Close, Trulock Road, Commonwealth Road, Worcester Avenue, Whitehall Street, High Road, White Hart Lane, Park Lane Close, Halefield Road, Hanbury Road, Scotland Green, Parkhurst Road, Sherringham Avenue, Thackeray Avenue, Kimberley Road, Dowsett Road, Bamburgh House, Bellingham House, Alnwick House and Hanbury Road N17 within the delivery of the Decent Homes Programme.

**20. WOOD GREEN DECENT HOMES PROGRAMME 2009/10 - PHASE WG16**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works relating to various properties in the Wood Green Area known as WG16 at Henningham Road, Courtman Road, Roundway, Fryatt Road, Great Cambridge Road, Stockton Road, Warkworth Road and Spottons Grove N17 and Acacia House N22 within the delivery of the Decent Homes Programme.

**21. WOOD GREEN DECENT HOMES PROGRAMME 2009/10 - WG COMMERCE ROAD COMMUNITY CENTRE**

(Report of the Director of Urban Environment): To seek approval to a detailed programme of works for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and wc facilities.

**22. STATUTORY GAS SAFETY CHECKS AND MAINTENANCE TO PRIVATE SECTOR LEASED PROPERTIES AND HOSTELS**

(Report of the Director of Urban Environment): To seek approval to the appointment of a contractor for a limited period to provide vital gas safety services while a full procurement exercise is undertaken. **To follow**

### **23. NEW ITEMS OF EXEMPT URGENT BUSINESS**

To consider any items admitted at 2 above.

Yuniea Semambo  
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and Member Services  
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29 June 2009

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**MINUTES OF THE CABINET PROCUREMENT COMMITTEE**  
**TUESDAY, 28 APRIL 2009**

Councillors \*Adje (Chair), \*Bevan, \*Kober and Reith

\*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC113.	<b>APOLOGIES FOR ABSENCE</b> (Agenda Item 1)  An apology for absence was submitted by Councillor Reith.	
PROC114.	<b>MINUTES</b> (Agenda Item 4)  <b>RESOLVED:</b>  That the minutes of the meetings held on 19 and 31 March 2009 be approved and signed.	HLDMS
PROC115.	<b>PROVISION OF SERVICES FOR HARINGEY YOUTH OFFENDING SERVICE - WAIVER OF REQUIREMENT TO TENDER</b> (Report of the Assistant Chief Executive – Policy, Performance, Partnerships and Communication) - Agenda Item 6)  We noted that the Intensive Supervision and Support Programmes were provided by the Council's Youth Offending Service as part of a consortium in conjunction with Barnet Council and Enfield Council. We were informed that the Haringey, Barnet and Enfield Intensive Supervision and Surveillance Programme (ISSP) had originally been commissioned from YAP UK but, after a tendering process in 2005/06, the contract had been awarded to NACRO in June 2006. As a result, there had been significant improvements in the services provided as outlined in the Youth Justice Board audit and a previous contract review.  In conjunction with the other authorities in the consortium it was proposed to waive the requirement to tender in order to ensure continuation of the ISSP service. The current contract was due to expire on 30 June 2009, and service provision would continue to be required. The market had been investigated and it had been ascertained that there was not a sufficient market existing to facilitate the use of a competitive process at the present time and the Council did not have the capacity or the infrastructure to provide an internal service.  It was anticipated that the funding for ISSP, which was currently provided by the Youth Justice Board, would not be ring-fenced to ISSP in the next financial year 2010/11 and consequently decisions would need to be taken by the ISSP officer steering group as to re-tendering for services in 2010.	

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	<p>Clarification having been sought on how the consortium would be able to re-tender the service next year as intended given the state of the market, we were advised that depending on funding consideration was being given to re-tendering as part of a larger consortium which might attract other potential providers or possible in-house provision across the consortium.</p> <p>Concern was expressed about the Service Finance Comments in the report in terms of their relationship to those of the Chief Financial Officer. Disquiet was also voiced about the absence of documentation confirming that the other authorities in the consortium approved the proposed course of action.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 7.3(d), approval be granted to a waiver of Contract Standing Order 6.05 (Requirement to Tender) for the provision of services for Haringey Youth Offending Services for children and young people who were subject to Intensive Supervision and Support Programmes on the grounds that it was in the Council's overall interest.</p>	ACE-PPPC
<b>PROC116.</b>	<p><b>PROVISION OF SERVICES FOR HARINGEY YOUTH OFFENDING SERVICE - AWARD OF CONTRACT</b> (Report of the Assistant Chief Executive – Policy, Performance, Partnerships and Communication) - Agenda Item 7)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the provision of services for Haringey Youth Offending Services for children and young people who were subject to Intensive Supervision and Support Programmes to NACRO for a period of 9 months from 1 July 2009 to 31 March 2010 in the sum specified in the Appendix to the interleaved report.</p>	ACE-PPPC
<b>PROC117.</b>	<p><b>WOOD GREEN DECENT HOMES PROGRAMME 2009/10 PHASE WG15</b> (Report of the Director of Urban Environment - Agenda Item 8)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the provision of an integrated satellite reception system</p>	



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	<p>would remove the need for satellite dishes and reduce damage to the building fabric. We also noted that this Phase of works did not include the installation of digital TV system because they were street properties and that any issues regarding digital changeover to street properties was the responsibility of the tenant to resolve. We asked that these matters be communicated to tenants by way of a letter.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for Phase WG15 of the Decent Homes Programme to Mulalley and Co. Ltd. on the terms and conditions set out in the Appendix to the interleaved report.</li> <li>2. That the Agreed Maximum Price excluding fees as set out in the Appendix to the interleaved report be noted.</li> </ol>	<p>DUE</p> <p>DUE</p>
<b>PROC118.</b>	<p><b>HIGHWAYS AND STREET LIGHTING 2009-13 - AWARD OF CONTRACT</b> (Report of the Director of Urban Environment - Agenda Item 9)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>Clarification was sought about the monitoring of contracts to ensure the quality of the work carried out and in this respect we were informed that the extension on the Contract would be dependent on the performance of the contractor. This would be based on Key Performance Indicators which would be monitored and calculated by the Council on a regular basis. It was anticipated that the Contract would evolve during the Contract Period through the negotiation of variations to ensure the contractor continued to deliver Best Value services to the Council.</p> <p>In response to a question about the inspection of work we were also informed that it was anticipated that virtually all planned work carried out in the operation of the Contract would be inspected by the Council's own staff as well as some reactive work which would otherwise be inspected by the contractor's staff.</p> <p>In response to a further question about penalty clauses and notice of termination we were advised that if the Council did have to intervene it would be able to reclaim costs incurred. The Council would be able to terminate the contract where the contractor was persistently or fundamentally in breach of his obligations subject to issuing a notice. The notice period was not specified but it would need to be reasonable notice in order to give the contractor the opportunity to meet the requirements.</p>	

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	<p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, in accordance with Contract Standing Order 11.03, approval be granted in principle to the award of the Lot 1 contract (Highways) to Volker Highways (Crowley). on the terms and conditions set out in the Appendix to the interleaved report.</li> <li>2. That, in accordance with Contract Standing Order 11.03, approval be granted in principle to the award of the Lot 2 contract (Street Lighting) to Volker Highways (Crowley). on the terms and conditions set out in the Appendix to the interleaved report.</li> <li>3. That authority to confirm the award of the contracts in 1 and 2 above to the recommended contractor on completion of the leaseholder consultation period be delegated to the Director of Urban Environment in consultation with the Cabinet Member for Environment and Conservation.</li> <li>4. That option for extending the contracts be reviewed including by market testing after two years and the results of that review be reported to the Procurement Committee prior to any extensions being awarded.</li> </ol>	<p>DUE</p> <p>DUE</p> <p>DUE</p> <p>DUE</p>
<b>PROC119.</b>	<p><b>REMOVAL AND RELOCATION OF OFFICE FURNITURE CONTRACT - EXTENSION OF CONTRACT</b> (Report of the Director of Corporate Resources - Agenda Item 10)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that approval was being sought to extend the current contract by 12 months and in response to a question, we were advised that the original cost rates from the 2004 contract were to be extended to the extra year. We were also advised that a survey of rates from other contractors had been sought which had showed that the rate was competitive and offered value for money. Concern was expressed that because the survey had been conducted by telephone or e-mail there was no way of corroborating the figures reported and we asked that in future officers ensure that proper documentation was used following consultation as necessary with the Head of Procurement.</p> <p>We also noted that the Service Financial Comments provided were based on spend over the previous two years and projected work over the next year and did not include details of the actual number of moves. We asked that details of the number of moves carried out as part of the contract be provided to Members of the Committee and included in the report on the result of the intended re-tendering exercise.</p>	<p>All to note</p> <p>DCR</p>

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	<p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Orders 11.03 and 13.02, approval be granted to the extension of the existing contract with G.W. Twilley &amp; Son for Removal and Relocation of Office Furniture for 12 months on the terms and conditions set out in the Appendix to the interleaved report.</p>	DCR
<b>PROC120.</b>	<p><b>ACCOMMODATION STRATEGY – OFFICE REFURBISHMENT</b>          (Report of Corporate Resources - Agenda Item 11)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the refurbishment of the former tenants' floors at River Park House to Mulalley &amp; Co. Ltd. on the terms and conditions set out in the Appendix to the interleaved report.</p>	DCR
<b>PROC121.</b>	<p><b>PROJECT AND PROGRAMME MANAGEMENT CONSULTANCY FRAMEWORK</b>          (Report of the Director of Corporate Resources - Agenda Item 12)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted under the OGC Functional Consultancy Agreement for Project and Programme Management Consultancy Services to the continuation of the call off arrangement with Qedis/Tribal up to 29 November 2009 on the terms and conditions set out in the Appendix to the interleaved report.</p>	DCR
<b>PROC122.</b>	<p><b>BUILDING SCHOOLS FOR THE FUTURE (BSF); AWARD OF THE PROGRAMME SUPPORT CONTRACT</b>          (Report of the Director of the Children and Young People's Service - Agenda Item 13)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p>	

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	<p>Arising from a question in connection with the transfer of functions occupied by consultants to Council staff, we were informed that at the present time there were three posts filled by contractor and consultant resources which could be converted to permanent positions. This process would continue and consultant and agency staff would be released as permanent staff were recruited.</p> <p>Clarification having been sought of the Chief Financial Officer's comments at paragraph 8.3, we were informed that these related to published data in relation to BSF projects across the country. However, because the Haringey BSF programme was not being delivered by way of a Local Education Partnership (LEP) it was difficult to establish whether the project management costs were comparable with other BSF projects. However, these costs were kept under review by the BSF Board and when last reviewed were considered to be both comparable and within the approved budget provision.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, in accordance with Contract Standing Order 11.03, approval be granted to the continued use of Qedis/Tribal for the provision of programme management support to the Building Schools for the Future, Primary and other Children and Young People Service capital programmes on the terms and conditions set out in the Appendix to the interleaved report.</li> <li>2. That approval be granted to proposed arrangement under which the transfer of staff on the remainder of the programme support function will be defined and completed during the second half of 2010.</li> <li>3. That it be noted that in order to protect the continuity of work on the programme the present programme support staff be continued from April 2009 to October 2010.</li> </ol>	<p>DCYPS</p> <p>DCYPS</p>
<p><b>PROC123.</b></p>	<p><b>BUILDING SCHOOLS FOR THE FUTURE (BSF) - AWARD OF THE CONSTRUCTION CONTRACT FOR ALEXANDRA PARK SCHOOL</b>          (Report of the Director of the Children and Young People's Service - Agenda Item 14)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>In welcoming the bullet pointed key impacts of the project in redressing inequalities as set out in paragraph 11.3, our Chair indicated that in future reports which involved an Equalities Impact Assessment he would expect them to be accompanied by comments on how these would be monitored and by whom and presented in such a way for it to be easy to assess if they had been implemented.</p>	

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	<p>With regard to the School's contribution of £181,300 from its 2009/10 Devolved Formula Budget, it was confirmed that this would be obtained in writing in a form of wording provided by the Head of Legal Services.</p> <p>In response to a question about use of contingencies, it was reported that while no formal approvals had yet been sought a number had been mooted. Any variations approved would be reported to the BSF Board and could be reported on to the Committee. The key message being communicated was that the Council was dealing with an overall programme rather than individual schools and that contingencies would be restricted to unforeseen costs only.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the design and build contract for Alexandra Park School following the completion of the pre-construction stage to Balfour Beatty on the terms and conditions set out in the Appendix to the interleaved report with a programme to complete by 10 May 2010.</li> <li>2. That spending on the contract be authorised up to the sum detailed in paragraph 16.1.2 of the Appendix with reference to the build up of this sum as outlined in paragraph 16.1.1 and subject to Alexandra Park School confirming the agreement of the Head Teacher and Governing Body to a contribution of £181,300 from its Devolved Formula grant budget in 2009/10.</li> </ol>	<p>DCYPS</p> <p>DCYPS</p>
<p><b>PROC124.</b></p>	<p><b>HIGHGATE CHILDREN CENTRE</b> (Report of the Director of the Children and Young People's Service - Agenda Item 15)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>It having been confirmed that the contract award recommended was made on the basis of lowest price only, clarification was sought of what arrangements would be made with regard to the monitoring of health and safety arrangements and why quality evaluation considerations had not been applied in the assessment of the tenders.</p> <p>Officers having indicated that a robust format of health and safety monitoring would be applied to the contract and that below a threshold of £500,000 only limited quality criteria were applied in tender evaluations, we asked that, as this was the first contract awarded to Diamond Build plc since their inclusion on the construction framework agreements, officers pay special attention to and bring back to the Committee a report on the monitoring arrangements put in place and on the application of quality evaluations in the assessment of tenders.</p>	<p>HPr</p>

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	<b>RESOLVED:</b>  That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the construction contract for alterations and refurbishment of Highgate Primary School to facilitate the provision of a Children's Centre to Diamond Build plc on the terms and conditions set out in the Appendix to the interleaved report.	DCYPS
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The meeting ended at 19.45 hours.

