
Cabinet Procurement Committee

TUESDAY, 30TH MARCH, 2010 at 18:00 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 16 below. New items of exempt business will be dealt with at item 26 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 (PAGES 1 - 8)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 16 February 2010.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. HIGHWAYS AND STREET LIGHTING CONTRACTS - NOVATION OF CONTRACTS (PAGES 9 - 12)

(Report of the Director of Urban Environment): To seek approval to novate the Highways and Street Lighting contracts to Volker Highways Limited.

7. CONTRACTING OPTIONS FOR ADULT SOCIAL CARE (PAGES 13 - 34)

(Report of the Director of Adult, Culture and Community Services): To update the Committee on the progress of adult social care in developing a preferred contracting arrangement.

8. NEW FRAMEWORK AGREEMENT FOR ARBORICULTURAL SERVICES (PAGES 35 - 40)

(Report of the Director of Adult, Culture and Community Services): To seek approval to appoint four tree works contractors to the framework agreement for arboricultural services.

9. EXTENSION OF WEBCASTING CONTRACT - LOCAL DEMOCRACY AND MEMBER SERVICES (PAGES 41 - 46)

(Report of the Assistant Chief Executive – People and Organisational Development): To seek an extension to the existing webcasting contract with UK Council Ltd. (trading as Public-i) for a further four months if required to January 2011.

10. EXPANSION OF COLERIDGE PRIMARY SCHOOL FROM TWO TO FOUR FORM ENTRY (PAGES 47 - 52)

(Report of the Director of the Children and Young Peoples' Service): To seek approval to appoint a contractor for the building of Coleridge Primary School Expansion Phase 3.

11. COMMISSIONING OF EXTERNAL LOOKED AFTER CHILDREN'S PROVISION

(Report of the Director of the Children and Young People's Service): To seek approval to award a contract under a framework agreement to organisations following a tendering process to commission providers of residential, fostering and family assessment provision. **To follow**

12. NEW TERM PARTNERING CONTRACT FOR GAS SERVICING, MAINTENANCE AND RESPONSIVE REPAIRS TO PRIVATE SECTOR LEASED PROPERTIES AND HOSTELS (PAGES 53 - 60)

(Report of the Director of Urban Environment): To report on the procurement exercise in relation to a contract to provide gas safety and maintenance to properties in the Council's Private Sector Leased and Hostels stock and to recommend the award of the contract following a competitive tendering exercise.

13. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE NT16 (PAGES 61 - 72)

(Report of the Director of Urban Environment): To award a contract for a detailed programme of works which relate to various properties in the North Tottenham area known as Phase NT16 within the delivery of the Decent Homes Programme.

14. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE ST15 (PAGES 73 - 84)

(Report of the Director of Urban Environment): To award a contract for a detailed programme of works which relate to various properties in the South Tottenham area known as Phase ST15 within the delivery of the Decent Homes Programme.

15. FRAMEWORK AGREEMENT FOR MINOR BUILDING CONSTRUCTION WORKS (PAGES 85 - 90)

(Report of the Director of Corporate Resources): To seek approval to award framework agreements for the provision of minor building construction works for buildings owned or managed by the Council and Homes for Haringey.

16. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

17. 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

Items 18-25 allow for consideration of exempt information in relation to items 8-15 which appear earlier on this agenda.

18. NEW FRAMEWORK AGREEMENT FOR ARBORICULTURAL SERVICES (PAGES 91 - 92)

(Report of the Director of Adult, Culture and Community Services): To seek approval to appoint four tree works contractors to the framework agreement for arboricultural services.

19. EXTENSION OF WEBCASTING CONTRACT - LOCAL DEMOCRACY AND MEMBER SERVICES (PAGES 93 - 94)

(Report of the Assistant Chief Executive – People and Organisational Development): To seek an extension to the existing webcasting contract with UK Council Ltd. (trading as Public-i) for a further four months if required to January 2011.

20. EXPANSION OF COLERIDGE PRIMARY SCHOOL FROM TWO TO FOUR FORM ENTRY (PAGES 95 - 100)

(Report of the Director of the Children and Young Peoples' Service): To seek approval to appoint a contractor for the building of Coleridge Primary School Expansion Phase 3.

21. COMMISSIONING OF EXTERNAL LOOKED AFTER CHILDREN'S PROVISION

(Report of the Director of the Children and Young People's Service): To seek approval to award a contract under a framework agreement to organisations following a tendering process to commission providers of residential, fostering and family assessment provision. **To follow**

22. NEW TERM PARTNERING CONTRACT FOR GAS SERVICING, MAINTENANCE AND RESPONSIVE REPAIRS TO PRIVATE SECTOR LEASED PROPERTIES AND HOSTELS (PAGES 101 - 104)

(Report of the Director of Urban Environment): To report on the procurement exercise in relation to a contract to provide gas safety and maintenance to properties in the Council's Private Sector Leased and Hostels stock and to recommend the award of the contract following a competitive tendering exercise.

23. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE NT16 (PAGES 105 - 108)

(Report of the Director of Urban Environment): To award a contract for a detailed programme of works which relate to various properties in the North Tottenham area known as Phase NT16 within the delivery of the Decent Homes Programme.

24. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11- PHASE ST15 (PAGES 109 - 112)

(Report of the Director of Urban Environment): To award a contract for a detailed programme of works which relate to various properties in the South Tottenham area known as Phase ST15 within the delivery of the Decent Homes Programme.

25. FRAMEWORK AGREEMENT FOR MINOR BUILDING CONSTRUCTION WORKS (PAGES 113 - 116)

(Report of the Director of Corporate Resources): To seek approval to award framework agreements for the provision of minor building construction works for buildings owned or managed by the Council and Homes for Haringey.

26. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at item 2 above.

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

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

22 March 2010.

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MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 16 FEBRUARY 2010

Councillors *Bob Harris (Chair), *Bevan, Kober and *Reith.

*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC68.	APOLOGIES FOR ABSENCE (Agenda Item 1) An apology for absence was received on behalf of Councillor Kober.	
PROC69.	DECLARATIONS OF INTEREST (Agenda Item 3) Councillor Bevan in respect of item 11 - North Tottenham Decent Homes Programme 2009/10 - Phase NT13 (See Minute PROC.76 below).	HLDMS
PROC70.	MINUTES (Agenda Item 4) In response to a question about why Councillor Bevan had still not been provided with an update with regard to the Parking Services Managed IT Services Contract (Minute PROC.59) and on the possible issue of Homes for Haringey parking permits as part of that contract we noted that the officers concerned had indicated that all the information required was now to hand to enable a report to be drafted. RESOLVED That the minutes of the meeting held on 16 January 2010 be approved and signed.	HLDMS
PROC71.	BUILDING SCHOOLS FOR THE FUTURE: BSF PROGRAMME COST MANAGER AND QUANTITY SURVEYORS (Report of the Director of the Children and Young People's Service - Agenda Item 6) 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. We noted that the report sought approval for the additional resources required to deliver the Programme Cost Manager and Quantity Surveyor role associated with completion of the Building Schools for the Future (BSF) programme. RESOLVED That in accordance with Contract Standing Order 13.02 approval be granted to a variation in the scope and terms of the BSF Programme Cost Manager and Quantity Surveyor (Potter Raper Partnership) services to the extent set out in the Appendix to the interleaved for the remaining phase of the BSF programme.	DCYPS
PROC72.	PROPOSED NOMINATION AGREEMENTS RELATING TO THE	

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	<p>SUPPLY OF PROPERTIES PROCURED UNDER A HOUSING ASSOCIATION LEASED SCHEME (HALS) FOR USE AS TEMPORARY ACCOMMODATION (Report of the Director of Urban Environment - 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>At this juncture Members reminded officers of the importance of their attendance when required. The report sought approval for the Council to enter into nomination agreements with up to three providers of Housing Leased Scheme (HALS) accommodation. We noted that the successful tender and procurement of the HALS scheme for 300 units of accommodation would potentially generate savings in the sum of £500,000 in a full year if the HALS providers were able to supply the full number of units required in the tenders. However, we also noted that one of the successful tenders was less competitive in terms of pricing and that it was being recommended that use of the two cheaper Registered Social Landlords (RSL's) be prioritised.</p> <p>In response to a question about the basis of the price differential and whether there would be any saving to the Council if the least competitive of the RSL was used we were informed that the price differential was based on the rents charged by the respective RSL's. The rent charged by all of the RSL's for HALS accommodation would be cheaper than the cost of temporary accommodation.</p> <p>Clarification was sought of the criteria used to assess the RSL's in terms of quality and we were informed that these were based on the past relationship between the Council and each RSL, their respective records on repairs and whether or not they had a local base.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.01 (b) approval be granted to the Council entering into nomination agreements with the following three Housing Association providers of HALS properties – <ul style="list-style-type: none"> • Newlon Housing Trust • Pathmeads Housing Association • Stadium Housing Association 2. That the use of Newlon Housing Trust and Pathmeads Housing Association to procure temporary accommodation under the HALS scheme be prioritised and that when intending to use Stadium Housing Association the prior consent of the Cabinet Member for Housing should be obtained before any properties were procured. 	<p>DUE</p> <p>DUE</p>
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PROC73.	<p>AWARD OF GAS CONTRACT FOR PRIVATE SECTOR LEASING AND HOSTEL ACCOMMODATION (Agenda Item 8)</p> <p>With the consent of the Committee this item was withdrawn.</p>	
PROC74.	<p>HORNSEY DECENT HOMES PROGRAMME 2010/11 PHASE HO12 (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>We noted that the report set out a detailed programme of works which related to various properties in Hornsey known as Phase HO12 within the delivery of the Decent Homes Programme. The works were scheduled to commence on 29 March 2010 and the report sought approval to award the contract and proceed with the works in this phase.</p> <p>Clarification having been sought of whether the Planning Department had raised any issues in relation to the proposals we were informed that while none had been raised, a number of residents of Mildura Court had enclosed their balconies and an enquiry had been received about these enclosures being retained. Officers indicated that Mildura Court being within a conservation area it was not thought likely that changes to its appearance would be allowed but the matter would be checked with the Planning Department. We were also informed that comments had been received from two leaseholders to which responses had been provided.</p> <p>With regard to proposed roof works, it was confirmed that the roof to Sackville House was to be replaced with a new flat roof having regard to the higher life cycle costs for a pitched roof as well as the initial installation cost.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase HO12 of the Hornsey Decent Homes Programme to Wates Living Space on the terms and conditions set out in the Appendix to the interleaved report.</p>	DUE
PROC75.	<p>HORNSEY DECENT HOMES PROGRAMME 2010/11 - PHASE HO13 (Report of the Director of Urban Environment - 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 the report set out a detailed programme of works which related to various properties in Hornsey known as Phase HO13 within</p>	