CHARLES ADJE  
Chair

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE**  
**THURSDAY, 14 MAY 2009**

Councillors Adje (Chair), Bevan, \*Kober and \*Reith

\*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
<b>PROC125</b>	<p><b>APOLOGIES FOR ABSENCE</b> (Agenda Item 1):</p> <p>Apologies for absence were submitted on behalf of Councillors Adje and Bevan. In the absence of Councillor Adje, Councillor Reith took the Chair.</p>	
<b>PROC126</b>	<p><b>BUILDING SCHOOLS FOR THE FUTURE: AWARD OF CONTRACT FOR ST THOMAS MORE CATHOLIC SCHOOL</b> (Report of the Director of the Children and Young People's Service - Agenda Item 4):</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that approval was sought to award the main works design and build contract for St Thomas More Catholic School following the completion of the Pre-Construction Stage.</p> <p>Reference was made to the possibility of the School receiving grant aid from the Locally Co-ordinated Voluntary Aided Programme and we were informed that the first call on any funds received from this source would be the Glendale block at the front of the School. A further report would be made to the Committee in this respect as necessary.</p> <p>We also noted as part of the contractual programme a number of activities were due to start during the school summer holiday period and clarification was sought of whether arrangements had been made to ensure that someone from the School or its administrators would be contactable during this period. Officers indicated that they would ensure that arrangements were in place and would provide confirmation to Committee Members.</p> <p>Reference was then made to the Equality Impact Assessment (EIA) Form and it was pointed out that the fourth bullet point under Section 2.4 (Factors (barriers) which might account for the above) read 'Religion' and should read 'Religion and Belief'. Also, the fifth bullet point referred to '2a' and should read '2.1'. Officers were asked to ensure that the correct template was used for the purpose of future EIA's.</p> <p><b>RESOLVED:</b></p> <p>1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the design and build contract for St. Thomas More Catholic School following the</p>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>

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	<p>completion of the pre-construction stage to Breyer Group plc on the terms and conditions set out in the Appendix to the interleaved report with a programme to complete by 5 November 2010.</p> <p>2. That spending on the contract be authorised up to the sum detailed in paragraph 16.1.2 of the Appendix with reference to the build up of this sum as outlined in paragraph 16.1.1.</p>	DCYPS
<b>PROC127</b>	<p><b>BUILDING SCHOOLS FOR THE FUTURE: AWARD OF CONTRACT FOR THE YOUNG PEOPLE'S CENTRE</b> (Report of the Director of the Children and Young People's Service - Agenda Item 5):</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that approval was sought to award the main works design and build contract for Young Peoples Centre following the completion of the Pre-Construction Stage.</p> <p>Clarification was sought of whether consideration had been given to the inclusion of voltage optimisation technology in the contract specification. Having been informed that such technology could result in significant energy savings and could be funded by way of a carbon trust loan we asked that officers check to ensure that it was included in the specification for this and all other BSF projects and to confirm this to Committee Members.</p> <p>Confirmation was also sought of the position with regard to professional fees on BSF projects and we were advised that the BSF Programme Director would be reporting on this matter to the BSF Board before the end of June 2009.</p> <p><b>RESOLVED:</b></p> <p>1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the design and build contract for the Young People's Centre following the completion of the pre-construction stage to Breyer Group plc on the terms and conditions set out in the Appendix to the interleaved report with a programme to complete by 12 February 2010.</p> <p>2. That spending on the contract be authorised up to the sum detailed in paragraph 16.1.2 of the Appendix with reference to the build up of this sum as outlined in paragraph 16.1.1.</p>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>

The meeting ended at 11.50 a.m.

LORNA REITH  
 In the Chair





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**MINUTES OF THE CABINET PROCUREMENT COMMITTEE**  
**THURSDAY, 11 JUNE 2009**

Councillors \*Bevan, \*Bob Harris and \*Reith

\*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC01.	<p><b>APPOINTMENT OF CHAIR</b> (Agenda Item 1)</p> <p><b>RESOLVED:</b></p> <p>That Councillor Reith be appointed Chair for the meeting.</p>	
PROC02.	<p><b>APOLOGIES FOR ABSENCE</b> (Agenda Item 2)</p> <p>An apology for absence was submitted by Councillor Kober. In submitting her apology Councillor Kober had nominated Councillor Bob Harris to act as substitute on her behalf.</p>	
PROC03.	<p><b>BUILDING SCHOOLS FOR THE FUTURE - AWARD OF THE CONSTRUCTION CONTRACT FOR HEARTLANDS HIGH SCHOOL</b> (Report of the Director of the Children and Young People's Service - Agenda Item 5):</p> <p>The Chair agreed to admit the report as urgent business. The report was late because of the need to ensure that the construction programme had every opportunity to meet the start on site date. The report was too urgent to wait for the next meeting because any potential delays in the programme could incur financial penalties and jeopardise the partial opening of the school in July 2010.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that following termination of the original PCA the Heartlands High School Building Schools for the Future project had been the subject of a single stage tendering process which had been used to ensure value for money and to identify the anticipated costs resulting from the procurement exercise. The arrangements made to ensure engagement of the community were also noted.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That, in accordance with Contract Standing Order 11.03 approval be granted to the award of the design and build contract for Highlands High School to Willmott Dixon on the terms and conditions set out in paragraph 16.1.6 with a programme of sectional completion and full completion as stated in paragraph 16.3. of the Appendix to the interleaved report</li> </ol>	DCYPS

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE**  
**THURSDAY, 11 JUNE 2009**

	<p>2. That approval also be granted to the total allowance including project contingency being included in the approved budget as specified in paragraph 16.1.7 of the Appendix to the interleaved report.</p>	DCYPS
<b>PROC04.</b>	<p><b>PROVISION OF CONSULTANCY SERVICES FOR BSF - PROGRAMME ACCOUNTANT</b> (Report of the Director of the Children and Young People's Service - Agenda Item 6):</p> <p>The Chair agreed to admit the report as urgent business. The report was late because of the need to complete necessary consultations. The report was too urgent to await the next meeting because of the need to avoid another contractual gap in July, as detailed in the report.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the Programme Accountant had originally been appointed in June 2007 and that in December 2007 a waiver of Contract Standing Orders had been agreed to enable the post holder to remain in place until 30 April 2008. While we also noted that it had now been possible to procure the services of a permanent successor through existing framework agreements with effect from 1 July 2009 we asked that our disquiet be recorded that it had not been until November 2008, more than 5 months after the expiry of the approved extension, that a report about conducting a compliant procurement exercise had been put into preparation and our concern that the report had not been completed until now which had resulted in such a large element of retrospective approval being required in the extension of the contract of the current Programme Accountant.</p> <p><b>RESOLVED:</b></p> <p>That, in accordance with Contract Standing Order 13.02, approval be granted to the extension of the contract for consultancy services for the Building Schools for the Future and capital programme accountant for the period 1 May 2008 to 30 June 2009 to Simon Wasternay on the terms and conditions set out in the Appendix to the interleaved report.</p>	DCYPS

LORNA REITH  
In the Chair

Agenda item:

**[No.]**

**Procurement Committee**

**On 7 July 2009**

Report Title: Social Care Spot Contracts (1<sup>st</sup> April 2008 – 31<sup>st</sup> March 2009)

Report of **Mun Thong Phung**  
**Director**  
**Adult, Culture and Community Services**

Signed :

Contact Officer : Margaret Allen: 020 8489 3719  
[margaret.allen@haringey.gov.uk](mailto:margaret.allen@haringey.gov.uk)

Wards(s) affected:

All

Report for:

Non Key Decision

## 1. Purpose of the report

1.1. This report is an information report for Cabinet Procurement Committee for information. It is prepared annually to provide Committee with a summary of block contracts and spot contracts for each financial year, comparing activity to the previous financial year. This report covers the financial year 2008/09, and compares to the previous financial year 2007/08

## 2. Introduction by Cabinet Member

2.1 The Cabinet Member for Adult Social Care and Well-being notes the increase in the value of spot contracts and the explanation as to why this has occurred.  
 2.2 The Cabinet Member also notes that this is likely to be an ongoing trend due to the implementation of the Government's Personalisation Agenda

<p><b>3 State link(s) with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>3.1 The Government's Personalisation Agenda will radically change the way in which services are commissioned to clients. These changes will almost certainly negate the need for Haringey to maintain the current level of block contracts</p> <p>3.2 The Council is required to have implemented the Personalisation Agenda by March 2011</p> <p>3.3 In delivering Adult Social Care, the role of the Council will change, from a commissioner of services on behalf of residents and/service users to one of ensuring the development of the market to be able to deliver services that service users will wish to purchase using their individual budgets. The Council's role will be to facilitate innovation and availability of services in the market, and support service users in making informed decisions about purchasing the care required to meet their individual needs, deliver good outcomes, and achieve value for money</p>
<p><b>4 Recommendations</b></p> <p>4.1 That Members note the contents of the report.</p>
<p><b>5 Reason for recommendation(s)</b></p> <p>5.1 The report is for Members information</p>
<p><b>6 Other options considered</b></p> <p>6.1 Not applicable</p>
<p><b>7 Summary</b></p> <p>7.1 Contracts for individuals are either 'block' contracts (where a set number of beds or places for services is provided by the contractor at a predetermined price to which the Council may refer users over the contract period), 'framework' contracts (with a predetermined price, which are similar to block contracts but with no guaranteed number of places) or 'spot' contracts (one off contracts meeting an individual's needs). Efforts are made to maximise the use of block and framework contracts where this represents best value for the Council.</p> <p>7.2 The Council is currently preparing to implement the Government's Personalisation Agenda by the required date of March 2011, which will include user led self assessment and support planning; developing a resource allocation system (linking user need to 'cash'); and individual budgets. This will have a direct impact on the Directorate's Commissioning Strategy and the use of block and spot contracts. The Department of Health has issued guidance to support the</p>

*Transformation of social care.* It covers:

- The history and policy context and future direction of a 'personalised approach to the delivery of adult social care'
- The proposed development of a programme to support social services authorities in delivering this approach covering the new way of working and the roles and responsibilities of national agencies as well as individual social services agencies
- The Social Care Reform Grant introduced in April 2008 to facilitate the transformation
- References to further information and toolkits to help achieve personalisation

### 7.3 Working in partnership towards prevention

7.3.1 The guidance emphasises the need to achieve the transformation of social care by working across boundaries to include services such as: housing, benefits, leisure, transport and health; and with partners from private, voluntary and community organisations 'to harness the capacity of the whole system'.

7.3.2 The aim is to ensure a strategic balance of investment in prevention services, which promote independence as well as providing intensive care and support for those with high-level complex needs.

7.3.3 The Joint Strategic Needs Assessment, the Local Performance Framework and Local Area Agreement are seen as fundamental to achieving the vision.

### 7.4 Timescale

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

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

7.6 The Directorate is currently reviewing options regards the Council's domiciliary care block contracts which have a contract end date of 31<sup>st</sup> March 2010. Market research has been undertaken, reviewing the approaches taken by other local authorities, to delivering transformed social care in preparation for the implementation of individual budgets. Initial indications are that some leading authorities (such as Croydon and Enfield) have already moved successfully away from block purchasing of care, investing in highly effective brokerage and monitoring systems that have maintained and pushed up quality, whilst containing or reducing costs. One Individual Budget pilot authority (West Sussex) has successfully implemented a contract framework that enables individual service users to enter into contracts directly with suppliers.

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

7.8 The table below shows that there has been an increase in the cost of spot contracts for the period covered by this report (a full list of the services is available at Appendix A):

<b>Summary : Adults &amp; Older People Spot Contracts</b>	<b>2008/2009</b>	<b>2007/2008</b>	<b>Change</b>	<b>%</b>
<b>Spot Nos</b>	1073	1123	-50	-4.45
<b>Value £</b>	£25,581,519	£24,074,500	£1,507,019	6.26

7.9 As the table shows, the number of spot contracts across the range of adult social care provision has decreased (by 4.45%), however the cost of the spot contracts has increased by £1.5 million (an increase of 6.26%).

7.10 It should be noted that all service providers were awarded a 2% inflationary uplift from 1<sup>st</sup> April 2009. This accounts for £500k of additional expenditure across spot contracted care packages and placements

7.11 The key areas of change are as follows:

7.11.1 An increase in supported living placements across Learning Disabilities and Mental Health.

7.11.2 An increase in cost of day care provision across Learning Disabilities and Mental Health

7.11.3 More complex home care provision in Learning Disabilities Services to maintain clients in the community

7.11.4 An increase in spot purchase of mental health residential. The primary reason for this, is due to a fire at a private residential home in August 2008, with whom the Council had a block contract, resulting in the transfer of 7 service users to alternate residential care. The new placements for these service users are spot contracts.

7.11.5 A number of high need placements in, physical disabilities, mental health and learning disabilities were made during the 2007/08 financial year (20 in total), resulting in a part year effect only in 2007/08. The full year effect of these high need placements is reflected in the 2008/09 expenditure, and accounts for an additional £936k. It should be noted that of these 20 placements, seven are fully recharged to NHS Haringey, and one is jointly funded.

## **8 Chief Financial Officer Comments**



- 8.1 This report shows a decrease in the number of spot contracts but an increase in the average cost per annum. The largest area of cost increase is in residential and nursing spot placements although there has been an decrease in client numbers. This is in line with current policy to reduce the number of clients in residential care by maintaining support for service users within the community as far as possible. As a result we would expect to see an increase in the unit cost of spot purchased residential/nursing placements as service users do not enter this type of service until their condition dictates it's necessity. In addition, there will also be an increase in the cost per client for community based services as shown here under day services.
- 8.2 Whilst activity and costs are in line with expectations Adults Services must continue to ensure that block contracts and Inhouse residential and nursing capacity are fully utilised prior to new spot contracts being considered and must make use of benchmarking information to ensure that these services continue to prove good value for money.

## **9 Head of Legal Services Comments**

- 9.1 The Head of Legal Services notes the contents of the report.
- 9.2 The services which are the subject of this report are not subject to the full application of the Public Contracts Regulations 2006, so there is no requirement to follow a European tendering exercise.
- 9.3 In addition, Contract Standing Order 6.13 (b) confirms that "spot" contracts are not subject to the Council's tendering requirements contained in Contract Standing Orders 8 to 11.
- 9.4 Contract Standing Order 6.13 ( c ) confirms that the Directors of the Adults, Culture and Community Services and the Children and Young People's Service may award all spot contracts, which shall be reviewed at least annually as part of the review of whether the service provided continues to meet the needs of the service user.
- 9.5 There is a requirement in Contract Standing Order 6.13 (d) for the Director of Adults, Culture and Community Services to submit reports to the Cabinet Procurement Committee detailing the nature, extent and value of spot contracts entered into by the Directorate
- 9.6 For the avoidance of doubt all Contract Standing Orders apply to "block" contracts

## **10 Head of Procurement Comments**

- 10.1 The report shows that of 13 London Authorities the rates paid by Haringey are among the top three in terms of Value for Money.

<p>10.2 The personalisation agenda will continue to reduce the number of Block contracts commissioned by the council as individuals decide upon their own services and this will need to be managed to continue to achieve Value for Money.</p>
<p><b>11 Equalities and Community Cohesion Comments</b></p> <p>11.1 Not applicable</p>
<p><b>12 Consultation</b></p> <p>12.1 Not applicable</p>
<p><b>13 Service Financial Comments</b></p> <p>13.1 Robust financial forecasting is forming a major part of the Council's preparation for the implementation of the Government's personalisation agenda, in particular with the development of a Resource Allocation System.</p> <p>13.2 A value for money review in Learning Disabilities Services was undertaken in 2008/09, and AD Commissioning &amp; Strategy is currently meeting with providers to implement pricing reductions. A further value for money review is planned in mental health in 2009/10</p> <p>13.3 Budget call-overs will continue to focus on ensuring value for money in purchasing/commissioning activity, with Heads of Service working to robust action plans in delivering balanced budget</p>
<p><b>13 Use of appendices /Tables and photographs</b></p> <p>13.1 Appendix A – Benchmark Table</p> <p>13.2 Appendix B – Comparison between volume/spot contracts in 2007/2008 and 2008/09</p>
<p><b>14 Local Government (Access to Information) Act 1985</b></p> <p>14.1 Not applicable</p>

## APPENDIX A – Benchmark table (2008/09)

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

Barnet					S
Bromley	£385 (min) (shared) £420 (max)	£570 (min) (shared) £590 (max)	£450 (max)	£590 (max)	S
Hackney					
Hillingdon	£461 (max)	£614 (max)		£635 (max)	
Kingston upon Thames	£390 (min) £402 (max)	£507 (min) £537 (max)	£437 (min) £437 (max)	£580 (min) £650 (max)	S
Lambeth					
Lewisham					
Merton					
Sutton	£406 (max)	£550 (max)	£419 (max)	£574 (max)	
Waltham Forest	£464 (max)	£680 (max)	£590 (max)	£680 (max)	S
Wandsworth	£405 (min) £540 (max)	£562 (min) £649 (max)	£481 (min) £540 (max)	£581 (min) £675 (max)	S
Haringey	£430 (max)	£564 (max)	£482 (max)	£615 (max)	S

Eligibility Criteria Key:

L	Low
M	Moderate
S	Substantial
C	Critical:

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

## Appendix B – COMPARISON BETWEEN VOLUME/COST OF SPOT CONTRACTS 2007/08 & 2008/09

Service 2007/08	Data	Total
<b>(a) Miscellaneous service type</b>		
Adult placement scheme	No. of clients	12
	Expenditure 2007-08	£158,157
Hostels and other temporary accommodation- adult	No. of clients	3
	Expenditure 2007-08	£14,903
Counselling	No. of clients	6
	Expenditure 2007-08	£9,965
Other professional support	No. of clients	6
	Expenditure 2007-08	£31,790
Support Worker	No. of clients	4
	Expenditure 2007-08	£28,589
Supported housing	No. of clients	3
	Expenditure 2007-08	£43,008
Learning Disability Supported Housing	No. of clients	5
	Expenditure 2007-08	£191,135
Mental Health Supported Housing	No. of clients	5
	Expenditure 2007-08	£32,526
Training College	No. of clients	7
	Expenditure 2007-08	£347,173
Not applicable in 2007/08		
<b>TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE)</b>		<b>53</b>
<b>SUM OF MISCELLANEOUS (SPOT PURCHASE)</b>		<b>£860,039</b>

Service 2008/09	Data	Total
Adult placement scheme	No. of clients	5
	Expenditure 2008-09	£92,558
Hostels and other temporary accommodation- adult	No. of clients	4
	Expenditure 2008-09	£11,310
Counselling	No. of clients	2
	Expenditure 2008-09	£903
Other professional support	No. of clients	4
	Expenditure 2008-09	£9,707
Support Worker	No. of clients	8
	Expenditure 2008-09	£69,760
Supported housing	No. of clients	1
	Expenditure 2008-09	£3,746
Learning Disability Supported Housing	No. of clients	17
	Expenditure 2008-09	£306,989
Mental Health Supported Housing	No. of clients	10
	Expenditure 2008-09	£150,522
Training College	No. of clients	7
	Expenditure 2008-09	£473,335
Independent Living Scheme	No. of clients	1
	Expenditure 2008-09	£22,299
<b>TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE)</b>		<b>59</b>
<b>SUM OF MISCELLANEOUS (SPOT PURCHASE)</b>		<b>£1,141,129</b>

Service 2007/08	Data	Total
<b>(b) Day Care</b>		
LD Day Care	No. of clients	66
	Expenditure 2007-08	£945,286
MH Day Care	No. of clients	8
	Expenditure 2007-08	£25,784
OP Day Care	No. of clients	102
	Expenditure 2007-08	£290,755
PD Day Care	No. of clients	16
	Expenditure 2007-08	£72,562
Substance Misuse Day Care	No. of clients	21
	Expenditure 2007-08	£43,971
<b>TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE)</b>		<b>213</b>
<b>SUM OF DAY CARE USERS (SPOT PURCHASE)</b>		<b>£1,378,357</b>

Service 2008/09	Data	Total
LD Day Care	No. of clients	68
	Expenditure 2008-09	£1,012,427
MH Day Care	No. of clients	11
	Expenditure 2008-09	£42,083
OP Day Care	No. of clients	77
	Expenditure 2008-09	£256,779
PD Day Care	No. of clients	16
	Expenditure 2008-09	£83,790
Substance Misuse Day Care	No. of clients	13
	Expenditure 2008-09	£35,778
<b>TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE)</b>		<b>185</b>
<b>SUM OF DAY CARE USERS (SPOT PURCHASE)</b>		<b>£1,430,857</b>

Service 2007/08	Data	Total
<b>(c) Home Care</b>		
LD Home Care	No. of clients	4
	Expenditure 2007-08	£74,340
MH Home Care	No. of clients	1
	Expenditure 2007-08	£13,015
OP Home Care	No. of clients	6
	Expenditure 2007-08	£72,576
PD Home Care	No. of clients	5
	Expenditure 2007-08	£192,205

Service 2008/09	Data	Total
LD Home Care	No. of clients	4
	Expenditure 2008-09	£150,160
MH Home Care	No. of clients	2
	Expenditure 2008-09	£14,249
OP Home Care	No. of clients	8
	Expenditure 2008-09	£69,476
PD Home Care	No. of clients	3
	Expenditure 2008-09	£83,188

<b>TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE)</b>	<b>16</b>
<b>SUM OF HOME CARE USERS (SPOT PURCHASE)</b>	<b>£352,136</b>

<b>TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE)</b>	<b>17</b>
<b>SUM OF HOME CARE USERS (SPOT PURCHASE)</b>	<b>£317,073</b>

<b>Service 2007/08</b>	<b>Data</b>	<b>Total</b>
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**(d) Care home placements**

LD Nursing Home	No. of clients	12
	Expenditure 2007-08	£984,242
LD Residential Care	No. of clients	150
	Expenditure 2007-08	£8,179,274
LD Residential respite	No. of clients	6
	Expenditure 2007-08	£126,508
MH Nursing Home	No. of clients	12
	Expenditure 2007-08	£300,921
MH Nursing respite	No. of clients	1
	Expenditure 2007-08	£1,080
MH Residential Care	No. of clients	134
	Expenditure 2007-08	£3,656,724
OP Nursing Home	No. of clients	82
	Expenditure 2007-08	£1,699,842
OP Nursing respite	No. of clients	4
	Expenditure 2007-08	£9,793
OP Residential Care	No. of clients	285
	Expenditure 2007-08	£4,794,492
OP Residential respite	No. of clients	26
	Expenditure 2007-08	£40,142
PD Nursing Home	No. of clients	23
	Expenditure 2007-08	£553,627
PD Nursing respite	No. of clients	5
	Expenditure 2007-08	£36,631

<b>Service 2008/09</b>	<b>Data</b>	<b>Total</b>
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LD Nursing Home	No. of clients	10
	Expenditure 2008-09	£1,164,789
LD Residential Care	No. of clients	156
	Expenditure 2008-09	£8,697,197
LD Residential respite	No. of clients	3
	Expenditure 2008-09	£67,316
MH Nursing Home	No. of clients	10
	Expenditure 2008-09	£369,316
Not applicable in 2008/09		
MH Residential Care	No. of clients	146
	Expenditure 2008-09	£4,714,361
OP Nursing Home	No. of clients	65
	Expenditure 2008-09	£1,415,650
OP Nursing respite	No. of clients	3
	Expenditure 2008-09	£3,208
OP Residential Care	No. of clients	273
	Expenditure 2008-09	£4,800,502
OP Residential respite	No. of clients	19
	Expenditure 2008-09	£27,297
PD Nursing Home	No. of clients	17
	Expenditure 2008-09	£506,878
PD Nursing respite	No. of clients	3
	Expenditure 2008-09	£20,136

PD Residential Care	No. of clients	24
	Expenditure 2007-08	£672,467
PD Residential respite	No. of clients	19
	Expenditure 2007-08	£109,152
Substance Misuse Residential	No. of clients	2
	Expenditure 2007-08	£21,792
Substance Misuse Respite	No. of clients	56
	Expenditure 2007-08	£297,281
<b>TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE)</b>		<b>841</b>
<b>SUM OF CARE HOME USERS (SPOT PURCHASE)</b>		<b>£21,483,968</b>

PD Residential Care	No. of clients	19
	Expenditure 2008-09	£619,819
PD Residential respite	No. of clients	18
	Expenditure 2008-09	£32,355
Substance Misuse Residential	No. of clients	5
	Expenditure 2008-09	£26,831
Substance Misuse Respite	No. of clients	65
	Expenditure 2008-09	£226,803
<b>TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE)</b>		<b>812</b>
<b>SUM OF CARE HOME USERS (SPOT PURCHASE)</b>		<b>£22,692,461</b>

(e) summary

Service 2007/08	Data	Total
	Total No. of clients	1,123
	Total Expenditure 2007-08	£24,074,500

Unit cost per client	Service 2008/09	Data
	Total No. of clients	1,073
	Total Expenditure 2008-09	25,581,519





Haringey Council

Agenda item:

**[No.]****Cabinet Procurement Committee****On 7th July 2009**

Report Title. **Boiler / Mechanical and Electrical Planned Preventative Maintenance Contracts.**

Report of **Julie Parker, Director of Corporate Resources**

Signed : *J. Parker 29/6/09*

Contact Officer : **Malcolm Greaves, Corporate Landlord Manager**

Wards(s) affected: **ALL**

Report for: **Key Decision**

**1. Purpose of the report**

1.1. To seek Members agreement to award a contract for the provision of boiler, mechanical and electrical planned maintenance across the operational building portfolio as identified in Appendix A of this report.

**2. Introduction by Cabinet Member (if necessary)**

2.1. I note the contents of the report

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

3.1. On the 2nd September 2008 the Cabinet Procurement Committee approved the award of a contract for a Managing Agent to coordinate and manage an integrated programme of reactive and planned Maintenance across the operational building portfolio.

3.2. The objective of this appointment was to improve the way in which building maintenance services are planned, prioritised and delivered across the operational building portfolio.

The key objectives were to:-

- Achieve an improved economy of scale with a 5% target cost saving in the first year over the current contractual arrangements.
- Improve the planned to reactive maintenance ratio to 70:30 in terms of spend (currently 50:50) to derive costs savings and building efficiencies.
- Deliver improved quality of service and levels of customer satisfaction by the implementation of an integrated contract.

3.3. The award of this contract for the Boiler Mechanical and Electrical Planned Maintenance completes the implementation of this approved maintenance procurement strategy

#### **4. Recommendations**

4.1. That approval is granted to award both Lot 1 boiler maintenance and Lot 2 mechanical and electrical systems maintenance in a single contract for a period of 2 years, with the option to extend by a further two 1-year periods in accordance with Contract Standing Order (CSO) 11.03, to the contractor named in paragraph 1 of Appendix A

4.2. That the contracts be awarded based on the pricing arrangements set out in paragraph 1 Appendix A of this report

#### **5. Reason for recommendation(s)**

##### **Background**

5.1. On the 2<sup>nd</sup> September 2008 the Cabinet Procurement Committee approved paper V74/25 for the award of a contract for a Managing Agent to be appointed to deliver planned and reactive maintenance services across the operational building portfolio. A review of planned contracts was completed, optimising fourteen contracts down to seven.

5.2. Cabinet Procurement Committee on 31<sup>st</sup> March 2009 approved the award of a contract for Boiler Mechanical and Electrical maintenance as one of three planned maintenance contracts.

5.3. In accordance with OJEU procedures the award was then challenged by an unsuccessful contractor pertaining to the evaluation process. Corporate Property Services supported by Corporate Procurement and Legal Services reviewed the process and concluded it was not fully compliant with EU case law as set out in the Public Contracts Regulations 2006 and associated case law.

5.4. The tender documentation was accordingly revised and reissued.

5.5. The contract period has been selected to ensure a balance of investment, payback

period and a review date to coincide with the expiry of the Managing Agent contract. It is considered that going for a two year contract will provide greater flexibility to derive further efficiency improvements once optimised maintenance systems are in place as these combine a number of previously separate contracts.

- 5.6. The Boiler mechanical and electrical procurement opportunity was advertised in accordance with the Haringey standing orders and OJEU requirements. Tenders received were evaluated and scored in accordance with a predetermined detailed scoring matrix, issued to tenderers.
- 5.7. As this tender combined previously separate contracts the Boilers and Mechanical & Electrical tender comprised two lots to provide a contingent flexibility in award. Contractors were invited to price lots separately and offer a discount if awarded both lots.

#### **Boilers- Lot 1**

- 5.8. This contract was advertised for a two year period with the option to extend for a further two one year periods. 30 expressions of interest were received and 10 Pre-qualification Questionnaires (PQQ) submitted. Of those 6 were selected to tender and 5 tenders were submitted and evaluated against predetermined criteria with the results indicated in Appendix A.

#### **Mechanical & Electrical Lot 2**

- 5.9. This contract was advertised for a two year period with the option to extend for a further two one year periods. 30 expressions of interest were received and 8 Pre-qualification Questionnaires (PQQ) submitted. Of those 6 were selected to tender and 5 tenders were submitted and evaluated against predetermined criteria with the results indicated in Appendix A.
- 5.10. Tenders were evaluated using the criteria of 60% quality and 40% price assessment. The quality evaluation was based on a written submission. It is recommended that award of the discounted combined lots 1 and 2 be to the tenderer referred to in paragraph 1 of Appendix A, as the tenderer submitting the most economically advantageous tender.
- 5.11. It is recommended that lots 1 and 2 are let in one single contract as this provides the best value for money and the greatest opportunity to realise savings over the life of the contract by further economies of scale.
- 5.12. Appendix A Exempt information of this report details the tender values, analysis of the tenders and resultant scores.

#### **Sustainability**

- 5.13. The contractors' pre-qualification submissions required a response and evidence of their commitment to addressing sustainability improvements. The contractors named in Appendix A have demonstrated this throughout the evaluation process, including delivery methods, material selection, innovation and areas such as waste reduction and disposal.
- 5.14. The contracts will ensure effective management of planned and preventative maintenance which optimises the life and performance of assets. Replacement of assets will be programmed to reduce inefficient reactive processes.

## **Risks**

- 5.15. The procurement process has been very detailed and thorough to ensure that the selected contractor has sufficient capacity and capability to manage and deliver these contracts. If the contractor should under-perform to such an extent that contract termination is necessary; the Construction Procurement Group's framework agreements could provide short-term, interim continuity of service.

## **Legal Implications**

- 5.16. TUPE issues have been addressed with our incumbent suppliers and the following potential posts have been identified for transfer to the new providers:-

- Purdy 2 posts.
- Nationwide 1 post

This information has been communicated to all the relevant parties and taken into consideration in the bids received by tenderers.

## **Contract Implementation**

- 5.17. Subject to the approval of these recommendations the contract will be awarded by Haringey to the contractor named in Appendix A and managed by our appointed Managing Agent. It is anticipated that this contract will be operational from 1<sup>st</sup> September 2009 and during this transitional period temporary arrangements have been made with our existing suppliers to ensure a seamless handover and continuity of service.