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	<p>the delivery of the Decent Homes Programme. The works were scheduled to commence on 29 March 2010 and the report sought approval to award the contract and proceed with the works in this phase.</p> <p>With regard to the residents meeting which had been held on 12 January and to which reference was made in paragraph 12.2, we were informed that 103 had attended.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase HO13 of the Hornsey Decent Homes Programme to Wates Living Space on the terms and conditions set out in the Appendix to the interleaved report.</p>	DUE
PROC76.	<p>NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT13 (Report of the Director of Urban Environment - 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>Councillor Bevan declared a personal interest in this item by virtue of being the Chair of the London Housing Corporation.</p> <p>We noted that the report set out a detailed programme of works, which related to various properties in the North Tottenham area, known as Phase NT13 within the delivery of the Decent Homes Programme. The works were scheduled to commence on 1 March 2010 and the report sought approval to award the contract and proceed with the works in this phase.</p> <p>In response to a question about whether residents had been consulted with regard to the proposed digital satellite provision, it was confirmed that they had. Further, that although the Council was committed to carrying these works the costs were not being met from the Decent Homes programme. It was also confirmed that the flat roof at 2-32 Whitehall Street could not be replaced with a pitched roof for technical reasons and that it was proposed to replace it with a new flat roof.</p> <p>Clarification was sought of the arrangements made to ensure that value for money had been achieved in the project and of whether consideration had been given to using the services of the London Housing Consortium (LHC) in this respect. Officers advised that the LHC had not been consulted because value for money exercises had previously been carried out prior to the recommendation to use each of the suppliers named in the Appendix. However, a retrospective analysis would be carried out and the results notified to Members of the Committee.</p>	DUE/ HCPPr

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	<p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase NT13 of the Hornsey Decent Homes Programme to Lovell Partnerships on the terms and conditions set out in the Appendix to the interleaved report.</p>	DUE
PROC77.	<p>NORTH TOTTENHAM DECENT HOMES PROGRAMME 2009/10 - PHASE NT14 (Report of the Director of Urban Environment - 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>We noted that the report set out a detailed programme of works which related to various properties in the North Tottenham area known as Phase NT14 within the delivery of the Decent Homes Programme. The works were scheduled to commence on 5 April 2010 and the report sought approval to award the contract and proceed with the works in this phase.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase NT14 of the Hornsey Decent Homes Programme to Lovell Partnerships on the terms and conditions set out in the Appendix to the interleaved report.</p>	DUE
PROC78.	<p>SOUTH TOTTENHAM (BROADWATER FARM) FIRE PREVENTION WORKS (INTERNAL) (Report of the Director of Urban Environment - 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> <p>We noted that the report covered a range of fire protection and prevention works to Council Properties following recent Fire Risk Assessments carried out by Homes for Haringey (HfH) in compliance with the Regulatory Reform (Fire Safety) Order 2005. We also noted that these mandatory works would help to prevent any recurrence of the recent tragic events in Camberwell and help towards assuring Haringey Residents that their safety and well being remained a high priority with the Council.</p> <p>We were informed that the total cost of Fire Protection works identified to date was now estimated at £1,742,296.22. £2 million had been included</p>	

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	<p>in the Housing Revenue Account (HRA) balances and was included with the projected balances figure of more than £7 million at the end of the financial year. Thus the additional expenditure now sought could be approved whilst still allowing HRA balances to remain well above the target figure of £5 million.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 and subject to agreement of the necessary draw down from the Housing Revenue Account reserves approval be granted to the award of the contract for fire protection and prevention works to various properties on the Broadwater Farm Estate to Apollo Group Ltd. on the terms and conditions set out in the Appendix to the interleaved report</p>	DUE
PROC79.	<p>WOOD GREEN DECENT HOMES PROGRAMME 2010/11 - PHASE WG 17 (Report of the Director of Urban Environment - 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>We noted that the report set out a detailed programme of works which related to various properties in the Wood Green area known as Phase WG17 within the delivery of the Decent Homes Programme. The works were scheduled to commence on 5 April 2010 and the report sought approval to award the contract and proceed with the works in this phase.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase WG17 of the Hornsey Decent Homes Programme to Mulalley & Co. Ltd on the terms and conditions set out in the Appendix to the interleaved report.</p>	DUE
PROC80.	<p>HOMES FOR HARINGEY DECENT HOMES SHELTERED HOUSING (INTERNAL AND EXTERNAL WORKS) AND THE DE-CONVERSION OF PARKLANDS HOSTEL (Agenda Item 15)</p> <p>With the consent of the Committee this item was withdrawn.</p>	
PROC81.	<p>FRAMEWORK AGREEMENT FOR MAJOR BUILDING CONSTRUCTION WORKS (Report of the Director of Corporate Resources - Agenda Item 16)</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>We noted that the report sought approval to award framework agreements for the provision of major building construction works for buildings owned or managed by the Council and Homes for Haringey. In response to a question it was confirmed that it was proposed to include eight companies on each of the three framework agreement bands.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 framework agreements for major building works be awarded to the following companies for a period of 2 years with an option to extend for a further 2 years with an estimated total value of £20 million per year –</p> <p>£250,000-£999,999 Contractor</p> <ol style="list-style-type: none"> 1 Breyer Group Plc 2 Quinn London Ltd 3 Mulalley & Company Limited 4 Lengard Ltd 5 T&B (Contractors) Limited 6 Willmott Dixon Construction Limited 7 Diamond Build plc 8 Hutton Construction Limited <p>£1,000,000-£3,499,999 Contractor</p> <ol style="list-style-type: none"> 1 Breyer Group Plc 2 Balfour Beatty Construction Scottish & Southern Ltd 3 Quinn London Ltd 4 Mulalley & Company Limited 5 Willmott Dixon Construction Limited 6 T&B (Contractors) Limited 7 Lengard Ltd 8 Diamond Build plc <p>Over £3,500,000 Contractor</p> <ol style="list-style-type: none"> 1 Balfour Beatty Construction Scottish & Southern Ltd 2 Willmott Dixon Construction Limited 3 Breyer Group Plc 4 Mulalley & Company Limited 5 Quinn London Ltd 6 Jerram Falkus Construction Ltd 7 Higgins Construction PLC 8 Lengard Ltd 	DCR
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The meeting ended at 19.05 hours.

BOB HARRIS
Chair

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Haringey Council

Agenda item:

INo 1

Cabinet Procurement Committee

On 30th March 2010

Report Title: **Highways and Street Lighting contracts –novation of contracts**Report authorised by: **Niall Bolger / Director of Urban Environment**

 18th March 2010

Contact Officer: Demos Kettenis , Highways Asset Group Manager

0208 489 1704

Wards(s) affected: **ALL**Report for: **Non-Key Decision****1. Purpose of the report**

1.1 To seek approval to novate the Highways and Street Lighting Contracts to Volker Highways Limited.

2. Introduction by Cabinet Member

2.1 N/A

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

3.1 N/A

4. Recommendations

4.1 That Members agree the novation of the Highways (Lot 1) and Street Lighting (Lot 2) contracts from VolkerHighways Crowley Limited to VolkerHighways Limited.

5. Reason for recommendation(s)

- 5.1 The Cabinet Procurement Committee resolved at the meeting held on 28 April 2009 to award the Highways contract (Lot 1) and the Street Lighting contract (Lot 2) to VolkerHighways Crowley Limited.
- 5.2 VolkerHighways Crowley Limited was part of the VolkerWessels UK Group. In June 2009 the trade and assets of VolkerHighways Crowley Limited along with the two other Highways maintenance companies in the Volker group have been consolidated into VolkerHighways Limited.
- 5.3 In order to further streamline and consolidate their operations VolkerHighways Crowley Limited wish to novate the Haringey Highways and Street Lighting contracts to VolkerHighways Limited.

6. Other options considered

6.1 N/A

7. Summary

- 7.1 VolkerWessels UK Group historically had four separate entities involved in the UK Highways Maintenance sector. These comprised the main business activities of three companies. One of these companies was VolkerHighways Crowley Limited. With effect from the 29th June 2009 the trade and assets of the Highways maintenance companies in the VolkerWessels Group were consolidated into VolkerHighways Limited.
- 7.2 The purpose of this consolidation is to offer to clients the combined skills and service of a larger organisation.
- 7.3 It is in the Council's best interests to novate the Highways and Street Lighting contracts from a company that now has only minimal assets to a company within the same group that has a large asset base.

8. Chief Financial Officer Comments

- 8.1 There is no change from the comments in the Procurement Cabinet report.

9. Head of Legal Services Comments

- 9.1 At the meeting of the Cabinet Procurement Committee held on 28th April 2009 Members resolved to award the Highways contract (Lot 1) and the Street Lighting contract (Lot 2) to VolkerHighways Crowley Limited.

9.2 For the reasons set out in paragraph 5 of the report Members are asked to approve the recommendation to novate the Highways and Street Lighting contracts from VolkerHighways Crowley Limited to VolkerHighways Limited.

9.3 The novation of these contracts should not cause any difficulties with respect to complying with procurement legislation as VolkerHighways Crowley Limited and VolkerHighways Limited are part of the same group.

9.4 As the value of each of these contracts is above £250,000 they may only be awarded by the Cabinet Procurement Committee in accordance with CSOs 11.03 and 14.01.

9.5 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4.1 of the report.

10. Head of Procurement Comments

10.1 The scope of the services; the duration of the contract and the value remain the same..

10.2 There are therefore no procurement issues with this proposed novation.

11. Equalities and Community Cohesion Comments

11.1 N/A

12. Consultation

12.1 Due to the confined nature of this request there is no need for consultation to take place.

13. Service Financial Comments

13.1 N/A

14. Use of appendices /Tables and photographs

14.1 N/A

15. Local Government (Access to Information) Act 1985

15.1 Refer to previous procurement award.

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Please note - if a section of the report is not applicable for completion (i.e. there are no appendices to attach) then please type "not applicable"

Agenda item:

[No.]

Cabinet Procurement Committee

On 30th March 2010

Report Title: **Update to Procurement Committee regarding contracting Options for Adult Social Care (to agree the recommendations to move towards the preferred style of contracting arrangements for adult social care)**

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

Signed :

Contact Officer : **Margaret Allen, Assistant Director, Safeguarding and Strategic Services**

Tel: 020 8489 3719

Email: Margaret.allen@haringey.gov.uk

Wards(s) affected: ALL

Report for: Key

1. Purpose of the report

1.1 To update Cabinet Procurement Committee on the progress of adult social care in developing a preferred contracting arrangement.