## **6. Other options considered**

- 6.1. The option strategies were reviewed in the paper V74/25 submitted to the 2nd September 2008 Cabinet Procurement Committee.
- 6.2. At this meeting the appointment of a Managing Agent to coordinate and manage the integrated programme of reactive and planned Maintenance across the operational building portfolio was approved.
- 6.3. The award of these contracts for the Boiler Mechanical and Electrical Planned Maintenance Works completes the implementation of the approved maintenance strategy

## **7. Summary**

- 7.1. This report seeks the approval of the Cabinet Procurement Committee for the award of the contracts to the company named in paragraph 1 of Appendix A.
- 7.2. The contract will be performance managed on behalf of Haringey by our appointed Managing Agent, Europa Services in accordance with the contract KPI's.
- 7.3. The contracts will provide Boiler Mechanical and Electrical planned maintenance to

the Council's Operational Building portfolio.

## 8. Chief Financial Officer Comments

- 8.1 The Chief Financial Officer confirms the level of budget available for corporate property maintenance as stated in paragraph 13.3 and is satisfied that the proposed contractor is financially viable having been assessed against Haringey's criteria. Once let, the contracts will be managed by the Council's managing agent Europa the cost of which was built into the contract let with them in September 2008.
- 8.2 As highlighted in paragraph 13.1, the contract should deliver reduced unit costs for planned activity, reduced reactive maintenance and therefore increased value for money.

## 9. Head of Legal Services Comments

- 9.1. This report is recommending the award of two lots of work together in one service contract valued in excess of the current EU services threshold of £139,393. As such full EU procurement rules are applicable.
- 9.2. The contract has been tendered in accordance with EU procurement rules and Contract Standing Orders (CSO). An OJEU notice was issued and the contract was tendered using the restricted procedure.
- 9.3. As noted in paragraph 5.2 above, Members previously approved the award of this contract on 31<sup>st</sup> March 2009. However during the 10-day EU mandated standstill period preceding conclusion of the contract, Legal Services was notified of a challenge to the award by one of the tenderers. The basis for the challenge was reviewed by Corporate Property Services together with Corporate Procurement with advice from Legal Services. The conclusion was that the original evaluation process was not fully compliant with EU rules. However it was open to the Council to remedy this by reissuing to the short-listed parties revised invitations to tender which ensured full compliance.
- 9.4. Based on the rerun, more robust tender process, the contractor indicated in paragraph 1 of Appendix A has been recommended for award of the combined contract on the basis that it submitted the combination of tenders for the lots that together represent the Most Economically Advantageous tender. This is in accordance with CSO 11.01(b). Under CSO 11.01 an award may be made either on this basis or on the basis of the lowest price.
- 9.5. The contract value for the combined Boilers and M&E contract exceeds £250,000. As a result the proposed award must be approved by Members in accordance with CSO 11.03 which says that the Cabinet must award all contracts over this value.
- 9.6. The award of these contracts is treated as part of the Managing Agent procurement which is a key decision. A key decision is required by CSO 11.04 to be included in the Council's Forward Plan. Corporate Property Services have confirmed that the contract covered by this report is included in the Forward Plan.

9.7. The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in paragraph 4 of this report.

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

- 10.1. The Cabinet Procurement Committee on 31<sup>st</sup> March 2009 approved the award of the Boiler Mechanical and Electrical contract as one of three planned maintenance contracts subsequently in accordance with OJEU procedures the award was then challenged by an unsuccessful contractor pertaining to the evaluation process. It was concluded it was not fully compliant with EU law as set out in the Public Procurement Regulations 2006 and subsequent associated case law.
- 10.2. Following consideration of the challenge, the Boiler Mechanical and Electrical evaluation model was re-issued for clarification to the original tenderers following a review of the original document and evaluation process by the Construction Procurement Group and Legal Services along with Property Services.
- 10.3. Tenders were then evaluated using the criteria of 60% quality and 40% price assessment.
- 10.4. The Head of Procurement supports the recommendation that the award should be for the discounted combined lots 1 and 2 to the tenderer referred to in Appendix A, as the tenderer submitting the most economically advantageous tender following the price/ quality evaluation process.

## **11. Equalities &Community Cohesion Comments**

- 11.1. The Council's Equal Opportunities policies have been embedded into the tender specification and contractors' policies and procedures have been reviewed during the pre-qualification stages for compliance with Haringey's standards.
- 11.2. An equalities Impact Assessment has been completed for the contracts after the quality assessment process and considered the impact of the proposed contracts on the employment of local labour. This is partly addressed through the transfer of up to three operatives from existing contractors and the recommended contractor operates within the local area.

## **12. Consultation**

- 12.1. This report relates to previously agreed policy at which time full consultation took place with stakeholders.
- 12.2. The incumbent suppliers have all been formally notified. TUPE implications have been fully considered and incorporated into the tender specifications.

## **13. Service Financial Comments**

- 13.1. The specification for this contract has been drafted to include an inspection and planned maintenance regime in line with legislative and best practice requirements.

This represents an increase in such activity to maintain and prolong the life of assets, whilst reducing failure and reactive repairs. The packaging of works means we will improve efficiency and be able to reduce the reactive element over time. As well as improved value for money this will result in reduced unit costs for planned activities.

13.2. The MA will be paid a percentage management fee based on the value of works completed. This will be lower than the fees previously incurred on planned maintenance.

13.3. A corporate maintenance revenue budget of £1,582K is available within Corporate Property Services of which approximately £300k is allocated for the boiler mechanical and electrical planned maintenance contracts.

13.4. All applicants to the procurement process have been financially assessed using the Council's criteria for financial viability and those recommended have satisfied Haringey's requirements.

#### 14. Use of appendices /Tables and photographs

Appendix A Exempt information of this report details the analysis of the tenders.

#### 15. Local Government (Access to Information) Act 1985

15.1. The following approved papers were used in the preparation of this report:-

- Cabinet Procurement Committee report approved on the 27<sup>th</sup> November 2007, entitled "**Reactive and Planned Maintenance Contracts for the Operational Building Portfolio managed by Corporate Property Services**".
- Cabinet Procurement Committee report approved on the 2<sup>nd</sup> September 2008, entitled **Contract for a Managing Agent Role to Coordinate and Manage an Integrated Programme of Reactive and Planned Maintenance for the Operational Building Portfolio**
- Cabinet Procurement Committee report approved on the 31<sup>st</sup> March 2009 entitled **Contracts for Planned Maintenance**.

15.2. This report contains exempt and non-exempt information. The exempt information is exempt under the following category (identified in the amended schedule 12A of the Local Government Act 1972: s. (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

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Haringey Council

**[No.]**

Agenda item:

**PROCUREMENT COMMITTEE**On 7<sup>th</sup> July 2009

Report Title: Replacement of the water treatment system at Tottenham Green Leisure Centre-waiver of CSO 8.04 and award of contract under CSO 7.03 (a)

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

Signed : \_\_\_\_\_

Contact Officer : Andy Briggs – Head of Sport & Leisure  
Tel: 0208 489 5310 email: andy.briggs@haringey.gov.uk

Wards(s) affected: **Tottenham Green**

Report for: **Non Key Decision**

### 1. Purpose of the report

To seek a waiver from the tendering procedures set out in CSO 8.04 and approval for the award of the contract under CSO 11.01(b) to the Contractor as detailed in the exempt section of this report for the replacement of the main components of the water treatment system at Tottenham Green Leisure Centre.

### 2. Introduction by Cabinet Member (if necessary)

2.1 This is an innovative and groundbreaking project, which will not only replace and improve the quality of Tottenham Green Leisure Centre's swimming pool filtration systems, but will also make a positive impact on reducing energy utilisation and carbon emissions at the same time, while setting a new standard for future filtration upgrades over coming years.

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

3.1 This report specifically relates to the Council aim of Making Haringey one of London's Greenest Boroughs, and therefore also the Council's Greenest Borough Strategy and in particular the reduction of carbon emissions.

3.2 The report will also support the Council aim of "*Delivering excellent; customer focused and cost efficient service's*" specifically in relation to the potential utility cost

savings that this project will deliver.

#### **4. Recommendations**

- 4.1 That Members agree a waiver of CSO 8.04
- 4.2 That the tender in the sum as detailed in the exempt section of this report, with a construction period of 10 weeks be accepted. This figure being based upon the work commencing in December 2009 and being completed by March 2010.
- 4.3 That the total estimated cost (including fees and estimated contingencies) be noted as per the exempt section of this report.

#### **5. Reason for recommendation(s)**

- 5.1 Tottenham Green Leisure Centres filtration refurbishment/replacement is planned within the current Capital programme (Sport and Leisure Investment Programme – SLIP).
- 5.2 Due to the specialist nature of the works, CSO 8.04 was not followed following discussion with Corporate Procurement due to none of the options within CSO 8.04 being applicable to the tender process. The Council does not hold an approved supplier list for the specialist work in question and therefore it was agreed with Corporate Procurement to invite specialist companies to tender for the work
- 5.3 This contract will impact significantly on the Council's Carbon Footprint. The impact assessment in Appendix One details the advantages of the option to replace the plant versus refurbishment of the existing filtration system. The resultant lowering of carbon emissions will be of benefit to both the local and the global environment. It is calculated that this project will reduce Carbon Dioxide output by approximately 64,500 Kg per year.
- 5.4 Attenuation of the emission of carbon compounds will contribute strongly towards the Council's commitment to its Greenest Borough policy to tackle climate change.
- 5.5 Tottenham Green Leisure Centre will benefit from a large reduction in its primary energy consumption and its carbon emissions.

## 5.6 Tabulated Comparison of the two options considered

Filtration System Option	Capital Cost	Revenue Costs (£ per Year)	Life Expectancy	Carbon Dioxide Emissions (Kg per Year)
Traditional Sand (Existing)	243,598	39,216	7 Years	87,724
Regerative (Proposed)	400,172	9,114	20 Years	23,212
<b>Savings</b>	-	<b>30,102</b>		<b>64,512</b>

## 6. Other options considered

- 6.1 Not taking any action on this matter would result in the centre's wet sports facility closing within a few years due to complete failure of the plant and deterioration in water quality.
- 6.2 The recommendations include all of the work required to bring the Centre's water conditioning system up to the standards required and the phased de-commissioning and removal of the existing water filtration, sterilisation and pool water heating systems.

Consideration was given to two options in this procurement exercise:

- A Substantial Refurbishment of the existing filtration system to bring its performance back to that of the system when new. An extended life in the order of 7 years could be expected.
- B Total replacement of the existing filtration system. It was proposed to include in the procurement exercise an option to completely replace the water treatment system with one based on low- energy filtration technology.

## 7. Summary

- 7.1 In 2007/8 the Council agreed a capital allocation of £2.6m for the Sport & Leisure Investment Project (SLIP) which detailed improvement and upgrade to frontline services and refurbishment and replacement of behind the scene mechanical and electrical infrastructure.
- 7.2 Within the mechanical refurbishment and replacement plan was Tottenham Green Leisure Centre's filtration replacement, which had not been refurbished since the centre opened in 1991 and was considered towards the end of its practical life and therefore becoming less efficient in its operation.
- 7.3 The need for refurbishment or replacement was first identified by WS Atkins surveys in 2000 and revision/update to those surveys in 2005 by Frankhams Consultancy and more recently advice from the Homes for Haringey (HFH)

project management consultant, who is supporting the refurbishment and replacement of mechanical and electrical infrastructure.

- 7.4 One of the principal aims of the brief given to the HFH project manager was to specify and procure a solution which would have the maximum impact on Tottenham Green's Carbon footprint. Tottenham Green is one of the largest users of energy and water in the borough, the centre has many opportunities to reduce its carbon output while still providing the community with the facilities now available.
- 7.5 The replacement of Tottenham Green's filtration is one area in particular, which will benefit enormously from relatively new technology in the field of water filtration and treatment. The recommendations in this report are based on this technology. A full description and Impact Assessment appear in the Appendices.
- 7.6 The regenerative filtration system known as Defender is new to UK and Europe, although largely used in the United States with over 700 installations. There is a growing interest in the UK and Europe because of the benefits in quality of swimming pool water and supporting energy/utility cost savings.
- 7.7 As part of assessing the risk of being the only UK installation, officers from the council visited an installation in Kilkenny, Ireland to see and test its suggested benefits. The resulting views were then reported back with the proposal to the councils Utilities Management Board and Leading by Example project group in order to ensure the proposal had been suitably debated and challenged.
- 7.8 The combined operational and environmental benefits of Option B – 'Replacement by regenerative filter technology' are attractive as a long-term investment.

The work in the proposed contract includes:

- Preparatory Works to eliminate the need for pool closures during the substantive work.
  - Phased removal of existing filters
  - Phased installation of new sterilisation and heating equipment and controls.
  - Commissioning and Testing
- 7.9 The economies in water, chemical and energy usage will last the life-time of the plant and, in a market where the cost of these utilities are set to rise, these benefits increase in value over time. Remaining with the existing technology will lock Tottenham Green into the same cycle of high costs and high carbon emissions for a generation.

## **8. Chief Financial Officer Comments**

- 8.1 During the 2009/10 Pre-business planning review process funding of £588k was agreed for 2009/10 with a further allocation of £407k for 2010/11. A subsequent Sustainable Investment Fund bid has been made for £150k and is pending a final decision.
- 8.2 The value of this contract is within available funding and the option chosen gives best value.
- 8.3 It is likely that replacement of the filtration system will see long term savings of up to £30k per annum based on the impact assessment of utility usage.

## **9. Head of Legal Services Comments**

- 9.1 The value of the contract to which this report relates is below the threshold requiring contracts for works to be advertised in the Official Journal of the European Union.
- 9.2 However under the Council's CSO 6.05 contracts with a value of more than £25,000 (twenty five thousand) must be let following a competitive tendering process.
- 9.3 Tenders were invited from 4 contractors with the assistance of the Council's Construction Procurement Group.
- 9.4 CSO 8.04 provides that where tenders are to be invited the procedure to be followed shall be determined prior to advertising and shall be one of the procedures set out in CSO 8.04 (a) to CSO 8.04(f).
- 9.5 In the case of the contract to which this report relates none of the procedures set out in CSO 8.04 were followed.
- 9.6 CSO 7.02 (a) provides that the Cabinet Procurement Committee may approve a waiver of the CSOs.
- 9.7 CSO 7.03 (a) provides that a waiver may agreed if the nature of the market for the works to be carried out has been investigated and the nature of the market is such that a departure from the requirements of the CSOs is justifiable.
- 9.8 The recommendation its to award the contract on the basis of the most economically advantageous tender in accordance with CSO11.01(b).
- 9.9 As the value of this contract exceeds £250,000 (two hundred and fifty thousand) it may only be awarded by the Cabinet Procurement Committee.
- 9.10 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4.

## **10. Head of Procurement Comments**

- 10.1 Specialist contractors in this very specialist type of work were selected by the lead Consultant and finance checks were carried out by the Construction Procurement Group.
- 10.2 The recommendation stated is based on the need to keep the leisure centre open. Option B for the selected contractor meets this need for the total replacement of the water treatment system. This is confirmed in the risk log in Appendix 2.
- 10.3 It is also noted in Appendix 1 that the replacement of the water treatment centre will realise significant energy use and carbon emissions reductions.

## **11. Equalities and Community Cohesion Comments**

- 11.1 The replacement of the existing systems will benefit the entire community by reducing the amount of energy and water consumed.
- 11.2 External air quality locally will benefit from very significant reductions in Carbon, Nitrogen and Sulphur compounds emitted from the Centre's water heating system. This is of particular benefit to young children, the elderly and those with respiratory complaints. Internal air quality will benefit from a reduction in chlorine within the pool hall's air and water.
- 11.3 A very significant reduction in Chlorine required for pool water hygiene will benefit swimmers and other visitors who may be vulnerable to Chlorine - these include asthmatics – and those vulnerable to cross-contamination – mainly the very young and the elderly.

## **12. Consultation**

- 12.1 Internal Consultation – in developing the proposal the project management consultant and officers from Recreation Services presented their options and proposals to the Council's Utilities Management Board and Leading by Example Board in order to ensure there had been challenge and informed debate on the proposal.
- 12.2 External Consultation - Prior to the internal presentations to various groups two officers and the project management consultant from Homes for Haringey conducted a site visit to the only installation in Europe in order to test and ensure the proposed benefits were being delivered.

## **13 Service Financial Comments**

- 13.1 The Option B costs in the region of £400k, some £110 -170k more than the traditional system, at £250k. The Sports & Leisure Improvement Programme (SLIP), capital project has allocated £250k for the traditional replacement; advice is currently being sought to obtain Sustainable Investment Funding (SIF) to bridge the £110-£170 for the regenerative option, alternatively supporting via the current SLIP capital programme and reducing the work programme to accommodate this project. This has been discussed and agreed at the SLIP Project Board subject to SIF funding not being successful

and the Boards views that the long term benefits out way the initial increase one off cost, which will be recovered over time through reduced utilities revenue spend.

#### **14. Use of appendices /Tables and photographs**

14.1 Two appendices accompany this Report

Appendix 1 Impact Assessment

Appendix 2 Risk Log

#### **15. Local Government (Access to Information) Act 1985**

15.1 See attached report (exempt information)

15.2 Impact Assessment (Appendix 1)

15.3 Risk Log (Appendix 2)

15.4 This report contains exempt and non exempt information.  
Exempt information is contained in Appendix A of this report and is

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Appendix One

**Water Treatment Options at Tottenham Green Leisure Centre**

**Report & Impact Assessment**

Prepared by G.P.Turnbull, Mechanical Engineering Manager, Homes for Haringey

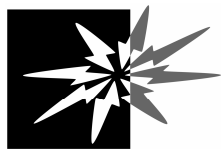
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## **Contents**

- 1 Background
- 2 Options Appraisal
- 3 Proposal
- 4 Impact Assessment

## **Assessment Spreadsheets**

Thermal Energy  
Electrical Energy  
Water and Drainage  
Chemical Footprint



**Haringey** Council

## **1 Background**

The pool water treatment system at Tottenham Green is 20 years old. This is generally regarded, within the leisure industry, as close to the end of the economic life of a system such as this. A major refurbishment may extend its life by 5 years. At installation in 1989, the system reflected more or less the state of the art in leisure water treatment in Europe and featured Ozone Sterilisation and carbon-based filter media.

General wear and tear and the substitution of the Ozone system for a more conventional chlorine-based sterilisation system have, over the life of the plant, led to maintenance and management issues which could only be overcome by major refurbishment or replacement.

An opportunity to bring the water treatment system back into a condition suitable for the needs of Tottenham Green's general business plan was identified within the Sport and Leisure Investment Programme, Year 2. Given that the minimum work required would be a complete rebuilding of the filter vessels involving enlarging the filter access doors to new EU standards the economics of a conventional refurbishment looked less attractive as further requirements/work was added.

## **2 Options Appraisal**

Homes for Haringey have been commissioned to specify and tender a package of work to bring the water treatment up to current standards which are fit for the future and also reduce the centre's environmental impact.

The filtration method utilised currently relies on traditional sand filters which are found in the majority of public pools throughout the UK. A fundamental aspect of this type of treatment system is the need for each of the very large filter vessels to be cleared of accumulated filter debris in a frequent process called 'backwashing'. This necessarily results in the dumping of massive quantities of heated pool water with the attendant costs in purchased energy, carbon emissions and operating revenue.

The water thus lost must be made up from the mains. This, of course, is relatively cold and neutral in terms of the chemistry required of pool water. In order to maintain the quality of water in the system, this mains water needs to be heated and chemically treated to levels that match the remaining body of water in the pool.

Along with the heating and dehumidification of the pool hall air, these processes make the building one of the largest energy users in the Borough.

The economics of the existing system are well understood and an opportunity to reduce the expenditure on energy and chemicals prompted an alternative stream of research into refurbishment and replacement options.

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### **3 Proposal**

It is proposed to include in the procurement exercise an option to completely replace the water treatment system with one based on regenerative filtration technology.

A filtration technology that is well established outside of the EU has performance characteristics that could meet the centre's goals both operationally and environmentally. Known generically as Regenerative Filtration, it utilises a medium that has a much higher mechanical filtration efficiency than do sand and glass-based media. The medium is a fired volcanic glass material known as Perlite. It is widely available and common in the hydroponics industry which uses it as the primary growing medium for a wide variety of vegetable produce.

The working face of the regenerative filter is not a single, horizontal flat bed as in the sand filter but a collection of vertical tubular 'fingers' resulting in a very much expanded surface area over which to pass the pool water. It can regenerate its own filter face by temporarily shedding the media from the fingers and then rebuilding it simply by changing the direction of flow for a few minutes.

Filtration efficiencies of sand filters are typically expressed as their ability to remove particles of 10-12 microns in diameter. The Regenerative Filter removes matter less than 1 micron and can significantly reduce the presence of particulate matter to 0.5 microns. This efficiency, along with the retention of trapped matter on the surface of the filter face rather than buried within its depth, results in massive reductions in the need for fresh water for cleaning the filter itself.

A secondary factor of regenerative filtration installation will improve the swimming environment for the end user, operator and structure. Operating with lower levels of chemicals will reduce the associate odours familiar in swimming pools and thus reduce the corrosive elements on the pool halls equipment and structure.

### **4 Impact Assessment**

The impact on the centre's utility usage was split into 4 categories upon which any water treatment technology would impact:

1. Gas energy usage
2. Electrical energy usage
3. Potable Water usage and Drainage volumes
4. Chemical usage

The significant advantages of the regenerative process are:

- Massive reduction in water wastage
- Highly efficient filtration effect resulting in reduced chemical demands
- Significantly reduced water circulation energy

An impact assessment has been carried out to measure the difference between the 4 parameters above under both a traditional refurbishment regime and under a total replacement of the system with regenerative filters.

Clear advantages in water volume exist in a regenerative system as they do not require a large backwash volume. This impacts on the system's use of resources broadly in line with the figures set out below.

Category	Estimated Reduction
1. Gas energy usage	97.6%
2. Electrical Energy usage	52.7%
3. Water and Drainage volumes	96.3%
4. Chemical usage	62.9%

*(For clarity, these reductions are expressed in terms of what the existing water treatment systems consume in isolation rather than as a fraction of the centre's overall consumption.)*

As can be seen, the impact in this respect is very significant indeed.

### **Carbon Emissions**

Carbon emissions (expressed as Carbon Dioxide equivalent) are similarly impacted; each element of the reduced impact having its own embedded carbon content.

The impact assessment in Appendix 1 shows both:

- the direct reduction in practical measured units (Kilowatt Hours of gas & electricity, Litres of Water, etc.) and
- The attendant carbon reduction implicit in each of these.

Overall reduction in CO<sub>2</sub> emissions is calculated to be 64,500 Kg in a full year of operations.

### What do these reductions mean?

Carbon output into the environment can be expressed in many ways. As an aid to appreciating what 62,000 Kg of CO<sub>2</sub> means, several analogies have been included below:

- The equivalent of 620,000 miles of motoring per year in the Borough
- The same carbon reduction as would be achieved by fitting 1,000 homes with 100% Low Energy Light bulbs
- Taking the Council's entire vehicle fleet off the road for 7 weeks every year

### Are these savings good value for money?

The Council is currently bringing its Housing stock of 17,000 dwellings up to the current Building Regulations standard for energy efficiency. The CO<sub>2</sub> reduction of this

programme will realise 460,000 Kg per year at a cost of £11,000,000 over a period of 5 years. The cost will be £23.91 per Kg reduction.

The equivalent performance of the proposals in this report will be 64,500 Kg at a cost of £2.17 per Kg and construction duration of just 10 weeks.

### **Economics and Business Case**

#### **Simple Payback**

A simple payback analysis assuming Retail Price indexing at 2.5% results in payback point early in year 4. Reduced costs in energy, water, drainage and chemical use amount to approximately £30,100 per annum.

*Note: H.M. Treasury Forecast for natural Gas is +13.1% between March 2009 and April 2010; beyond that point is difficult to predict. Based purely on the retail gas forecast for 2010 and acknowledging that reduction in gas expenditure represents just under 25% of the overall savings, it is likely that the simple payback will actually occur in late Year 4 rather than early Year 5.*

## Impact Assessment

## Basic physical and environmental data.

Impact Assessment- Based on Tottenham Green - 2 pools at stated total volumes					
Red = Sand Filtration					
Green = Regen Filtration	Black = Common Data				
<b>Pool Metrics</b>			<b>Operational Data</b>		
Backwash Process Volume	7297.88	m3	Mains Temperature (measured, local)	9.12	C
Based on Current regime with Sand Filters	7297880	Litres	Pool Temperature Setpoint	31.00	C
<b>Coefficients used</b>			Delta T	21.88	C
CO <sub>2</sub> embedded in 11,000 VAC (HV) Supply	0.54	Kg.KW.hr <sup>-1</sup>	<b>Plant Data</b>		
Electrical energy embedded in Water Supply and Drainage	0.7212	KW.hr.m <sup>-3</sup>	Boiler combustion efficiency	0.860	
On-Peak Electrical Energy	0.11769	£/KW.hr	Heat Exchanger efficiency	0.935	
Off-Peak Electrical Energy	0.07936	£/KW.hr	Combined Heat Transfer Efficiency	0.804	
Potable Water	0.9799	£.m <sup>-3</sup>			
Drainage Charge	0.5193	£.m <sup>-3</sup>			
Specific Density (Average of @ 9.8 C and @ 31 C)	0.9975	kg.l <sup>-1</sup>			
Specific Heat Capacity at 21C	4.18	KJ.Kg.C <sup>-1</sup>			
<b>Purchased Energy Data</b>					
	<b>Natural Gas</b>				
Energy Type					
Energy Tariff	0.033953	£/KW.hr			
End User Energy Carbon coefficient	0.210	Kg.KW.hr <sup>-1</sup>			
	<b>Grid Electricity</b>				
Primary Energy Type					
Energy Tariff Day	0.11769	£/KW.hr			
Energy Tariff Night	0.07936	£/KW.hr			
End User Energy Carbon coefficient	0.591	Kg.KW.hr <sup>-1</sup>	(SAP 2009)		

The degree will not become apparent until the design is fully developed.



Appendix 2  
Risk Log

## Risk Log

The replacement of the Water Filtration and Treatment system at Tottenham Green Leisure Centre with Pre-Coat Regenerative Filters

Risk Category	Risk	Likelihood	Impact	Mitigation
<b>Procurement</b>				
Tendering	That an adequate market test is not available to meet the requirements of the Council's Standing Orders.	Med	High	A set of tenders received in April 2009 produced a result compliant with the Council's Financial Regulations. A Tender Report with Recommendations will be submitted at the Procurement Committee of 12 <sup>th</sup> July 2009.
Business Continuity	That failure to secure match-funding results in the procurement exercise failing to produce a solution that maintains the service provided by the Centre.	Med	High	A fall-back position has been secured through the inclusion of a refurbishment of the existing filtration system in the Tender. There are 3 very close tenders available to meet this eventuality and all could be taken up without delay.
Verification	That, as no comparable installations exist in the UK, it would be difficult to verify the quality and effectiveness of the technology in a real installation	High	High	The Engineering Consultant and two representatives of Tottenham Green's management visited one of the few installations outside of the USA on May 7 <sup>th</sup> 2009. The Watershed Centre at Kilkenny, Ireland features this technology and an investigative visit was carried out in order to verify the manufacturer's claims generally. The Chief Executive of the centre and a Plant Operator/Duty Manager were interviewed on the 3 hours visit. A tour of the

				plantroom was made also. The ease of operation and maintenance of the plant were verified as were the reduced chemical usage, Perlite storage requirements and the water quality achieved.
Financial Stability	That, being a non-European corporation, there would be increased risk to the Council in terms of trading conditions etc.	High	High	There would be two parties involved with the procurement process, the manufacturer, Neptune-Benson Inc., and the installer, one of two UK companies. The Council's Construction Procurement Group carried out the standard tests on all tendering organisations in terms of creditworthiness, financial stability and Risk of Business Failure prior to the tenders being published. All companies have suitable credit ratings and have lower than average risk of business failure. All of these tests are inside the Council's requirements for trading partners.
<b>Operations</b>				
Maintenance of Service	That the Centre may be closed to the public for extended periods.	Med	High	The recommended tender includes practically no shut-downs that would impact the delivery of existing services to the public during the installation process.
Staffing and Training	That additional demands would be made on existing pool operating staff.	Med	Med	The proposed plant is virtually automatic in its day to day operations and the lack of the need to carry out frequent and time-consuming back-wash processes will liberate a significant amount of staff time for other duties.
Planned Preventative Maintenance and	That, given the ultra-specialised nature of the installation,	Med	High	Subsequent to the 12 months Defects Liability Period, the equipment

Response Maintenance	adequate maintenance and breakdown cover would not be available.			would be maintained by a UK agent of the manufacturer. This agent offers regular servicing routines and a breakdown and repairs service. The same agency currently maintains an existing hydrotherapy pool in Tottenham.
Perlite Supplies	That an adequate and economically-priced supply of the specialised filter medium is not available in the UK.	Medium	High	There are many suppliers of Perlite in the UK. The major ones are based in Staffordshire, Yorkshire and Hampshire. Perlite usage is very modest and it would be easy to store over 2 years supply on site in existing accommodation at Tottenham Green.
Latent Defects	That inadequate Warranty conditions apply to the new plant.	Low	High	A 10 year Warranty on all critical parts of the filter vessel is standard from the manufacturer. Testimonials from existing users are very positive in respect of reliability in use. This compares very favourably with traditional sand filters.
Financial Stability of Contractor	That the contractor may not have the trading and business account standards required by the Council.	Low	High	Construction Procurement Group has taken out the normal Financial References for the recommended contractor and they have met all of the Council's requirements in this respect.

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Agenda item:

**[No.]**

**Procurement Committee Report**

**On 7 July 2009**

Report Title.

Waiver in respect of CSO 6.04 to appoint a Project Manager for the Parkland Walk Improvements Programme

Report of **Mun Thong Phung, Director of Adult, Culture and Community Services**

Signed :

Contact Officer : Paul Ely ext 5690

Wards(s) affected: **Highgate, Crouch End, Stroud Green, Muswell Hill**

Report for: **non-key decision**

## **1. Purpose of the report (That is, the decision required)**

- 1.1. This report request that a waiver be granted of Contract Standing Order 6.04 which requires that where a contract has an estimated value of more than £5000 but less than £25,000 quotations should be obtained or the tender procedure followed.
- 1.2. In accordance with Contract Standing Order 7.05 the waiver of Contract Standing Orders is sought for the second time in relation to the same contract and regardless of the value of the contract, that waiver may only be agreed by the Cabinet Procurement Committee.