1.2 The government's personalisation agenda is now almost two thirds the way through the three year period given to local authorities (1st April 2008 – 31st March 2011) to begin transforming adult social care services. Members are aware that the Department of Health has issued guidance to support the

Transformation of Social Care. In October 2009, the DH issued ‘*Progress Measures for the delivery of Transforming Adult Social Care Services*’, introducing milestones that each local authority must achieve by April 2010, October 2010 and April 2011. Further, the Care Quality Commission Service Inspection in Adult Services in January 2010 was critical of the Directorate’s continued commissioning and delivery of traditional pattern of services, noting there was considerable work to do to transform this to meet the requirements of the personalisation agenda.

1.3 In order to successfully deliver ‘personalised care’, Haringey like many other local authorities are reviewing their community care contracting arrangements. In delivering Adult Social Care (including services to carers), the role of the Council will change, from a commissioner of services on behalf of residents, service users and their carers to one of ensuring the development of the market to be able to deliver services that service users and their carers will wish to purchase using their individual budgets. This transformation is expected to reduce the need for Haringey Council to maintain the current level of ‘block’ contracts.

1.4 Members are asked to consider the proposed contracting method and their agreement is sought for Adult Services and Commissioning to proceed with a developing a framework that allows for individual contracting arrangements, with the implementation of an agreed framework..

2. Introduction by Cabinet Member

2.1. The personalisation agenda represents a significant change for adult social care, including how we work with informal carers. One of the key changes that is now being considered is how the Council will be procuring, and contracting for services in the future. This is being managed through the Transforming Social Care Programme Board, chaired by the Cabinet member for Adult Social Care and Well-being.

2.2. This report updates Members on progress to date in reviewing contracting options to support the implementation of personal budgets offering more choice and control to people who use services, and their carers.

2.3. The contracting methods proposed in this report will support the delivery of the emerging personalisation agenda, which gives residents far greater control over the resources used to provide care.

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

3.1. The recommendations and proposals outlined in this report are intended to give local residents who use social care direct control, including purchasing power,

over the services they determine they need to live fruitful, independent and fully satisfying lives. This sits within a national Government framework supported by all key public agencies to put residents who use social care in control of the decisions that affect them, whilst ensuring a high quality of services that deliver value for money.

3.2. This agenda and the approach set out in this report supports the delivery of the following key Council Objectives:

- Encouraging life time well being, at home, work, play and learning;
- Promoting independent living while supporting adults and children when needed; and,
- Delivering excellent, customer focused, cost effective services.

3.3. The anticipated outcomes of the preferred option detailed in this report is to give local residents choice, via their individual (personal) budget, to specify what services and products they determine will meet their requirements and aspirations; to be able to select the suppliers and even staff they want to deliver those services and to be directly involved, with the support of our officers and staff, in the quality control and monitoring of the services they decide to purchase.

4. Recommendations

4.1. The Cabinet Procurement Committee is recommended to endorse in principle the development of a framework arrangement, which includes the development of a personalised purchase agreement or contract and new support and quality monitoring functions that support residents using an individual social care budget in making there own purchasing decisions

4.2. The Cabinet Procurement Committee is further recommended to task the Head of Procurement Services and the Director of Adults, Culture and Community Services and their nominated officers to work on the required processes, including the review of existing staff functions, documentation and further consultation needed to deliver this option

4.3. A further report detailing the new framework and support functions will be presented to the Cabinet Procurement Committee for endorsement and agreement no later than November this year, with the intention of having the new arrangements in place and fully operational by April 2011.

5. Reason for recommendation(s)

5.1. In December 2007 the Government in partnership with the NHS, Local Authorities and other agencies concerned with delivering services to people

whose circumstances make them vulnerable and those with long term conditions, committed to the Concordat 'Putting People First'. Further Statutory Guidance issued by the Department of Health has defined this as Local Authorities being able to offer every resident who needs social care their own individual (personal) budget, which will encompass all Local Authority funding available to pay for the services they need.

- 5.2. A requirement of the new approach and one which is a key emphasis of the emerging Government guidance is the role of Local Authorities in ensuring that there is a good range of good quality services available to local residents to choose from. To achieve this there will be a need to review not only the way in which the Council commissions services but also how services are contracted for and monitored, to ensure they are meeting each individual resident's specified requirements and are able to meet those individualised requirements to a standard that both the resident and Council expect.
- 5.3. There appears to be an emerging recognition amongst local authorities and in Government that the purchasing power will shift from Council's and it's officers to individual residents using an individual (personal) budget. There is a clear recognition by the Government and agencies such as the Care Quality Commission that Council's will need to put appropriate and robust frameworks in place to support residents in confidently exercising their purchasing choice, while at the same time ensuring that the most vulnerable are protected and safe guarded and that Councils are enabled to take appropriate and rapid action in the event that a supplier fails to deliver or provides poor quality services.
- 5.4. Market research has been conducted with a number of local authorities. West Sussex County Council have developed an approach to supporting individual purchasing and contracting that is being held up as a national example of good practice, not only in terms of the processes and arrangements that have been implemented but also in the way they engaged with both residents and suppliers in developing those arrangements.
- 5.5. The evidence in support of the West Sussex approach as the preferred option that the Council should explore and develop further is very persuasive and this evidence is explored in more detail in section 7 of this report. At this stage the Procurement Committee are being asked to agree in principle that this is its preferred option and then to task both the Head of Procurement and the Director of Adults, Culture and Community Services and/or their nominated officers to work up more detailed proposals on how this option might be implemented, for consideration by the Committee later this year.
- 5.6. What is clear from the West Sussex approach and the Council's emerging market development experience, described in section 7 of this report, is that a move towards supporting residents in having full control over the purchasing of their services is both desirable and deliverable, within a framework of monitoring that ensures quality and safety.

- 5.7. It is also apparent from the analysis of the Council's traditional approach of block contracting, as explored under option 2 in appendix 1 of this report, that this is unlikely to deliver the level of choice and control for residents needing social care that is envisaged by the Putting People First Concordat.
- 5.8. There is a need to consider the risk of a significant number of residents deciding not to use their individual budgets to purchase from a block contracted service and the Council being left with contracted liabilities it cannot fund.
- 5.9. Some local residents, for example, older residents who use social care, may not feel confident or want to change their existing arrangements or suppliers, including the Council purchasing on their behalf, and the framework arrangement will allow for the Council to manage the individual contracts with providers on the service users behalf. With younger adults, there is national evidence that the this group of users have been willing to work with services purchased to deliver their personal outcomes and are comfortable exercising choice.

6. Other options considered

- 6.1. Appendix 1 to this report sets out the three main options for purchasing and contracting frameworks that have been considered, with a table outlining benefits and risks.
- 6.2. As discussed elsewhere in this report Option 1 in the appendix is the preferred option as it is the most likely option that will deliver the diversity of choice and control envisaged by personalisation. Further work is needed on developing and delivering the processes, documentation and support functions needed to ensure that choice is delivered within a framework of robustly monitored suppliers who clearly understand their adult safe guarding responsibilities and who work within the Council's policies and procedures designed to protect vulnerable adults.

Adult Safeguarding, Competition and Quality Control

- 6.3. As with the West Sussex approach a framework arrangement will be negotiated with all likely suppliers of domiciliary care and other social care services and all suppliers that want the Council to offer their services to local residents exercising an individual budget, will be required to be on this framework.
- 6.4. The framework will set out the core standards that we would expect all suppliers to work to and the core outcomes the Council expects all services to deliver against. This will include the requirement that all suppliers must be rated as 2 star (good) or above by the Care Quality Commission (CQC). However, it should be noted that these standards will not significantly exceed or go beyond those required by CQC in order to minimise disincentives that may limit resident choice of services.

- 6.5. With the proposed framework arrangement, there will be no tender or bidding exercise attached to the framework, although all suppliers wanting to apply to go on the framework will be required to go through a pre-qualification assessment to determine that they are financially sound and have all the key legislative and health and safety requirements in place. They will also be required to comply with whatever accreditation arrangements we put in place to determine that they are able to safely offer the services they state they can offer, particularly in relation to specialist services and services that are not subject to statutory regulation e.g. domestic cleaning and handy person services.
- 6.6. It should be noted that all suppliers will be required to agree to their prices; quality assessments and inspection outcomes and feedback from other residents using their services to be published to all residents and this will support residents being able to exercise informed choice as well as ensuring that there is a healthy level of appropriate open competition. It should be noted that the Council's Market Development Team will continue to work with and challenge all suppliers on the framework, in terms of their costs and the delivery of improved efficiencies and services to ensure that local residents continue to have a choice of highly competitive and cost effective prices.
- 6.7. The framework will include a requirement for all suppliers to work in accordance with both national and the Council's local adult safeguarding arrangements and procedures and to take part in all training and meetings that are required by the Local Safeguarding Multi-agency Board and policy.
- 6.8. Clauses will be included in the individual purchase agreement used by residents authorising the Council to act as the resident's quality control and monitoring agent and which require suppliers to accept the involvement of the Council in monitoring their services. This will include a clause that authorises the Council to bring the contract to an end on the resident's behalf, as happens now, where there is clear evidence of a significant default or failure to deliver against any of the requirements of both the purchase agreement or the resident's support plan or where there is evidence to support a resident's significant dissatisfaction with both the operation and delivery of their service. This will also enable the Council to act on the resident's behalf in the event of adult safe guarding issues arising that are attributed to the supplier and their staff and/or where a significant other risk has been identified.

7. Summary

- 7.1. For the last year the Commissioning Service (Adults, Culture and Community Services), with colleagues in Corporate Procurement and Contracting, have been exploring how the purchasing and contracting arrangements of Adult Services can be transformed to support and enable residents in exercising their choice and control through personalised services and individual budgets, through the review

of the Council's domiciliary care contracts. Cabinet Procurement Committee agreed an extension up to March 2011 to allow us to fully explore the alternatives to block commissioning and contracting.