## **2. Introduction by Cabinet Member (if necessary)**

This year has seen an allocation of £170k from Transport for London's Greenways project to carry out further improvements to the Parkland Walk Local Nature Reserve.

These improvements to the path and its access points are of great benefit for our residents who are visiting in increased numbers to walk, cycle and jog.

The increased visits also contribute to our LAA targets for increasing participation in recreational activity in our adult residents.

This report seeks approval to appoint a Project Manager to complete the third and final year of funding for this programme.

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

The project will contribute to a number of current LAA outcomes identified in the Haringey Strategic partnership's Local Area Agreement 2008/09-2010-11, including NI 8 Adult participation in sport and physical activity

### **4. Recommendations**

That in accordance with CSO 7.05 approval be granted to a waiver of the requirements to seek quotations or tender (CSO 6.04) in respect of the appointment of a Project Manager for the Parkland Walk Improvement Programme..

### **5. Reason for recommendation(s)**

5.1 Mayer Brown Ltd was appointed for each of the last two years in accordance with Contract Standing Orders (CSO) to implement their designs and administer the works contract for the Parkland Walk improvements.

5.2 Mayer Brown prepared the 'Greenways' study reports, created the design specifications, undertook statutory consultation with Haringey Transportation Section, and have with Procurement colleagues prepared and evaluated works tenders for the past 2 years.

5.3 Mayer Brown Ltd fees comparison – please refer to Appendix A. Please note this is an exempt item

### **6. Other options considered**

- a. The appointment of an alternate framework supplier will result in a 'start again scenario.
- b. The alternate will be unfamiliar with the site, consultation results, designs and works carried out to date.
- c. An alternate will result in additional design costs.
- d. There will be an ensuing delay in the procurement of a works contractor for 09/10

## 7. Summary

The Parkland Walk, managed by Recreation Services Parks Dept., is a former steam railway line and the longest Local Nature Reserve in London. The Walk is in two distinct sections, referred to as Parkland Walk South and Parkland Walk North.

These public rights of way form a major part of one of the borough's Greenways routes, a Countryside Agency initiative to encourage walking and recreational cycling.

In 2007 Transport for London (TfL) awarded £200k to the project.

Following an extended period of public consultation in 2007 the Lead Member for Urban Environment approved the project and improvements to access steps and some drainage and path repairs were carried out.

In 2008 a further £250k was allocated allowing more drainage and path improvements to be made.

For 2009/10 the Council's Transport Planners have been allocated a further £175k to complete improvements.

The design and implementation of the works to date have been conducted by consultant engineers Mayer Brown Ltd, originally appointed by Transportation Planning section after successfully tendering to carry out 'Greenways' walking and cycling designs for Haringey.

In 2007 and 2008 Mayer Brown Ltd were appointed under CSO 11.02 to conduct the contractor tendering process and project manage the Parkland Walk works.

Approval is being sought to continue this arrangement for a further final year.

## 8. Chief Financial Officer Comments

8.1 This report requests that a contract of up to £20k is awarded to Mayer Brown Ltd to act as project manager for 2009/10. This will give stability to the project as Mayer Brown Ltd has project managed these improvements for the previous 2 financial years.

8.2 This is the second contract awarded to Mayer Brown Ltd under CSO 7.03 (Waiver of Contract Standing Orders) and as such must be presented to Procurement Committee for decision.

8.3 Transport for London has allocated £170k to this project. The project

management costs of up to £20k will be funded from this source.

#### **9. Head of Legal Services Comments**

9.1 The Director of Adult, Culture and Community services seeks a waiver of CSO 6.04 which provides that where a contract has an estimated value of more than £5000 but less than £25,000 quotations should be obtained or the tender procedure followed. However, the Director may decide that such processes are not appropriate in order to secure value for money for the Council. If that is the case, the Director may determine another process of selecting a contractor which will meet best value criteria. The decision and process must be properly documented.

9.2 The request is made on the basis of CSO 7.05. This Order states that where a waiver of Contract Standing Orders is sought for the second time in relation to the same contract, then regardless of the value of the contract, that waiver may only be agreed by the Cabinet Procurement Committee.

9.3 Provided the Cabinet Procurement Committee is satisfied that the contract should be procured without tendering for the reasons stated in paragraph 9.2 above, the Head of Legal Services sees no legal reasons preventing the Cabinet Procurement Committee approving the recommendations set out in Paragraph 4. Should the Cabinet Procurement Committee approve the waiver, the Director of Adult, Culture and Community Services can award the contract under delegated powers in accordance with CSO 11.02

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

10.1 The continued use of Mayer Brown Ltd in order to complete the third and final phase of this project is reasonable, cost effective and in the overall best interests of the Council.

10.2 It should be noted however that the Councils new approved list of Project Managers does not include Mayer Brown Ltd and this firm should therefore not be used once assignments in progress have been completed.

#### **11 Equalities &Community Cohesion Comments**

11.1 The improvements carried out to date have in the main benefited all local people. In particular, the improved access points and improved path enables older people and those with limited mobility to better enjoy the Parkland Walk. Although the natural steepness of the majority of access points limits unassisted wheelchair access, in 2009/10 work is planned to provide two identified wheelchair access points.



**12. Consultation**

- 12.1 Extended Statutory consultation for improvements to Parkland Walk South was undertaken in 2007 led by Transportation Planning and Mayer Brown Ltd. The positive results of the consultation led to project approval by Cllr Haley in November 2007.
- 12.2 A further round of similar consultation for proposed improvements to Parkland Walk North took place in March 2008. The positive results of this consultation led to project approval in June 2008.

**13. Service Financial Comments**

- 13.1 The £20k cost is fully independent and funded out of TFL funding £170k and does not draw on funding from other projects.

**14. Use of appendices /Tables and photographs**

- 14.1 Appendix A – Professional fee comparison  
**not for publication contains exempt information**

**15. Local Government (Access to Information) Act 1985**

- 15.1 Consultation documents – see [www.haringey.gov.uk](http://www.haringey.gov.uk)
- 15.2 Appendix A – Professional Fees comparison  
**not for publication contains exempt information**

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Haringey Council

Agenda item:

## Procurement Committee Meeting

On 7<sup>th</sup> July 2009

**Report Title.** North Tottenham Decent Homes Programme 2009/10. NT11

**Report authorised by:** Niall Bolger, Director of Urban Environment.

*WPVBol*  
26/06/09

**Contact Officer :** Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151  
Email: pauline.hinds@homesforharingey.org

**Wards(s) affected:** White Hart Lane,  
Northumberland Park

Report for: **Key Decision**

### 1. Purpose of the report (That is, the decision required)

1.1 This report sets out a detailed programme of works, which relates to various properties in the North Tottenham Area, known as NT11. The properties are St Pauls Road N17, St Marys Close, Vicarage Road N17, Hampden Road N17, Whitbread Close N17, Shelbourne Road N17, Romney Close N17, Altair Close N17, Trulock Road N17, Commonwealth Road N17, Worcester Avenue N17, Whitehall Street N17, High Road N17, White Hart Lane N17, Park Lane Close N17, Halefield Road, Hanbury Road N17, Scotland Green N17, Parkhurst Road N17, Sherringham Avenue N17, Thackeray Avenue N17, Kimberley Road N17, Dowsett Road N17, Bamburgh House N17, Bellingham House N17, Alnwick House N17, Hanbury Road within the delivery of the Decent Homes Programme. The works outlined in this report are scheduled to commence on 20<sup>th</sup> July 2009. As such, this report is seeking Procurement Committee approval to award the contract for the works in this phase ("the Project").

### 2. Introduction by Cabinet Member

- 2.1 It gives me pleasure to present this report, a report that shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. You will observe that many lessons have been learnt from the first year of the programmes and have been incorporated into the programme for years 2 – 5.
- 2.2 We are now using Life Cycle Cost Analysis to assess the roof works required, which will ensure that best long term value is achieved for all our stakeholders and is in line with the Council's sustainability procurement policy.
- 2.3 By doing additional works funded by Finance from outside the decent homes funding, substantial cost savings can be obtained.

### 3. Links with Council Plan Priorities and actions and /or other Strategies:

- 3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.
- 3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.
- 3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:
- Improving the environmental performance of Council Housing stock
  - Providing a cleaner and greener environment for residents
  - Providing decent homes and improving well-being
  - Delivering cost effective services through partnering

### 4. Recommendations

- 4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:
- (a) To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

### 5. Reason for recommendation(s)

- 5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.
- 5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with EU legislation and the Council's procurement procedures.

### 6. Other options considered

- 6.1 None applicable.

## 7.0 Summary

7.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the decent homes programme for the residents of Haringey. As its strategic delivery partner Homes for Haringey is committed to ensuring that the decent homes programmes meets the aspirations of residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.

### Agreed Maximum Price

7.2 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.3 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract (PPC2000) form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

7.4 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

### 7.5 Detailed below is a summary of contractor details:

**Total estimated construction cost (excluding fees)**

**para 2.2 Appendix A**

**Anticipated Contract start on site**

**20 July 2009**

**Anticipated Contract completion**

**6 August 2010**

**Contract duration**

**52 weeks**

**Contractor**

**para 2.1 Appendix A**

### Property address location

7.6 This report details the specific works required to the 345 properties in the North Tottenham area and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the raft of decent homes work under this particular phase of the programme.

<b>Block/Street</b>	<b>Property number</b>
<b>St Pauls Road N17</b> Block 3-a/3, 9-a/9	3, 3a, 5b, 5a, 9, 9a, 15, 44
<b>St Marys Close N17</b> Block 14-24	4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24
<b>Vicarage Road N17</b>	61, 61a
<b>Hampden Road N17</b>	5, 24
<b>Shelbourne Road N17</b>	2, 2a, 4, 6, 6a, 8, 10, 10a, 12, 11, 11a, 18, 21, 46, 60, 77a, 77b, 78, 78b, 86, 94a, 94b, 104a, 104b, 132a, 132b 144, 158, 160, 169, 174, 207

<b>Romney Close N17</b> Block 1-6	1, 2, 3, 4, 5, 6
<b>Altair Close N17</b>	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 67
Blocks 1-12 32-55, 56-61	
<b>Trulock Road N17</b>	16
<b>Commonwealth Road N18</b>	51
<b>Worcester Avenue N17</b>	37
<b>Whitehall Street N17</b>	2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 66, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89
Block 2-32, 3-29, 63-89	
<b>High Road N17</b> Block 832a-838a	832a, 834a, 836a, 838a, 684 flats 1-6
<b>White Hart Lane N17</b> Block 188-198	188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210
<b>Park Lane Close N17</b> Block 1-6, 13-18, 7-12	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18
<b>Halefield Road N17</b>	2, 12, 18, 19, 20, 26, 31, 43, 55
<b>Hanbury Road N17</b>	10, 36
<b>Scotland Green N17</b>  Block 7-37	7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 44, 46, 48, 50, 52, 54, 60, 88, 90, 94
<b>Parkhurst Road N17</b>	23, 25, 31, 44, 46, 48, 50, 54, 58, 60
<b>Sherringham Avenue N17</b>	51, 79, 83, 104, 108, 117, 119
<b>Thackeray Avenue N17</b>	65, 81, 117, 131, 127, 136, 19,
<b>Kimberley Road N17</b>	19
<b>Dowsett Road N17</b>	6, 20, 27, 58
<b>Bamburgh House N17</b> Block 1-16	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
<b>Bellingham House N17</b> Block 1-16	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
<b>Alnwick House N17</b> Block 1-16	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
<b>Whitbread Close N17</b> Blocks 32-43, 44-58	2, 4, 6, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 29, 30, 31
<b>Hanbury Road</b>	20, 54

## 7.7

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
St Pauls Road	6	Low rise	3	3	Pitched	No
St Pauls Road	2	Houses	2	0	Pitched	No
St Marys Close	6	Low rise	3	3	Pitched	No
St Marys Close	5	Houses	2	0	Pitched	No
Vicarage Road	2	Low rise	2	1	Pitched	No

Hampden Road	2	Houses	2	1	Pitched	No
Shelbourne Road	19	Low rise	2	0	Pitched	No
Shelbourne Road	13	Houses	2/3	2	Pitched	No
Romney Close	6	Low rise	3	4	Pitched	No
Altair Close	48	Low rise	3	15	Flat	No
Trulock Road	1	House	2	0	Pitched	No
Commonwealth Road	1	House	2	0	Pitched	No
Worcester Ave.	1	House	2	0	Pitched	No
Whitehall Street	60	Low rise	4	30	Flat	No
High Road	10	Low rise	3	4	Pitched	Yes
White Hart Lane	12	Low rise	3	5	Pitched	No
Park Lane Close	18	Low rise	3	6	Pitched	No
Halefield Road	9	Houses	2	0	Pitched	No
Hanbury Road	2	Houses	2	0	Pitched	No
Scotland Green	16	Low rise	3	5	Pitched	No
Scotland Green	10	Houses	2	0	Pitched	No
Parkhurst Road	10	Houses	2	0	Pitched	No
Sherringham Ave	7	Houses	2	0	Pitched	No
Thackeray Ave.	6	Houses	2	0	Pitched	No
Kimberley Road	1	House	2	0	Pitched	No
Dowsett Road	4	Houses	2	0	Pitched	No
Bamburgh House	16	Medium rise	5	2	Flat	No
Bellingham House	16	Medium rise	5	6	Flat	No
Alnwick House	16	Medium rise	5	7	Flat	No
Hanbury Road	2	Low rise	2	1	Pitched	No
Whitbread Close	18	Houses	2	0	Pitched	No

### **Schedule of works**

- 7.8 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof renewal, roof repairs, kitchen and bathroom refurbishment, extractor fans, boiler replacement, central heating system replacement, asbestos removal and installation of digital IRS system and external decorations. Additional details relating to specific works under the programme are set out below:  
(reference to the installation of the IRS system is included in Para 7.21)

### **Proposed Roof works**

- 7.9 The blocks listed below have pitched roofs and are in good condition. The remaining life of the existing pitched roofs is noted.

Address of Pitched Roofs	Remaining Life
Whitbread Close	15 years

Park Lane Close	30 years
Romney Close	10 years
Scotland Green	10 years
Shelbourne Road	10 years
White Hart Lane	15 years

- 7.10 The existing flat roofs at Bamburgh House, Bellingham House, Alnwick House, 1-12 Altair Close and 56-67 Altair Close are in poor condition. It is proposed to replace these roofs with pitched roofs. The flat roof at 32-55 Altair Close is also in a poor condition. It is proposed to replace it with a flat roof. (see life cycle cost analysis Para 7.16).
- 7.11 The block at 2-32 Whitehall (flat to flat) will have its roofing works procured at a later committee date, (The roofs at blocks 3-29,31-61 and 63-89 Whitehall, all pass the decency standard (flat roofs, but no works required). However the Internal works only, will be done within this current project, at these addresses.

### Planning Approval

- 7.12 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

### Life Cycle Costing Analysis

- 7.13 The total Life Cycle Cost is calculated by adding the total cost of the roof renewal and the Energy Costs.

#### 1-16 Bamburgh House N17

##### **Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£24,103.30	£0.00	<b>£24,103.30</b>

##### **Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 1	3	£107,453.98	£0.00	<b>£107,453.98</b>

##### **Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr 35	3	£300.00	£615.00	<b>£130,390.43</b>

##### **Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£150,914.98</b>



Energy Costs for Bamburgh House N175 floors - Roof area 480m<sup>2</sup>= £6,993.00(Flat Roof), £4,198.63(Pitched)Total Life Cycle Costs (35 yr): £137,383.43 (Flat Roof), £155,113.61 (Pitched Roof)1-16 Bellingham House N17**Flat Roof Renewal  
Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£24,103.30	£0.00	<b>£24,103.30</b>

**Flat to Pitch  
Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr1	3	£107,453.98	£0.00	<b>£107,453.98</b>

**Flat Roof Renewal  
Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr35	3	£300.00	£615.00	<b>£130,390.43</b>

**Flat to Pitch  
Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£150,914.98</b>

Energy Costs for Bellingham House N175 floors - Roof area 480m<sup>2</sup> = £6,993.00 (Flat Roof), £4,198.63 (Pitched)Total Life Cycle Costs (35 yr): £137,383.43 (Flat Roof), £155,113.61 (Pitched Roof)1-16 Alnwick House N17**Flat Roof Renewal  
Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£24,103.30	£0.00	<b>£24,103.30</b>

**Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 1	3	£107,453.98	£0.00	<b>£107,453.98</b>

**Flat Roof Renewal  
Option****Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs		Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr35	3	£300.00	£615.00	<b>£130,390.43</b>	Yr 35	3	£1,300.00	£2,665.00	<b>£150,914.98</b>

### Energy Costs for Alnwick House N17

5 floors - Roof area 480m<sup>2</sup> = £6,993.00 (Flat Roof), £4,198.63 (Pitched)

Total Life Cycle Costs (35 yr): £137,383.43 (Flat Roof), £155,113.61 (Pitched Roof)

### 1-12 Altair Close N17

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£52,939.20	£0.00	<b>£52,939.20</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 1	3	£99,920.59	£0.00	<b>£99,920.59</b>

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr35	3	£300.00	£615.00	<b>£159,918.80</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£143,381.59</b>

### Energy Costs for 1-12 Altair Close N17

3 floors - Roof area 365m<sup>2</sup> = £5,317.21.00 (Flat Roof), £3,192.72 (Pitched)

Total Life Cycle Costs (35 yr): £165,236.01 (Flat Roof), £ 146,574.31 (Pitched Roof)

### 32-55 Altair Close N17

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£109,769.20	£0.00	<b>£109,769.20</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 1	3	£196,562.59	£0.00	<b>£196,562.59</b>

### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr35	3	£300.00	£615.00	<b>£309,078.80</b>

### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£240,023.59</b>

Energy Costs for 32-55 Altair Close N17

3 floors - Roof area 768m<sup>2</sup> = £11,187.99 (Flat Roof), £6,717.75 (Pitched)

Total Life Cycle Costs (35 yr): £320,266.79 (Flat Roof), £246,741.34 (Pitched Roof)

### 56-67 Altair Close N17

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr1	3	£52,939.20	£0.00	<b>£52,939.20</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 1	3	£99,920.59	£0.00	<b>£99,920.59</b>

#### Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Yr35	3	£300.00	£615.00	<b>£159,918.80</b>

#### Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	3	£1,300.00	£2,665.00	<b>£143,381.59</b>

Energy Costs for 56-61 Altair Close N17

3 floors - Roof area 365m<sup>2</sup> = £5,317.21.00 (Flat Roof), £3,192.72 (Pitched)

Total Life Cycle Costs (35 yr): £165,236.01 (Flat Roof), £146,574.31 (Pitched Roof)

- 7.14 The lifecycle costing's for the above show that the replacement of the flat roof with a pitch roof at 1-12 Altair Close, 32-55 Altair Close and 56-61 Altair Close is cheaper over a 35 year period. The replacement of the flat roof with a pitch at Bamburgh, Bellingham, and Alnwick, which are identical blocks, cost more by a margin of £20,524.55 per block, over a 35 year period. Despite cost variations and taking into consideration the long term benefit of pitch roofs, all roofs except 32-55 Altair Close, are proposed to be replaced with pitch roofs. **It is proposed to replace the flat roof at 32-55 Altair Close, with a flat roof to compliment the aesthetics of neighbouring blocks.**

- 7.15 Life Cycle costing is being undertaken for key components as required by the Construction Procurement Group.

### **Whole Life Costing**

- 7.16 An assessment has been made on the energy loss where a pitched roof or flat roof is being considered. The indicative figures above represent the potential savings over a 35 year period.
- 7.17 Heat will escape through all building surfaces, but heat will escape more readily through flat roofs than pitched roofs. The energy saving to residents by choosing pitched is the cumulative energy cost of all flat roofs, less the energy costs of pitched roofs.  
Assuming pitched roofs use a 300mm cellulose insulation with a 0.13 U-value;  
Average annual temperature lift of 19.08°F; No skylights; Gas central heating in all build. Combined saving of £17,102.33 to residents over the 35 year period.

### **Digital Satellite Provision**

- 7.18 The provision of an integrated satellite reception system will remove the need for satellite dishes and reduce damage to the building fabric. It is proposed to install IRS (integrated reception system) Sky, Hotbird, Turksat DAB (digital audio broadcasting) radio community channels for residents.
- 7.19 Satellite dishes will be removed as part of the programme to install the IRS system. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the dishes be erected after completion of the works.

### **Window/Door Grills**

- 7.20 All window and door grills will be removed as part of this programme. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the grills be refitted after completion of the works.

### **Environmental Improvements**

- 7.21 There are no proposed environmental works during this phase of decent homes works.

### **Sustainability**

- 7.22 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.
- 7.23 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is

carried out after ten years for dwellings and five years for the landlord's services.

- 7.24 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Symphony has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.
- 7.25 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.
- 7.26 The contractor is registered and complies with the Considerate Constructors Scheme.
- 7.27 The new flat roofs will be a Langley High Performance warm roof system incorporating 100mm/140mm Paraform Ultra insulation to achieve a minimum U-value of 0.25 W/m<sup>2</sup>K to improve the thermal qualities of the roof.
- 7.28 The pitched roofs will be a lightweight steel roof and will include for loft insulation to 300mm and allow for additional insulation where required.
- 7.29 The provision of pitched roofs where proposed will also provide additional qualities as identified by Sustainability Procurement as follows:
- The incline of the roof will make them more water resistant.
  - The nature of the proposed materials tends to make them more fire resistant.
  - The cavity in pitched roofs allows for greater potential to further increase insulation.

This leads to:

- Less maintenance costs
- Higher thermal resistance, owing to greater capacity to insulate, (HfH presently install 300mm insulation to loft areas, 50mm above the requirement).
- Lower Insurance premiums as a result of reduced potential for water and fire damage.

### **Conservation Areas**

- 7.30 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.
- 7.31 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

## **8. Service Financial Implications. (See Appendix A, attached)**

## **9. Chief Financial Officer Comments**

- 9.1 It should be noted that on 13<sup>th</sup> Feb 2007, this committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed in various properties in the Wood Green Area, priced in accordance with the framework agreement.

- 9.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £30m has been approved for 2009-10. DCLG agreed to accelerate £5m of this back to 2008/09 and in addition agreed to bring forward £6.5m from 2010/11 into 2009/10; making a net increase of £1.5m for 2009/10
- 9.3 The works include some £82k in respect of the installation of the Integrated Reception System to be funded from Supported Capital Expenditure; External Decoration of £422k to be funded from the Major Repairs Allowance and £344k of extra costs of pitched roof conversions to be funded from the Major Repairs Allowance which are outside of the Decent Homes Programme.
- 9.4 It should be noted that so far (excluding the reports on this agenda) 8 contracts have been approved by this committee as indicated in Appendix B; totalling some £29m including work to be funded from leaseholder contributions of some £2.7m.
- 9.5 Further reports will be presented to future meetings of the Cabinet Procurement Committee in respect of other properties to have more work undertaken in 2009-10 within the available capital resources

#### **10. Head of Legal Services Comments**

- 10.1 This report is seeking Procurement Committee approval to award a call off contract for Decent Homes works at properties in the north Tottenham area of the borough to the contractor named in Paragraph 2.1 of Appendix A to this report.
- 10.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.
- 10.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 10.4 The contractor named in Paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the north Tottenham area.
- 10.5 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.
- 10.6 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee, in accordance with CSO 11.3.
- 10.7 The report states that the statutory leaseholder consultation is currently being undertaken. The consultation period is however yet to expire as at the date of provision of these comments.

10.8 The Head of Legal Services confirms that, provided the Council has considered any comments from leaseholders made between the date of provision of these comments (12 June 2009) and the expiry date of the statutory leaseholder consultation period (03 July, 2009), and provided there are no issues arising from the planning department, there are no legal reasons preventing Members from approving the recommendation in Paragraph 4 of this report to award the contract to the Contractor named in Paragraph 2.1 of Appendix A

10.9 Members should also note that the Council is required to respond in writing to any observations received from leaseholders by the 3<sup>rd</sup> of July . Those written responses must be sent out to the leaseholder within 21days of receipt.

## **11. Head of Procurement Comments.**

11.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

11.2 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed under the form of contract.

11.3 Whole Life Costs have been considered in this proposal beyond capital and maintenance cost, ensuring impacts to residents are fully appreciated in the design of the proposed roofing works. However further Life Cycle costings are required for other key components as paragraph 7.15.

11.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

## **12. Equalities and Community Cohesion Comments**

12.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **13. Consultation**

### **Internal**

13.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.  
The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

13.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.



13.3 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### **External**

13.4 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. Residents' meetings were held on the 11<sup>th</sup> March, 18<sup>th</sup> March and the 25<sup>th</sup> March 2009 and 50 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

13.5 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.

13.6 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 July 2006. The form and content of the Notice was approved by Mr Jonathan Brock, a leading property law Queen's Counsel, before it was issued. In March last year the LVT awarded the dispensation in respect of the appointment of the Constructor Partners.

### **Leasehold Implications**

13.7 As a result of applications made under the Right to Buy legislation, there are 63 leaseholders living in the properties affected by the works described in this report. The number of leaseholder dwellings where the Section 125 Notice is within the 5 year period is 8 while the number outside the period is 55. This report provides a breakdown of the costs for each group in paragraph 12.10

13.8 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.

13.9 In accordance with The Service Charges Regulations 2003, under schedule 3, notice was issued on 4<sup>th</sup> June 2009 to expire on 3<sup>rd</sup> July 2009.

13.10 The notice gave a description of the proposed works and provided details for the costs of the works. The statutory consultation commenced 4<sup>th</sup> June 2009.

13.11 The total amount estimated to be recovered from the leaseholders is £706,839.85. This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £19,480.43.

2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable



13.12 The charges to all 63 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works will be included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

13.13 No works will commence on site, nor will instructions be given to commence work on site, until completion of the notice period .

#### 14. Service Financial Comments

14.1 Please note comments of the Chief Financial Officer's comments in paragraph 9 of this report.

#### 15. Use of appendices /Tables and photographs

15.1 Appendix A separate attachment

15.2 Appendix B, see end of this report

#### 16. Local Government (Access to Information) Act 1985

16.1 The background papers relating to this project are:

- 'The Award of Framework Agreements to four Decent Homes Constructors Partners'.
- Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.
- Short List Report dated October 2006
- Invitation to Tender Document dated October 2006
- Tender Reports dated February 2007

These can be obtained from Pauline Hinds – Strategic Client Representative on 020 8489 1151.

16.2 This report contains exempt and non exempt information.

Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category ( identified in the amended Schedule 12A of the Local Government Act 1972):  
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Haringey Council

Agenda item:

Procurement Committee Meeting

On 7<sup>th</sup> July 2009

<b>Report Title.</b>	Wood Green Decent Homes Programme 2009/10. WG16	
<b>Report authorised by:</b>	Niall Bolger, Director of Urban Environment. <i>Niall Bolger</i> 26/06/09	
<b>Contact Officer :</b>	Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b>	Woodside/White Hart Lane	Report for: <b>Key Decision</b>
<b>1. Purpose of the report (That is, the decision required)</b>		
<p>1.1 This report sets out a detailed programme of works which relates to various properties in the Wood Green Area, known as WG15. The properties are at Henningham Road N17, Courtman Road N17, Acacia House N22, Roundway, Fryatt Road, Great Cambridge Road N17, Stockton Road N17, Warkworth Road N17, Spottons Grove N17 within the delivery of the Decent Homes Programme. The works outline in this report are scheduled to commence on 14<sup>th</sup> September 2009. As such, this report is seeking Procurement Committee approval to award the contract for the works in this phase ("the Project").</p>		
<b>2. Introduction by Cabinet Member</b>		
<p>2.1 It gives me pleasure to present this report, a report that shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. You will observe that many lessons have been learnt from the first year of the programmes and have been incorporated into the programme for years 2 – 5.</p> <p>2.2 We are now using to assess the roof works required, Life Cycle Cost Analysis, which will ensure that best long term value is achieved for all our stakeholders and is in line with the Councils sustainability procurement policy.</p> <p>2.3 By doing additional works funded by Finance from outside the decent homes budget, substantial cost savings can be obtained.</p>		
<b>3. Links with Council Plan Priorities and actions and /or other Strategies:</b>		
<p>3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.</p>		

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

#### **5. Reason for recommendation(s)**

5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.

5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with EU legislation and the Council's procurement procedures.

#### **6. Other options considered**

None applicable.

#### **7. Summary**

7.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the decent homes programme for the residents of Haringey. As its strategic delivery partner Homes for Haringey is committed to ensuring that the decent homes programmes meets the aspirations of residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.

Agreed Maximum Price

7.2 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.

7.3 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract ("PPC2000") form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

7.4 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

7.5 Detailed below is a summary of contractor details:

**Total estimated construction cost (excluding fees)**  
**Anticipated Contract start on site**  
**Anticipated Contract completion**  
**Contract duration**  
**Contractor**

**para 2.2 Appendix A**  
**14<sup>th</sup> September 2009**  
**15<sup>th</sup> March 2010**  
**26 weeks**  
**para 2.1 Appendix A**

Property address location

7.6 This report details the specific works required to the 276 properties in the Wood Green area and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the raft of decent homes work under this particular phase of the programme.