- 7.2. Early evaluations identified three options/approaches to procuring and contracting publicly funded care, which includes block contracting, framework agreements and individual/spot purchasing.
- 7.3. Appendix 1 to this report sets out a benefits and risk analysis matrix in developing personalised services for each of the contracting options.
- 7.4. The framework that offers the preferred approach and where there is clear evidence of maximising the level of control and choice given people using a personalised budget, is the individual contract framework developed by West Sussex County Council.
- 7.5. West Sussex are one of the national Individual Budget Pilot authorities and the personalised contracting approach they have put in place is being held up as a national example of good practice. This approach is described in more detail in below.
- 7.6. A Domiciliary Care Core Design Group comprising members of the Haringey Forum for Older People and carers from the Carers Partnership Board; Age Concern and the Alzheimer's Society; the Personalisation Programme Coordinator and the Council's Head of Older People's Services has been overseeing and developing the future approach to supporting residents with individual purchasing in relation to domiciliary care.
- 7.7. In addition there have been extensive discussions with suppliers on the emerging approach via provider forums; through the Home Based Services Supplier Group and with individual suppliers.
- 7.8. Consensus across these groups and senior colleagues from Adult Services, Corporate Procurement and Corporate Finance points to the development of an approach that supports residents with individual purchasing decisions as the most effective means of delivering personalised services as outlined in option 1

The West Sussex Approach

- 7.9. In essence this approach is built upon the foundation of a framework agreement that was developed and negotiated in partnership with all suppliers of domiciliary care in West Sussex but which was based on a clearly expressed desire by West Sussex's older residents to be able to compare the prices and services of all suppliers.
- 7.10. The framework agreement sets out the standards that all suppliers are expected to work to; the outcomes they are expected to deliver against; and how

services will be monitored by the Local Authority.

- 7.11. The framework also requires suppliers to submit simplified composite prices offering residents a single price that covers all levels of need and the provision of care at weekends and bank holidays. It is also a requirement that suppliers agree that their pricing, service and quality information is transparently and openly shared with all residents using an individual budget.
- 7.12. There are no tender or bidding requirements and no preferred provider lists within the framework, although no supplier with a Care Quality Commission rating of less than 2 star (good) is allowed to go onto the framework agreement.
- 7.13. There is a process of pre qualification that all suppliers are expected to be assessed against that examines their financial robustness; the stability of their employment processes and workforce; health and safety, and so on; but none of the core standards and requirements exceed those required by the Care Quality Commission. This ensures that there are no unnecessary disincentives that may result in a more limited resident choice.
- 7.14. This process is supported by each service applying for inclusion on the framework being visited by the Council's Care Commissioning Managers (see note below) to validate that the service is able to meet the framework's core standards and can demonstrate that they are able to offer the services the supplier claim they can offer.
- 7.15. This ensures that residents are offered the protections and effective safeguards they need while at the same time maximising their choice of services offered to them.
- 7.16. A key thing to note is that new suppliers and services can apply and be accepted onto the framework at any time, provided they can demonstrate that they meet the frameworks standards and requirements.
- 7.17. Only those suppliers that have been accepted onto the framework agreement are offered by the Council to residents to choose from.
- 7.18. It should be noted that a bulk discount clause is included in the framework agreement and individual contracts. In essence where a supplier secures a certain level of business and care hours, through the framework, they are required to offer a price discount not just to the new residents/customers but to all their customers.

Support with Personalised Purchasing

- 7.19. The West Sussex framework supports a standardised individual contract agreement, which can be used by residents to enter into their own contracts with the suppliers they choose. However, this template can also be used by the

authority to spot purchase on the residents behalf if they do not feel confident entering into their own contract arrangements, although they can still specify who supplies their services and what they supply.

7.20. The template for the individual contract sets out some very basic contract conditions, protections, standards and some very general outcomes but it does not specify how or what services are to be delivered by the supplier – This allows the resident to specify for themselves what they want from services and when and how they want them delivered.

7.21. To support this approach West Sussex have reshaped their contracting functions to create Care Commissioning Manager and Assistants – these posts are locality focused and are responsible for supporting all residents using the individual contract in that location.

7.22. The Care Commissioning Managers support and advise residents using an individual (personal) budget on the suppliers and services attached to the framework and help them to decide which are most likely to meet their particular requirements (including price) and outcomes – the Care Commissioning Managers then broker the contract on the residents behalf with the preferred supplier.

7.23. The Care Commissioning Managers are also responsible for building up a detailed understanding and knowledge of what suppliers can offer and their quality and they are responsible for ensuring the delivery of each individual contract against the outcomes specified by the resident. This includes carrying out quality spot checks and service quality reviews.

7.24. This offers each resident a considerable level of support in ensuring that what they require is delivered and in addressing poor service delivery as well as ensuring that the authority is able to provide good quality information on what's available.

7.25. West Sussex report significant benefits in terms of increased resident satisfaction with services and significant reductions in prices as some suppliers have been forced to review their prices in response to resident choices.

7.26. Initially some suppliers did attempt to raise prices but then were forced to reduce prices as a result of a number of residents not choosing to purchase from them. The West Sussex experience has shown that with the application of market forces, with residents choosing suppliers of the same or better quality but offering lower prices, has effectively controlled and depressed prices and costs overall.

Market Management, Analysis, Support and Stimulation

7.27. As important as developing a new approach to contracting to support personalised social care, will be the Council's ability to manage and influence

local markets both to develop and expand the choices available to local residents and to ensure that there is a stable supply of good quality services offered at the most cost effective prices. The Institute of Public Care (IPC), a Government funded think tank, points to the need for Local Authorities to become outcome focused market facilitators. A series of IPC pamphlets entitled '*Market Facilitation – Transforming the Market for Social Care*' ([click here to download from DH Care Network website](#)) describes this role in some detail and points to Local Authorities becoming proactive in both understanding the incentives, disincentives and challenges of existing and potential suppliers and in supporting markets in being able to respond to what will likely be growing demands from people using their individual social care budgets.

7.28. The Council established a Market Development Team within Adult Services in 2008 and this has proved to be invaluable in terms of getting a good a robust understanding of a number of social care markets, including mental health residential care, which has resulted in an expansion in supply and choice and a reduction in costs. This function has proved extremely valuable in gaining detailed market intelligence and a clear understanding of the local domiciliary care market in terms of the variety of choice of suppliers; prices; capacity to expand; quality; ability and capacity to innovate and expand; stability of workforces and where the gaps in supply are.

7.29. This analysis has offered confidence that there is a robust, good quality, innovative and cost effective local market of mostly local domiciliary care suppliers and that this market would be able to effectively respond to the personalised and individual contract framework that is the preferred option of this report.

7.30. The Council has made a good start in managing local markets and has made good progress in developing the new approaches that will be needed to help diversify supply and to make suppliers and services responsive to resident demands and wants. This includes developing a new approach to market research, which is described in Appendix 2 of this report. Work is also underway with the Council's Business and Enterprise Service and with HAVCO on developing a market development framework that will help the Council and suppliers develop the competences and resources needed to achieve customer driven and responsive social care markets. It is also being designed to give local residents the confidence in being able to make their own purchasing decisions.

8. Chief Financial Officer Comments

8.1. The new personalisation agenda for Adults Social Care will change how the Council commissions and contracts it's services with the Council moving more to being an enabler and away from being the direct commissioner of services.

8.2. As a result the way the Council manages it's finances for social care and the

contracts will need to change with the management of the finance being through the monitoring of personal budgets and of the care outcomes that individual clients are looking to achieve.

9. Head of Legal Services Comments

- 9.1. The Head of Legal Services notes the contents of the report.
- 9.2. Personalisation is a new government initiative which is due to be implemented early in 2011.
- 9.3. The Head of Legal Services advises that Adult, Culture and Community Services Directorate should liaise with Corporate Legal Services throughout the implementation process and seek its advice on the terms and conditions for contracts that are to be used for the care services.

10. Head of Procurement Comments

- 10.1. In order to support the personalisation agenda the current models of procurement need to be reshaped.
- 10.2. Corporate Procurement have been fully involved in the development of the recommendation and fully support it.

11. Equalities &Community Cohesion Comments

- 11.1. A key thing to note about the move to personalised services and offering local residents in need of social care their own budgets, is that they will be able to specify and choose not only what services they receive but also how those services are delivered to them, to meet their own specific cultural, ethnic and religious requirements. Equally residents with specific gender identifies or residents who would prefer their service to be delivered by a worker of the same sex will be able to decide for themselves, which service best meet these requirements or to put in place their own arrangements for employing their own staff.
- 11.2. Equally residents with life long and limiting conditions will no longer be limited to those services that have been procured by the Council through block contracting or to accepting the more traditional forms of social care such as residential and day care type services. They will be able to purchase services that they decide will meet their particular outcomes and requirements and to have those services delivered at times and in locations that suit them.
- 11.3. It's worth noting that whereas block contracting arrangements can deliver

guaranteed standards and prices, offering a good but generalised standard of care to the whole community, this approach has often been unable to deliver against more specific requirements and this includes offering residents the opportunity of using suppliers that specialise in delivering for example culturally specific services.

- 11.4. The market research mentioned in section 7 of this report also points to the fact that there are a number of good quality local suppliers and businesses, some of which are culturally and ethnically specific suppliers, who have found it difficult to secure social care business from the Council due to the heavy financial commitment to the two existing block domiciliary care contracts.

12. Consultation

- 12.1. For the last 18 months a 'Core Design' group comprising representatives from the Haringey Forum for Older People, the Alzheimer's Society, Age Concern, the Carers Partnership Board, NHS Haringey and senior representation from the Council's Adult Services has been meeting to develop and drive the proposal detailed in this report. The majority of the group's membership is made up of resident and carer representatives.
- 12.2. In addition there have been a number of supplier forums that have discussed the approach and proposals contained in this report. This process has been further augmented by a supplier reference group comprised of both large and small local suppliers and suppliers across several sectors who are focused on delivering care and support to people living in their own homes. The Directorate's Market Development Team have also spoken to suppliers individually about the proposals.
- 12.3. Both the Core Design Group and the Supplier Reference Group have jointly considered resident feedback on domiciliary care and other similar services, which have arisen from several consultation events, including feedback gathered as part of the development of Experience Still Counts.
- 12.4. Appendix 4 to this report details some of the issues and specific proposals that have arisen from this process and which will be fed into the development of the proposed framework and approach to future market stimulation.
- 12.5. It should also be noted that Age Concern and the Haringey Forum for Older People have been commissioned to pilot market research techniques designed to elicit the views of those using social care on whether they would feel confident purchasing their own services; what changes they would make to their services if they are offered a choice and what they require from their services to improve the quality of their lives. Whereas this will take until the end of this calendar year to complete it is anticipated that there will be sufficient feedback from the early pilot work to influence the development of the proposed framework and the final

Cabinet Procurement Committee Report mentioned in the recommendations to this report.

- 12.6. The consortium managing this research will include organisations that represent BME communities and groups and the need to take account of diversity issues is a core feature of the research model.