<b>Block/Street</b>	<b>Property number</b>
<b>Acacia House N22</b>	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37
Block is 1-37 excl. 13	
<b>Fryatt Road N17</b>	1, 2, 4, 6, 8, 9, 13, 17, 18, 20, 22, 24, 25, 26, 28, 29, 30, 31, 33, 35, 40, 42, 44
Block is 29-35 odd	
<b>Great Cambridge Road N17</b>	2, 4, 6, 7, 8, 14, 16, 18a, 20a, 22a, 23a, 24a, 25a, 26a, 27a, 28a, 29, 29a, 30a, 31a, 32a, 33, 34a, 35, 36a, 38a, 40a, 42a, 44a, 45, 46a, 48a, 49, 50a, 52a, 53, 54a, 56a, 57, 58, 59, 61, 65, 66, 68, 72
Blocks are 18a-56a even and 23a-31a odd	
<b>Spottons Grove N17</b>	1, 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 26
<b>Warkworth Road N17</b>	1, 3, 5, 7, 8, 10, 12, 14, 19, 21, 22, 24, 25, 26, 27, 28, 31, 35, 37, 39,
Block is 1-7,	
<b>Courtman Road</b>	8, 10, 11, 12, 15, 16, 17, 19, 23, 24, 26, 27, 28, 29, 30, 36, 37, 39, 41, 42, 43, 44, 45, 48, 50, 52, 53, 54, 56, 57, 58, 59, 61, 63, 65, 67, 68, 72, 74, 80, 82, 88
Blocks 52-58	
<b>Stockton Road</b>	3, 11, 15

<b>Roundway</b>	150, 158, 162, 164, 166, 168, 170, 172, 176, 177, 178, 179, 181, 182, 183, 184, 187, 188, 191, 193, 197, 200, 202, 203, 205, 206, 207, 208, 209, 214, 216, 217, 218, 220, 223, 225, 228, 229, 237, 239, 240, 241, 242, 244, 247, 249, 250, 254, 255, 256, 258, 271, 275, 279, 283, 285, 297, 299
<b>Henningham Road N17</b>	2, 4, 5, 6, 9, 13, 15, 18, 21, 22, 25, 30, 31, 33, 34, 35, 36, 37, 38, 40, 42, 43, 50, 52, 56

## 7.7

<b>Property Address</b>	<b>No of units</b>	<b>Property Type</b>	<b>Floor level</b>	<b>No of L/holders</b>	<b>Type of existing roof</b>	<b>Conservation Area</b>
Acacia House	37	Medium rise	3	17	Pitched	No
Fryatt Road	19	Houses	2	0	Pitched	No
Fryatt Road	4	Low rise	2	1	Pitched	No
Great Cambridge Rd	22	Houses	2	0	Pitched	No
Great Cambridge Rd	24	Low rise	2	13	Pitched	No
Spottons Grove	22	Houses	2	0	Pitched	No
Warkworth Road	16	Houses	2	0	Pitched	No
Warkworth Road	4	Low rise	2	2	Pitched	No
Courtman Road	4	Low rise	2	2	Pitched	No
Courtman Road	38	Houses	2	0	Pitched	No
Stockton Road	3	Houses	2	0	Pitched	No
Roundway	58	Houses	2	0	Pitched	No
Henningham Road	25	Houses	2	0	Pitched	No

Schedule of works

7.8 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof repairs, kitchen and bathroom refurbishment, extractor fans, boiler replacement, central heating works and smoke detectors. Additional details relating to specific works under the programme are set out below:

(reference to the installation of the IRS system is included in Para 7.21)

Proposed Roof works

7.9 All properties within this phase of works have pitch roofs. Only roof repair works will be carried out.

Planning Approval

7.10 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to procurement committee.

### Life Cycle Costing Analysis

- 7.11 As this phase of works does not include replacement of flat roofs, Life Cycle Costing is not required for roofs. However, Life Cycle Costings are being undertaken for key components as required by the Construction Procurement Group.

### **Whole Life Costings**

- 7.12 As this phase of works does not require Life Cycle Costing for roofs, Whole Life Costing for roofs is not required.

### **Digital Satellite Provision**

- 7.13 The provision of an integrated satellite reception system will remove the need for satellite dishes and reduce damage to the building fabric. It is proposed to install IRS (integrated reception system) Sky, Hotbird, Turksat DAB (digital audio broadcasting) radio community channels for residents.
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- 7.16 There are no proposed environmental works during this phase of decent homes works.

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- 7.17 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.
- 7.18 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.
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9.3 The works include some £16k in respect of the installation of the Integrated Reception System to be funded from Supported Capital Expenditure, which is outside of the DHP programme

9.4 It should be noted that so far (excluding the reports on this agenda) 8 contracts have been approved by this committee as indicated in Appendix B; totalling some £29m including work to be funded from leaseholder contributions of some £2.7m.

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10.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.

10.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006,



as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.

10.4 The contractor named in Paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Wood Green area.

10.5 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.

10.6 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee, in accordance with CSO 11.3.

10.6 The report states that the statutory leaseholder consultation is currently being undertaken. The consultation period is however yet to expire as at the date of provision of these comments (10 June 2009).

10.8 The Head of Legal Services confirms that, provided the Council has considered any comments from leaseholders made between the date of provision of these comments (10 June 2009) and the expiry date of the statutory leaseholder consultation period (30 June, 2009), and provided there are no issues arising from the planning department, there are no legal reasons preventing Members from approving the recommendation in Paragraph 4 of this report to award the contract to the Contractor named in Paragraph 2.1 of Appendix A.

10.9 Members should also note that the Council is required to respond in writing to any observations received from leaseholders by the 30<sup>th</sup> of June . Those written responses must be sent out to the leaseholder within 21 days of receipt.

## **11. Head of Procurement Comments.**

11.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

11.2 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed under the form of contract.

11.3 The Head of Procurement therefore states that the recommendations in this report offer Best Value for the Council.

## **12. Equalities and Community Cohesion Comments**

12.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

### **13. Consultation**

#### **Internal**

- 13.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.  
The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.
- 13.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel. Leasehold consultation forms part of the overall consultation process and is a statutory requirement.  
Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

#### **External**

- 13.3 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. Residents' meeting was held on the 24<sup>th</sup> March 2009, 25<sup>th</sup> March and 2<sup>nd</sup> April 2009 and 20 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.
- 13.4 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.
- 13.5 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 July 2006. The form and content of the Notice was approved by Mr Jonathan Brock, a leading property law Queen's Counsel, before it was issued. In March last year the LVT awarded the dispensation in respect of the appointment of the Constructor Partners.

#### **Leasehold Implications**

- 13.6 As a result of applications made under the Right to Buy legislation, there are 22 leaseholders living in the properties affected by the works described in this report. The number of leaseholder dwellings where the Section 125 Notice is within the 5 year period is 2 while the number outside the period is 20. This report provides a breakdown of the costs for each group in paragraph 12.10
- 13.7 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.
- 13.8 In accordance with The Service Charges Regulations 2003, under schedule 3, notice was issued on 1st June 2009 to expire on 30th June 2009.
- 13.9 The notice gave a description of the proposed works and provided details for the costs of the works. The statutory consultation commenced 1<sup>st</sup> June 2009.

13.10 The total amount estimated to be recovered from the 22 leaseholders is £250,439.10  
This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £15,352.00.
2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £235,087.10.

13.11 The charges to all 22 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works will be included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

13.12 No works will commence on site until completion of the notice period..

#### 14. Service Financial Comments

Please note comments of the Chief Financial Officer's comments in paragraph 9. of this report.

#### 15. Use of appendices /Tables and photographs

15.1 Appendix A separate attachment

15.2 Appendix B, see end of this report

#### 16. Local Government (Access to Information) Act 1985

16.1 The background papers relating to this project are:

'The Award of Framework Agreements to four Decent Homes Constructors Partners'.  
Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.

Short List Report dated October 2006

Invitation to Tender Document dated October 2006

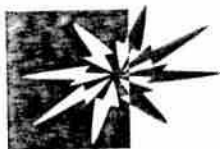
Tender Reports dated February 2007

These can be obtained from Pauline Hinds – Strategic Client Representative on 020 8489 1151.

This report contains exempt and non exempt information.

Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category ( identified in the amended Schedule 12A of the Local Government Act 1972):  
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Haringey Council

Agenda item:

Procurement Committee Meeting

On 7<sup>th</sup> July 2009

**Report Title.** Wood Green Decent Homes Programme 2009/10 WG Commerce Road Community Centre

**Report authorised by:** Niall Bolger, Director of Urban Environment

*NPB* 26/06/09

**Contact Officer :** Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151  
Email: pauline.hinds@homesforharingey.org

**Wards(s) affected:** Outer Borough, White Hart Lane

Report for: **Key Decision**

### 1. Purpose of the report (That is, the decision required)

- 1.1 This report sets out a detailed programme of works for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and WC facilities. The works outline in this report is schedule to commence on 27<sup>th</sup> July 2009. As such, this report is seeking Procurement Committee approval to award the contract and for the works in this phase ("the Project").

### 2. Introduction by Cabinet Member

- 2.1 It gives me pleasure to present this report, a report that shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. You will observe that many lessons have been learnt from the first year of the programmes and have been incorporated into the programme for years 2 – 5.
- 2.2 We are now using to assess the roof works required, Life Cycle Cost Analysis, which will ensure that best long term value is achieved for all our stakeholders and is in line with the Councils sustainability procurement policy.
- 2.3 By doing additional works funded by Finance from outside the decent homes budget substantial cost savings can be obtained.

### 3. Links with Council Plan Priorities and actions and /or other Strategies:

- 3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.
- 3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy, which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.
- 3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:
- Improving the environmental performance of Community Resource stock
  - Providing a cleaner and greener environment for residents
  - Providing decent homes and improving well-being
  - Delivering cost effective services through partnering

### 4. Recommendations

- 4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

### 5. Reason for recommendation(s)

- 5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.
- 5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures and EU legislation.

### 6. Other options considered

- 6.1 None applicable.

## 7.0 Summary

- 7.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the decent homes programme for the residents of Haringey. As its strategic delivery partner Homes for Haringey is committed to ensuring that the decent homes programmes meets the aspirations of residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.
- 7.2 As part of the decent homes delivery plan it has be agreed that the constructor partner would set up a 'Hub' in each contract area for the duration of the programme. This 'Hub' will operate as a site office and will be the main base for the constructor partner professional team of contract managers, project managers, cost consultants and resident liaison officers assigned to this contract. There are currently two Hubs up and running; the Erin Allin Centre in the North Tottenham Area and Eastfield Community Centre in the Hornsey area. The Commerce Road Community Centre has been identified as a suitable 'Hub' location for the Wood Green area.
- 7.3 It is proposed that, the contractor undertaking the decent homes programme, to renovate the building for their main offices, decent homes showroom and respite facilities. Just under half of the building will be set aside for community use for the period of occupation for the next 4 years. At the end for the programme negotiation will take place with residents to return the building fully refurbished for community use.
- 7.4 This project will be funded from efficiency saving from the Decent Homes budget 2009/10. The saving total £170K in office and storage cost that will be saved against the contract if we are able to offer the contractor this facility at a peppercorn rent for the duration of the programme. This initiative will allow the decent homes programme to leave a lasting legacy with a wider remit than just making homes decent. A contribution of £200K from the HRA will be required to make this project viable.

### **Agreed Maximum Price**

- 7.5 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.
- 7.6 The Agreed Maximum Price is the procedure for determining the cost of a project under the Project Partnering Contract ("PPC2000") form of contract. The PPC2000 was developed following from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.
- 7.7 The PPC2000 is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The PPC2000 also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.
- 7.8 **Detailed below is a summary of contractor details:**

Total estimated construction cost (excluding fees)  
 Anticipated Contract start on site  
 Anticipated Contract completion  
 Contract duration

para 2.2 Appendix A  
 27<sup>th</sup> July 2009  
 16<sup>th</sup> October 2009  
 12 weeks

**Property address location**

- 7.9 This report details the specific works required to the Commerce Road Community Centre (disused) in the Wood Green area, known as WG Commerce Road. This dwelling will form the 'Hub' for the Wood Green area decent homes programme.

**Schedule of works**

- 7.10 The scope of improvements works includes refurbishment of a disused Community Centre, to serve as both office accommodation for the contractor, for the duration of the Decent Homes programme. Part of the building will be available for the community to use. Works include upgrade to incoming electrical main, structural repairs, roofing works, window and door replacement, resurfacing of floors, electrical works, central heating works, new kitchen and WC installations. Rebuilding of rear perimeter wall, tarmac to car parking areas and repairs to fencing .

**Proposed Roof works**

- 7.11 The properties has both pitch and flat roofs. Only roof repair works will be carried out.

**Planning Approval**

- 7.12 The Planning department will be consulted under the standard application methods on the above and will advise us on their concurrence with our proposals prior to Procurement Committee.

**Life Cycle Costing Analysis**

- 7.13 As this phase of works does not include replacement of flat roofs, Life Cycle Costing for roofs is not required. However, Life Cycle costings are being undertaken for key components as required by the Construction Procurement Group.

**Whole Life Costings**

- 7.14 As this phase of works does not require Life Cycle Costing for roofs, Whole Life Costing for roofs is not required.

**Digital Satellite Provision**

- 7.15 A digital IRS system is not required for this project.

**Window/Door Grills**

- 7.16 As this phase does not include tenanted dwellings, the removal of window and door grills will not be required as part of this project.

**Environmental Improvements**

- 7.17 The project includes the rebuilding of the rear perimeter wall. Renewal of the tarmac to car parking areas and repairs to fencing .



## **Sustainability**

- 7.18 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.
- 7.19 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.
- 7.20 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Symphony has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.
- 7.21 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.
- 7.22 The contractor is registered and complies with the Considerate Constructors Scheme.

## **Conservation Areas**

- 7.23 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.
- 7.24 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required for this phase.

## **8. Chief Financial Officer Comments**

### **8. Chief Financial Officer Comments**

- 8.1 It should be noted that on 13<sup>th</sup> Feb 2007, this committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed in various properties in the Wood Green Area, priced in accordance with the framework agreement.
- 8.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £30m has been approved for 2009-10. DCLG agreed to accelerate £5m of this back to 2008/09 and in addition agreed to bring forward £6.5m from 2010/11 into 2009/10; making a net increase of £1.5m for 2009/10.
- 8.3 The report is recommending that the disused Community Centre on Commerce Road is converted into a showroom and offices for use by the Contractor for the Decent Homes Programme for the Wood Green area at a cost of £370k.
- 8.4 The report recommends (Para 7.4 refers) will be partly funded (£170k) from the savings achieved from the Decent Homes Budget and £200k from Housing Revenue Account (HRA)

## **9. Head of Legal Services Comments**

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road to the contractor named in paragraph 2.1 of Appendix A to this report. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and WC facilities as per paragraph 1.1 above.
- 9.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Constructor Partner Framework Agreements in respect of four areas within the Borough (Wood Green, Hornsey, North Tottenham and South Tottenham) to four respective contractors, of which the recommended contractor is one.
- 9.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 9.4 The contractor named in Paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Wood Green area.
- 9.5 Even though the value of the contract is less than the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.
- 9.6 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee, in accordance with CSO 11.3.
- 9.7 The Head of Legal Services confirms that, provided there are no issues arising from the planning department there are no legal reasons preventing members from approving the recommendations set out in paragraph 4 of this report.

## **10. Head of Procurement Comments.**

- 10.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.
- 10.2 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed under the form of contract.
- 10.3 Life cycle costings will need to be completed for the project as a whole.
- 10.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

## **11. Equalities and Community Cohesion Comments**

- 11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities

Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## 12. Consultation

### Internal

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

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Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

### External

12.2 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. Residents' meeting was held on the 21<sup>st</sup> April 2009 and 25 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

12.3 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.

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### 12.5 Leasehold Implications

12.6 There are no leaseholders in this phase of works.

## 13. Service Financial Comments

13.1 Please note comments of the Chief Financial Officer's comments in paragraph 8 of this report.

#### 14. Use of appendices /Tables and photographs

14.1 Appendix A separate attachment

14.2 Appendix B, see end of this report

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15.1 The background papers relating to this project are:

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