13. Service Financial Comments

- 13.1. At this stage there are no financial commitments attached to this report. However, it should be noted that how the financial liabilities attached to any future commitments that may arise from the individualised contracting arrangements that are put in place will be more linked to the level of individual budget allocated to each resident who qualifies.
- 13.2. There will be much less of a direct link between the Council's financial liabilities and supplier costs and prices, although ensuring that there is a healthy and competitive market of services with cost effective prices will enable the Council to confidently control the level of individual budget allocations
- 13.3. Initially the level of spending that is likely to be affected by the recommended contract option described in this report and which is linked to domiciliary care services (the first set of services the new arrangement will be applied to), currently stands at £7.16 million (projected spend for 2009/10)

14. Use of appendices /Tables and photographs

- 14.1. Appendix 1 - Contracting and Purchasing Options, with risk management framework for option 1
- 14.2. Appendix 2 - Market Intelligence, Development and Research
- 14.3. Appendix 3 – Consultation Feedback arising from suppliers and from the Core Design Group, which includes resident and third sector representation

15. Local Government (Access to Information) Act 1985

- 15.1. Putting People First – A shared vision and commitment to the transformation of adult social care [Click here to download document](#)
- 15.2. DH Local Authority Circular (LAC (DH) (2009) 1) – Transforming Adult Social Care [Click here to download document](#)



Appendix 1 – Contracting and Purchasing Options – benefits and risk matrix

Option 1 – Framework arrangement – supporting Individual Purchasing

This approach requires a robust Quality and Performance Management Framework Arrangement that would support individual purchasing of care from a broad variety of providers and suppliers. In addition to the West Sussex model described in the main report, Croydon Council has also developed a highly successful model of individual spot purchasing, based on a provocative Brokerage arrangement where Quality Support Officers, within the Brokerage Team, carry out regular quality spot checks and where service users are regularly visited to seek their feed back on the quality of service they are receiving from their supplier. They also apply a league table of price and quality, which suppliers are made aware of and which they use to advise residents and care managers of who the most cost effective suppliers are in any given week. This has created a competitive market where prices have been brought down but quality has risen. This approach does potentially offer the greatest flexibility and responsiveness but would require the development of a new framework and way of working for the Council and providers. This will require considerable and inclusive work with providers (very key), potential service users and other stakeholders to manage the transition effectively. For option 1, risks are also considered in terms of likelihood and mitigating action.

Benefits	Risks	Risk likelihood level	Mitigating action
<ol style="list-style-type: none">1. Allows greater flexibility and may attract good quality providers who would otherwise not be willing or would be unable to bid for large volume contracts2. May allow the mixing and matching of supply and services to meet complex needs and the specific demands of service users3. No long term financial commitments and so would be able to respond rapidly where demand for services changes	<ol style="list-style-type: none">1. Risk of destabilisation of current workforce with the move from block contracted services to a more open market approach of several suppliers	Moderate/ Medium	<ul style="list-style-type: none">• A workforce development strategy is being developed that will encompass both Council staff and the workforces employed by external suppliers – The effects of a move to a more open market of supply will be considered as part of the development of this strategy in consultation with all suppliers• As part of the workforce development strategy there will be an analysis carried out via the InLaws project to ascertain the age, training profiles and socio-economic profiles of existing care staff – there may be a commitment to working with local suppliers

Benefits	Risks	Risk likelihood level	Mitigating action
<p>4. Would allow for the more rapid development of new supply to meet changing and emerging needs and demands</p> <p>5. Negates the need for finite resources to be expended on a tender process and would allow both staff and the Directorate to work on the purchasing frameworks needed to support personalisation</p> <p>6. Better management of costs, quality and outcomes supported by staff with the appropriate skills within the Directorate to proactively manage the market</p> <p>7. Should allow residents/service users the opportunity to more specifically state what services they want and have those need/wants supplied by a more diversified local market</p> <p>8. Should allow the Council to address poor quality provision rapidly without any legal and financial implications or delays</p> <p>9. Would allow service users to specify how they want their service delivered and by whom and would also allow service users the option of switching to other suppliers if</p>	<p>2. A decrease in the Council's ability to influence the market and suppliers in terms of prices, service requirements and quality – this in turn may adversely affect both member and resident confidence in supply and services</p> <p>3. Council becoming limited in monitoring and managing supplier performance and quality, within context of achieving value for money</p> <p>4. Without long term contract commitments in place</p>	<p>Moderate/ Medium</p> <p>Moderate/ Medium</p>	<p>on identifying what will be needed to attract the appropriately qualified and motivated workforce needed by personalised services and to work with them on recruitment and training programmes</p> <ul style="list-style-type: none"> Initial market research indicates that there are several local suppliers with stable workforces and development frameworks that are able to offer well trained care staff A market development framework is being developed in partnership with the Council's Business and Enterprise Service that will cover the new core competences required by the Council's Market Development and Contracting staff to manage a more open market place of supply A review of staffing and competences linked to contracting and brokerage is being carried forward with the intension of realigning support functions to respond to personalised purchasing and open market development The Market Development Team is being expanded with the competences of the new posts focused on business development and support, marketing services and on market place buyer skills linked to managing a diversity of suppliers Refer to the actions identified against Issue 1 The Council may need to develop a strategy

Benefits	Risks	Risk likelihood level	Mitigating action
<p>they are either not satisfied with what they are being offered or where they find an alternative supplier better able to respond to their needs</p> <p>10. Should allow more niche and specialist providers, as well as local third sector suppliers (e.g. BME led), an opportunity of gaining business and developing new services, that otherwise might be deprived the opportunity to develop these under block contracting</p> <p>11. Should give service users the opportunity of developing their own services and/or commission suppliers as a group, which would not be possible under a block contact arrangement</p>	<p>suppliers may be more reluctant to invest in staff training and development and in the improvement of their services, including investment in diversifying the services to meet new or specialised needs</p> <p>5. The Council will need to plan for having the necessary resources and staff competences in place to manage an open market, including managing prices and quality control as well as supporting residents with making confident purchasing decisions</p>	<p>Moderate/ High</p>	<p>that both supports suppliers in securing the private investment they need to develop their businesses and services, based on the Council offering more accurate data on resident demand</p> <ul style="list-style-type: none"> • The Council may need to develop a strategy that both supports suppliers in securing funding and investment in new business start ups in social care and new services to meet identified gaps in supply against resident demands or where there are very specific demand e.g. dementia • Refer to actions identified against issues 1 and 2

Option 2 – Block Contracting

This would be the 'as is' position with a formal tender and commitment to purchasing a block number of hours from a specified range of suppliers selected through a competitive tender. As the Council is in a fairly early stage of the Commission and specifications are currently being looked at, it is clearly possible to make the specification as flexible as the Council determines is needed to meet the transforming social care agenda. The Council can also seek to build additional features and services into the new contracts and

specifications e.g. Foot Care, Handy Person Services etc. Another block contract arrangement essentially requires no major changes in the way we approach contracting, although it could be argued that the Directorate will still need to develop it's capacity to monitor and manage quality outcomes for individual residents receiving services.

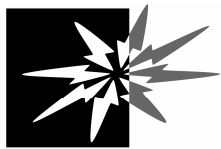
Benefits	Risks/challenges
<ol style="list-style-type: none"> 1. Offers certainty of supply and capacity and gives the Council a lever on providers to ensure that capacity is available when needed 2. Provides a certain and potentially stable framework of quality and performance management and may require less day to day close scrutiny of the performance of services 3. May create incentives for providers to invest in the development of their staff and services, through training and the recruitment of better qualified staff and the Council has the option to specify these requirements in the contract 4. Can enable good and robust long term relationships between the Council and suppliers that in turn may allow for service developments and flexibility, arising from the trust developed through a long term contracting relationship 5. Offers stability of pricing and quality and will allow for more certain budget planning and management 6. May offer care staff greater stability in employment and may stabilise the local care employment market with experienced and better qualified staff less likely to switch agencies and employers 	<ol style="list-style-type: none"> 1. Can be very inflexible committing the Council to long term service models and investments, with limited scope for variation or ending services within the contract period, if demand and needs change 2. Could be a very costly option if the Council is committed to funding a specific level of capacity over a prescribed timeframe and then demand and needs significantly change leaving the Council with under utilised capacity 3. Can offer a very slow framework for addressing weaknesses in provision and quality and can involve very costly legal issues in the event that the contract needs to be significantly altered or brought to an end 4. Involves considerable time and resources in administering a tender process, which could be better used developing the new transforming social care framework 5. Offers service users very little flexibility and choice in how their services are delivered and who delivers them 6. Can limit the degree to which service users and other stakeholders are involved in the development of their services and can limit their level of control over the services they receive 7. May be very slow to react to the emerging changes arising from Transforming Social Care and emerging Government agendas, leaving the Council with outdated provision that may not be in line with contemporary Government Regulatory & Inspection requirements

Option 3 – Hybrid options, including framework agreements

There is the potential to build into block contracts the ability to significantly reduce capacity and decrease it, year on year, without any increases in unit costs and to include break clauses to respond to changes in demand arising from IBs or changes in local and central Government agendas. In addition the Directorate might want to reduce the number of block contracts to a single core contract and with an increasing use of individual purchasing.

The Directorate may also want to develop framework agreements where a variety of suppliers are assessed in terms of their suitability against quality, performance, outcomes and costs to supply services but where they are tied to a legally binding agreement, without any guarantees of receiving business or funding. Framework agreements sit somewhere between option 1 and 2 but they have the advantage that suppliers are tied into contractual agreements to supply on demand and against Council determined quality, cost and performance requirements and thresholds. There is no legal requirement to purchase from the framework if other suppliers are identified as providing a better value or more suitable service.

These tools could be used in conjunction with a variant of Option 1 to manage change in a more stable framework, which could address some of the disadvantages of Options 1 & 2 and which would offer the Council a broader and more diverse strategy to respond to transforming social care. The disadvantage is that the Directorate would still need to specify and tender for both framework agreements and block contracts, which as set out under Option 2 is time consuming and resource intensive. It also offers a much more complex set of arrangements that would require very robust management, review and monitoring and may take time to put in place.



Appendix 2 - Market Intelligence, Development and Research

- 2.1 A key component in ensuring that we are able to secure and offer a good range of choice for local residents will be market intelligence and development – This is vital in terms of understanding whether suppliers have the current capacity or potential to deliver against resident expectations and requirements or to understand what we need to do to stimulate and support suppliers in developing new services and projects where needs and expectations.
- 2.2 The Directorate has already been successful in gaining a detailed knowledge of the local and London wide domiciliary care market, which is giving the Council a clear and emerging view of what the local market can offer as well as building up a very detailed map of services that can be used to populate resident catalogues and the proposed purchasing website.
- 2.3 The Directorate's Market Development Team surveyed and visited over 30 suppliers of domiciliary care services, who are either based in Haringey or the surrounding Boroughs, including Hackney, Islington, Camden, Barnet and Enfield.
- 2.4 All of these suppliers are at least rated as 2 star (good) by the Care Quality Commission (CQC) and a significant proportion are rated 3 star (excellent).
- 2.5 All the service providers indicated that they have the capacity and willingness to deliver services to Haringey residents, if they are not already supplying services in Haringey.
- 2.6 Further work is needed with the Council's Procurement and Finance Services on developing a more objective assessment and accreditation process that will allow the Council to determine whether these suppliers have the sustainable capacity to deliver more services, while maintaining high quality and standards of care.
- 2.7 Most of the suppliers have a relatively low turnover of care staff and have relatively stable work forces, although they all report challenges in recruiting new staff due to pay levels and what can be unsociable hours of work – further information is being gathered on the qualifications and skills held by care staff and to determine how many staff are able to deliver specialist care.
- 2.8 Some suppliers report that they are able to deliver specialist care particularly in relation to dementia care, brain injury and stroke but at this stage it is difficult to verify the degree of this expertise – further work is underway to gather evidence including;
 - specific comments in CQC reports on any specialist services delivered by each supplier;
 - evidence of current statutory contracts in place to deliver specialist services
 - reports and feedback from statutory agencies on the delivery of specialist services; and,
 - evidence of accreditation from professional bodies and/or qualifications of a significant number of staff to deliver specialist care.

- 2.9 There is a need to develop specific accreditation frameworks around specialist care services that will enable the Council, residents and the statutory professionals supporting them to determine that suppliers can deliver what's needed and in line with national good practice and standards.
- 2.10 Work is underway with partners such as the Borough's Older Persons Mental Health Service to draw up the appropriate standards for areas of specialism.
- 2.11 Only those suppliers that can meet these standards and supply the evidence required will be designated in service catalogues as 'specialist' services and it will be these suppliers only that residents will be advised by the Council's Service Finding Team to purchase from if they have specialist care needs.
- 2.12 Overall it is evident from this initial market analysis that this is a robust, diverse and healthy local market of good quality suppliers, whose prices are either comparable to or in some cases significantly lower than our current block contract suppliers.
- 2.13 There is a need to stimulate the market to develop more specialist provision and in particular service and supply for Haringey's Black and Minority Ethnic Communities, where it is apparent there are gaps in supply – This may require a very proactive intervention from the Council, including the offer to local businesses and organisations of investment to develop supply.
- 2.14 Work is starting on developing the accreditation framework mentioned above but it is clear that these frameworks will need to adapt as residents start exercising broader choices outside of traditional forms of social care service.
- 2.15 A Market Development Framework covering issues such as the effective use of customer feedback to develop supply; business development and support and the development of the new competences needed to support more effective marketing and investment planning is being developed – this is being developed in partnership with the Council's Economic and Regeneration Service and HAVCO.
- 2.16 Traditional commissioning approaches and skills are unlikely to deliver the diverse and innovation led markets needed to offer residents real choice, while at the same time ensuring that value for money is delivered.
- 2.17 The Council's Commissioning Manager for Market Development, Age Concern and the Development Officer for the Haringey Forum for Older People have been working on a long term framework for seeking the view of residents, who both use or who might use care services, on what they want from domiciliary and home based care services.
- 2.18 The intention of this framework is to enable both the Council and suppliers to fully understand what residents are likely to want to purchase and to provide robust evidence on what services need to be developed and invested in or acquired through service finding.
- 2.19 It is intended that this will become a process rather than a single set of consultations that will help in regularly gathering good quality and up to date resident feedback on what they need and want and which will allow the Council and suppliers to plan for and respond to changes in resident aspirations and demands.
- 2.20 Funding has already been secured to support the development of this process.

Appendix – 3

Outcome of the Domiciliary Care Design Seminars – 29th January 2010 and 9th March 2010

- This appendix details the issues and areas of future development that have been identified by the Core Design Group and Supplier Group
- In addition to the discussions that have been taking place with both groups through out the last year there was a special joint seminar that took place on the 29th January 2010 and 9th March 2010 that included Age Concern, members of the Haringey Forum for Older People, the Alzheimer's Society, carers and a variety of large and small suppliers of care services, and set out some of the emerging thinking from both suppliers and the representatives of residents using care services and carers
- These are not the only issues or requirements against which service and supply development will be required but they offer a very useful starting point to support the next phase of development of both the individual purchasing arrangements referred to in the main report and the further market development that is anticipated in the years to come to widen resident choice
- The thoughts and suggestions set out below will be fed into the process described in the recommendations to this report, as will any further thoughts that arise from the Core Design Group, the suppliers forums and group and from the resident market research described in the main report

4.1 Feedback from residents and suppliers – areas to address:

Residents are concerned to ensure there is better continuity of care, in terms of having the same carer visiting to provide the service. They want better information, improved communication with Council staff, and accessibility to services, and a wider range of services – currently domiciliary care agencies are not able to provide handyperson/general house hold cleaning services. Residents report they want more flexibility in how the care package is delivered to them, and want reassurances on the quality monitoring of carers and providers. There are concerns about how non agency-staff providing care to individuals (such as other relatives) will be monitored.

There are some specific areas that residents seek further clarity about, such as access to respite and how for example, a service user attending a day centre would be motivated to attend; who would be responsible for this?

Other areas of concern were expressed about the adequacy of training availability for care staff, salaries available for working in the care industry and how services are currently commissioned from agencies, such as travel time between visits is excluded from the commissioned service.

4.2 Resident feedback regards the support, tools, information they will need to help them become confident in choosing their own service.

Residents are clear that information in appropriate languages etc will be critical – and suggest for example any catalogue and website should be colour coded to make it easier for the elderly. Personalisation needs to be explained to residents and need to know that it is their choice. The implications should be explained to them i.e. if they choose to navigate their own care they will be responsible for personnel issues. There is a need to be clear about finding out what residents want out of self assessment and how they want to be supported with their self assessment.

Residents need to be confident in the people providing the service and service navigators, and that .That there should be a single named person in each service/supplier that residents can contact to help them resolve problems and challenges who has the time to support them appropriately with their complaints/concerns. Of paramount importance to residents is for agencies to supply a core of carers so that service users can have continuity of care

Residents felt that having the right technology available to support them in making choices around supplier is very important – for example Visiting officers should have laptops with mobile broadband so the service user can view services on line; and older clients may need training on computer to be computer literate.

Regards proposals around individual contracting, residents feel they will need a support in understanding how these work, for example - Would it be possible to try out a service before tying into a contract; and what will the contract termination period be?

There is a need to develop and expand low level interventions and services including services that support residents with domestic chores; shopping; supporting residents with minor repairs and their gardens; changing light bulbs etc.; supporting residents in doing things for themselves and critically the provision of basic foot care.

The suggestion has been made that Housing Associations should make Intensive Care Team's available for residents to use

A key issue raised by groups representing older residents and carers is the provision of well resourced, trained and supported advocacy and brokerage that is independent of both suppliers and the Council and they felt that this should be a key aim for the future. It was also felt that providing independent advocacy will be essential to ensure that residents have access to good quality and robust advice and information not only in terms of addressing their rights and obligations under personalisation but also in terms of addressing problems such as lack of delivery



Haringey Council

Agenda item:

[No.]

Procurement Committee

On 30th March 2010

Report Title: **New Framework Agreement for Arboricultural Services**

Report of: **Director of Adult, Culture and Community Services**

Signed :

Contact Officer : Alex Fraser, Arboricultural and Allotments Manager

Wards(s) affected: **All**

Report for: Key Decision

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

- 1.1 This report is seeking member approval to appoint four tree works contractors to the new Framework Agreement for Arboricultural Services. The four companies have been short-listed through evaluation of tenders submitted. The results of the tender process are set out in appendix 1 of this report.

2. Introduction by Cabinet Member (if necessary)

- 2.1 In the urban landscape, trees provide a wide range of environmental, social and economic benefits that contribute to people's health and well being. Trees can make cities a healthier, more attractive and comfortable place to live and work.
- 2.2 The Council is responsible for more than 40,000 trees, located on streets and housing sites, in parks and open spaces, in woodlands and schools and in the grounds of other public buildings.
- 2.3 The Council seeks to be a good and reasonable manager of trees to uphold its 'duty of care' and maintain trees reasonably within the wide range of pressures and demands made on it.
- 2.4 The management of the Councils existing tree stock and enhancement of the overall tree population is an ongoing task. There are important health and safety issues relating to trees, therefore, the Council is required to ensure that its tree

stock poses no foreseeable risk to the public or property.

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

3.1 Haringey Council is committed to creating a greener, more sustainable environment for its residents and visitors to the Borough. The Council Tree Strategy adopted in 2008 details the Council's approach to the management and enhancement of its tree stock. One of the principle actions of the tree strategy was to introduce a new contract for Arboricultural Services.

3.2 Haringey's Sustainable Community Strategy adopted in June 2007, outlines the aspirations, challenges and opportunities facing us over the next ten years. It sets out the Council's vision and desired outcomes which include;

- An environmentally sustainable future.
- Healthier people with a better quality of life.

3.3 Haringey's Greenest Borough strategy provides a framework for a coordinated approach to tackling environmental issues in the Borough. It will play a key role in achieving a number of the priorities identified in the Community Strategy, specifically:

- To protect the natural environment.
- To tackle climate change and reduce carbon emissions.

3.4 Haringey's Open Space Strategy, 'A space for everyone' was adopted in 2006. Its strategic vision is;

- To enrich the quality of life for everyone in Haringey by working in partnership to provide safe, attractively designed, well used, well maintained open spaces for the benefit and enjoyment of the whole community.

4. Recommendations

4.1 That those four companies short-listed, be appointed to the Framework Agreement for Arboricultural Services.

5. Reason for recommendation(s)

5.1 We consider that the tenders submitted by the four companies identified in appendix 1 represent best value to the Council in terms of both cost and quality.

6. Other options considered

- 6.1 Other options were considered at the outset of tendering for the new Arboricultural Services contract. Awarding a term contract to an individual company was considered and deemed unsuitable due to the uncertainty over agreed budgets for tree works.
- 6.2 Having more than one contractor was also considered more beneficial to the Council, as often large volumes of work needs to be undertaken in a considerably short time scale, such as the winter works pollarding programme, and having a number of contractors available would reduce the risk of works not being completed within preferred timescales.
- 6.3 A Framework Agreement was considered more flexible, in that no contractor is guaranteed any work. Works can be procured via a call-off or by using the mini-competition process. It is intended to issue works via call-off on a rotational basis. Working with a Schedule of Rates will reduce officer time spent on tendering and provide better value for money with known costs for works.

7. Summary

- 7.1 The Council has a proactive approach to tree management which is outlined in the borough Tree Strategy and Service Level Agreements with Frontline Services and Homes for Haringey. A cyclical inspection and maintenance programme is in place for street trees, those in housing sites and parks. Batches of tree works (£1k - £30k) are issued routinely throughout the year.
- 7.2 The Council currently uses two contractors from an approved list to carry out the majority of tree works. However, this list is now out of date and a new Framework Agreement is necessary to comply with procurement policy. The new contract will be for an initial 4 years with an option to extend for an additional two years. The estimated spend is £350k per annum
- 7.3 A notice was placed on the LBH website and in Horticultural Week magazine on 16/10/2009 inviting 'expressions of interest' to tender for inclusion on the Framework Agreement. Thirty seven companies requested the tender documents, but only eleven submitted completed tenders. One of which did not meet the tender criteria so was eliminated from the evaluation process.
- 7.4 Tenderers were required to submit a priced schedule of rates and a method statement providing supporting information to enable evaluation and suitability for inclusion on the contract. The evaluation process included input from individual officers on Health and Safety, Equalities and Finance issues.
- 7.5 The tender documents stated that we wished to appoint a maximum of four companies to be included on the new contract. Those companies that have been short-listed are identified in appendix 1.
- 7.6 Contract performance will be monitored through regular meetings with each company's contract manager. Performance will be assessed on the following points:

- % of works completed within set timescale.
- On site Health and Safety inspections.
- Client/customer feedback.
- Standard of pruning in accordance with published guidance.

8. Chief Financial Officer Comments

- 8.1 The use of a select list of contractors for this type of work represents the best way to achieve value for money whilst allowing the service flexibility in how the works are delivered, especially during peak times.

9. Head of Legal Services Comments

- 9.1 The services to which this Framework Agreement relate are Part B services so there was no requirement to follow a European tendering process.
- 9.2 Adult, Culture and Community Services Directorate (the Directorate) followed a restricted tender process in accordance with the Council's Contract Standing Orders (CSOs).
- 9.3 The Directorate now wishes to appoint four contractors to the Framework Agreement.
- 9.4 Because of the anticipated value of the Framework Agreement, the awards must be approved by Cabinet Procurement Committee in accordance with CSO 11.03.
- 9.5 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

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

- 10.1 The procurement process has been carried out in line with the Procurement Code of Practice.
- 10.2 The setting up of a Framework Agreement gives greater flexibility to the service and mitigates the risk of lack of capacity to meet the needs of the service.
- 10.3 Contract management arrangements have been put in place to ensure contract compliance and mitigate any risk of poor performance.
- 10.4 A full tender process had been carried out using, most economically advantageous Tender (MEAT) evaluation criteria. This has resulted in a VFM outcome for the council.

11. Equalities & Community Cohesion Comments

- 11.1 An assessment of equalities was carried out as part of the tender evaluation process.

12. Consultation

- 12.1 Consultation on contract and tender preparation was undertaken with Corporate

Procurement, Legal Services and ACCS Contract Service. Consultation was also undertaken with all relevant clients, including the Parks Service, Frontline Services and Homes for Haringey.

13. Service Financial Comments

- 13.1 Arboricultural Services at Recreation Services manage and maintain trees across the Borough on behalf of both Housing and Urban Environment (SLAs exist) as well as Parks and the expenditure in past years were approx £350k per annum and fully recovered from both services.
- 13.2 The framework contracts do not commit the Council to any expenditure with the suppliers but would offer the Council opportunity to spread the risk/workload among them.
- 13.3 The schedules of rates submitted by the short-listed contractors show a potential revenue saving of 5-10% on some works.

14. Use of appendices /Tables and photographs

- 14.1 Appendix 1: Tender Report – **EXEMPT ITEM, NOT FOR PUBLICATION**

15 Local Government (Access to Information) Act 1985

- 15.1 [List background documents]
- 15.2 [Also list reasons for exemption or confidentiality (if applicable)]

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[No.]

Cabinet Procurement Committee

On 30 March 2010

Report Title. **Extension of Webcasting Contract – Local Democracy and Member Services**

Report of Assistant Chief Executive – People, Organisation and Development

Signed :

Contact Officer : Nigel Lindsey, Member Support Manager, Local Democracy and Member Services – 020 8489 2956

Wards(s) affected: All

Report for: Non-Key decision

1. Purpose of the report

1.1 To advise the Cabinet Procurement Committee that as part of the process to re-tender the contract for the provision of Webcasting the existing contract be varied by extending for an additional 4 months to January 2011 from the current expiry date of September 2010.

1.2 IT Procurement have advised that because the likely value of the procurement will be above European Union (EU) thresholds the re-tendering process will be subject to EU procurement timescales. Therefore, officers are requesting that the current contract for Webcasting services be extended for a period of up to four months to allow for the procurement exercise to fully complete.

2. Introduction by Cabinet Member for Community Cohesion and Involvement

- 2.1 The Council successfully introduced webcasting of Council meetings in September 2005 and this facility has assisted in increasing the awareness, access and involvement of the community in the decision making process. The current re-tender process provides an opportunity to test a maturing market in the provision of this service and to ensure the Council continues to receive value for money.
- 2.2 Officers have advised that because the procurement exercise may come within the terms of European procurement timescales it would be prudent to extend the current contract term by a further four months. I have asked that officers continue to keep me apprised of progress.

3. Recommendations

- 3.1 That Cabinet Procurement Committee approve, under Contract Standing Order 13.02, the extension of the existing Webcasting contract with UK Council Limited (trading as Public-i) for a further four months to January 2011; to ensure compliance with EU Procurement rules and timescales.
- 3.2 That the Cabinet Procurement Committee be provided with a report as to the progress of the re-tendering exercise for the provision of the Council's Webcasting facility before the summer recess 2010.

4. Background

- 4.1 Members will be aware that Council meetings have been webcast and made available via the Council's website since 2005 in response to Member decisions and Central Government Priority Service Outcomes. The service is currently provided by Public-i who host the webcasts and provide the recording equipment on a lease basis.
- 4.2 This contract will expire in September this year. IT Procurement, who are assisting Local Democracy and Member Services with the re-tendering exercise, have advised that because of the likely value of the contract EU procurement rules and timescales will apply. Whilst it is envisaged that the contract will be re-tendered in time to met the expiry of the current contract it is considered prudent to seek the Committee's approval, in accordance with contract standing orders, for a further extension of four months if deemed necessary. Continuity of the webcasting system is required to ensure continuity of provision be in place from September 2010 when Council meetings re-commence after the summer recess.

5. Report

- 5.1 Local Democracy and Members Services, with support from IT Procurement, are to provide a detailed specification and proposal for re-tender of the contract for the provision and support of webcasting for Haringey. Webcasting capability was originally procured from UK Council Limited (trading as Public-i) in September 2005 following a contract tendering exercise. This contract, in accordance with contract standing orders, has been extended twice. However, the requirement is that the contract should now be re-tendered and the process will provide an opportunity to test the market with regards to webcasting provision.
- 5.2 The current contract provides for the leasing of webcasting equipment, software and support services and allows for up to 20 hours of webcasted material per month, at a cost of £37,000 per annum. However, this may be reduced in the future, particularly as Communications have commenced hosting pre-recorded video material via the Council website's new accessible media player rather than use the webcasting facility as previously.
- 5.3 Officers will also be seeking separately, a decision from the Council's leadership as to which Council meetings (and events) be webcast for the 2010-11 municipal year. The Committee should also be aware that, as at present, webcasting facilities will be available for use by other Council services – in supporting the work of the Youth Council for example and in promoting corporate events.
- 5.4 Webcasts of Council meetings are operated by Local Democracy and Member Services staff, approximately 10 of whom have been trained in the use of the equipment. The majority of broadcasts are made from the Council Chamber and Committee Rooms. A mobile facility is also available to provide additional flexibility in the use of webcasting in other venues and beyond just formal meetings.
- 5.5 A recent collaboration between Public-i and NTe, the supplier of the Modern.Gov minutes and agenda software has linked the two systems which has enhanced the functionality and usage of both in that the relevant meeting documents are automatically displayed on the website alongside the webcast. The new contract will ensure that this enhancement is retained. The contract will also include a requirement that any new webcasting system fit appropriately into any new meetings venue, such as a new Civic Centre, should the Council decide in the future to review its accommodation facilities.
- 5.6 The re-tender of the Council's contract for the provision and support of fixed and mobile functionality provides an opportunity to test the market for webcasting provision to ensure that Haringey's image as a professional Council is enhanced and value for money is obtained. IT Services will manage the procurement exercise with staff from Local Democracy and Member Services defining the requirements, evaluation criteria and selecting the supplier. IT services have estimated that 10-20 hours of IT Procurement time will be needed depending on

the procurement approach adopted.	
6. Chief Financial Officer Comments	
6.1	The Chief Financial Officer confirms the current budget provision of £37,000 within Local Democracy and Member Services and also notes that there may be savings arising from the proposed new contract.
7. Head of Legal Services Comments	
7.1	The Head of Legal Services notes the contents of the report.
7.2	There is a requirement under Contract Standing Orders that any extensions beyond a first extension are authorised by the Procurement Committee. As this contract has been extended twice before, this extension must be approved by the Procurement Committee in accordance with CSO 13.02.
7.3	The remaining comments are contained in the exempt part of the report.
8. Head of Corporate Procurement Comments	
8.1	In view of the fact that the re-tendering process has begun and the extension time is needed to complete this EU directive exercise, this extension must be approved by the Procurement Committee in accordance with CSO 13.02.
8.2	The extension will allow for a compliant procurement exercise to be carried out through EU Directives timescales, ensuring best value for money and transparency for the Council.
9. Equalities and Community Cohesion Comments	
9.1	Webcasting provides an extension in the disseminating and communicating of the Council's decision making processes to those in the communities who may not be able to physically attend Council meetings.

10. Financial costs

- 10.1 Current web casting costs are £37,000pa. It is anticipated these costs will be reduced through a reduction in the number of broadcasting hours.
- 10.2 The cost of a four month extension to the current contract will be £12,310.

11. This report contains exempt information and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972)

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

12. Recommendations

- 12.1 That Cabinet Procurement Committee approve, under Contract Standing Order 13.02, the extension of the existing Webcasting contract with UK Council Limited (trading as Public-i) for a further four months to January 2011; to ensure compliance with EU Procurement rules and timescales.
- 12.2 That the Cabinet Procurement Committee be provided with a report as to the progress of the re-tendering exercise for the provision of the Council's Webcasting facility before the summer recess 2010.

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Agenda item:

[No.]**Report to Procurement Committee****30th March 2010**Report Title. **Expansion of Coleridge Primary School from two to four form entry**

Report of : Peter Lewis, Director of Children and Young People's Service

Signed :

Contact Officer :

Claire Barnes, Senior Project Manager, Children and Young Peoples Service

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

- 1.1. To seek Procurement Committee approval to appoint the recommended contractor named in Part B of this report for the building contract of Coleridge Primary School Expansion Phase 3.

2. Introduction by Cabinet Member (if necessary)

- 2.1. Coleridge is a popular primary school in an area where pupil numbers are increasing. In response to this the Council has made funding available to expand the school and this report covers the final phase of the works needed to do this.
- 2.2. I am confident that the appropriate procedures have been followed and am happy to support the recommendation.

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

The design for the expansion of Coleridge Primary School was commissioned in 2006/7 prior to implementation of the Primary Strategy for Change and Haringey Greenest Borough Strategy.

The final phase of the project supports the following principles:

- Energy efficient systems for lighting and heating
- Only certified timber will be used in construction
- Site waste management plan
- Support best practice regarding use of existing and new equipment.
- The schools travel plan has been reviewed and updated and will continue to promote sustainable transport.
- A detailed traffic impact assessment has been completed.
- Extended community use

4. Recommendations

- 4.1. That Members agreed to award the contract for the above project to the contractor named in Part B paragraph 2.13 as allowed under Contract Standing Order CSO.11.03

5. Reason for recommendation(s)

- 5.1. The contractor named in Part B paragraph 2.13 was evaluated on cost (40%) and quality (60%). The combined scoring is considered to represent the best value for money and is considered to be satisfactory as the basis for a contract.
- 5.2. To complete the expansion of Coleridge Primary School to service the increased pupil numbers in the area.

6. Other options considered

- 6.1. A total of 10 contractors on the Framework Agreement for the provision of Major Works Construction Services were invited to tender for the works. Details of this are contained in Part B, exempt information.

7. Summary

Background

- 7.1. The London Borough of Haringey identified Coleridge Primary School as requiring expansion to service the increased pupil numbers in the area.
- 7.2. The expansion project is being carried out in 3 phases. Phases 1 and 2 were completed in 2008 and supported the nursery and additional cohorts in reception, year 1 and year 2.
- 7.3. Phase 3 will complete the expansion project by providing additional classrooms on the existing (West Site).
- 7.4. The scope of work will include 2 additional classrooms, 2 resource rooms, toilets, refurbishment of 2 existing classrooms and toilets, art room and extension to the staff room. Externally it also aims to carry out adaptations to the staff car park to increase parking provision. The scope of works conforms to the planning application granted covering all phases.
- 7.5. The design of the project is based fully on specifications applied for previous phases.
- 7.6. Funding has been agreed by Cabinet.
- 7.7. Planning and Building Control approval has been received.
- 7.8. The key decision is included in the Forward Plan.
- 7.9. The Children and Young People's Service is project managing this project. Nicholas Hare & Partners LLP were appointed for all phases as contract administrator and lead designer in summer 2006 from the Haringey Design Framework. Due to the project timescale requirements, the contractor has been selected from the existing Construction Framework Agreement.
- 7.10. An equalities impact assessment was not completed for previous phases. This has now been commissioned for the final phase, however the report has not been finalised at this stage but will be submitted for inclusion in this report before 22nd March 2010'.

Procurement Process

- 7.11. Competitive tenders were invited from ten firms from the Framework Agreement for the Provision of Major Works Construction Services Value £250,000 - £999,999.
- 7.12. Tenderers were invited from the Framework Agreement for Major Works.
- 7.13. The defects liability period is 12 months.

7.14. All of the contractors invited to tender submitted a tender.

7.15. Tenders were invited on a Quality/price basis of 60%/40%.

7.16. The LHC (London Housing Consortium) Network offers a selection of products, services and contractors through pre-tendered framework arrangements. A review of the LHC framework arrangements has been carried out and goods and services, where applicable, have been applied. This was reference in the tender documents. Attached appendix A. This document is also appended to Part B.

Programme

7.17. The work is scheduled to commence on site in May 2010 and completed in October 2010. We will be utilising existing classrooms, vacated by infants in 2008, to support additional cohorts from September 2010.

7.18. The contract period will be 24 weeks.

Sustainability

7.19. A Site Waste Management Plan has been allowed within the project/specification.

7.20. As with previous phases, this project is not being delivered under the requirements of BREEAM.

7.21. The design demonstrates good sustainable practice, economically and environmentally to achieve maximum life expectancy.

7.22. Timber will be obtained from certified sustainable sources.

7.23. The design compliments the existing structure.

8. Chief Financial Officer Comments

8.1. This project is confirmed as being fully funded from secured resources and is contained within the approved CYPs capital programme.

9. Head of Legal Services Comments

9.1. The Framework Agreement for Major Works has been tendered in Europe in accordance with EU procurement legislation.

- 9.2. Children's Services Directorate has conducted a mini-competition inviting economic operators on the Major Framework Agreement to tender for the works at Coleridge School.
- 9.3. The value of the contract is in excess of £250,000. Therefore Procurement Committee approval for the award is required under CSO 11.03.
- 9.4. The award of the contract is a key decision. There is therefore a requirement under CSO 4.03 that the contract is included in the Forward Plan. Children's Services Directorate has confirmed that this has taken place.
- 9.5. The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations contained at paragraph 4 of this report.

10. Head of Procurement Comments Procurement Committee

- 1.1 The contractors invited to tender have been selected from the Councils Framework agreement for Major works.
- 1.2. The tender has been prepared and tendered on a quality/price basis of 60%/40% and evaluated as the most economically advantageous tender for this award
- 1.3. The selected contractor as recommended in Appendix A paragraph 3.1 represents best value for the Council.

11. Equalities & Community Cohesion Comments

- 11.1. The Equalities and Diversity Team are unable to make comment at this stage pending completion of an Equality Impact Assessment.

12. Consultation

- 12.1. Extensive consultation has been carried out with end users in arriving at the agreed layouts.
- 12.2. An open event was held prior to Phase 1, which invited comments and debate. The Children and Young People's Service, Governors, the school head, teachers and school staff have all had input in agreeing the scheme. Information and feedback from the consultation event was collated and incorporated into the design.

- 12.3. Regular project newsletters have been issued across all phases to inform parents, pupils and the local residents association as to progress.

13. Service Financial Comments

- 13.1. The budget for this project is included in the CYPs approved capital programme and is fully funded from secured resources.
- 13.2. The total cash limit budget for this project is £1.134m. There is sufficient provision within the budget for the works which are the subject of this report.

14. Use of appendices /Tables and photographs

- 14.1. Appendix A – LHC framework
- 14.2. Part B of this report contains exempt information.

15. Local Government (Access to Information) Act 1985

- 15.1. List of background documents: Framework Agreement for Major Works, January 2006.
- 15.2. This report contains exempt and non-exempt information. Exempt information is under the following category (identified in 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).

A = LHC Framework



Haringey Council

Agenda item:

[No.]**Cabinet Procurement Committee****On Tuesday 30th March 2010**

Report Title. **New Term Partnering Contract for Gas Servicing, Maintenance and Responsive Repairs to Private Sector Leased Properties and Hostels**

Report of Gowan Turnbull (on behalf of Zulfiqar Mulak, Head of Housing Needs & Lettings)

Report Authorised by: Phil Harris, Assistant Director, Strategic Housing Services

Signed :

WFB 11th March 2010

Contact Officer: Gowan Turnbull, Mechanical Engineering Manager, Homes for Haringey

Executive Member and Lead Officer: Cabinet Member for Housing Services with the Director of Urban Environment

Wards(s) affected: ALL

Report for: **Key**

1. Purpose of the report

To report upon the procurement exercise in relation to a contract to provide gas safety and maintenance to properties in the Council's Private Sector Leased and Hostels stock and recommend to the Committee the award of the contract to a contractor who has been successful following a competitive tender.

2. Introduction by Cabinet Member (if necessary)

2.1 This report is to renew the regular PSL Hostel Gas tender award in compliance with gas regulations. The mandatory gas maintenance works will assure Haringey Residents that their safety and well being remains a high priority for the Council.

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

3.1 To ensure that all properties occupied by Haringey Tenants have a Gas Safety Certificate and are covered by a responsive breakdown contract.

4. Recommendations

4.1 That Members approve the award of the contract for Gas Safety Certification and Responsive Maintenance in respect of the Private Sector Leased Accommodation and Hostels to the contractor identified in Appendix A as "Contractor A" for a term of 4 years with an option to extend for 2 further periods of 1 year each.

4.2 That Members agree the extension of the existing short term contract covering the PSL and Hostel stock to the 1st May 2010 so that it terminates at the point the new contract begins. This will provide continuity of cover for gas safety operations and breakdown cover.

5 Reason for recommendation(s)

5.1 The proposed new contract has been tendered in accordance with Contract Standing Orders and the Procurement Code and a comprehensive tender evaluation exercise has been completed, to identify the contractor whose tender submission is the most economically advantageous to the Council and which also offers high levels of customer care.

5.2 The proposed partnering and improved performance measurement approach envisaged in the Term Contract is designed to deliver continuous service improvement in the execution of the required gas servicing and responsive repairs services.

6 Other options considered

6.1 A comprehensive maintenance contract needs to be in place in order that the Council meets its obligations under the Gas Safety (Installation and Use) Regulations 1998 for this area of its tenanted housing stock. The current arrangements for Private Sector Leased stock and Hostels are providing safety cover and responsive maintenance but need to be regularised in the form of a long term agreement. No other arrangement will meet the Council's liabilities under these Regulations.

7. Summary

7.1 The procurement process and results set out in this report represent the basis for a contract which will provide the essential services outlined in 6.1 above and allow the Council to meet its obligations.

7.2 The current contract is carried out by a single contractor under a short-term contract until March 31st 2010. The contract which is the subject of this report will commence on 1st May 2010 with a Contract Period of 4 years with an option to extend by two one-year periods.

7.3 The value of the proposed new contract exceeds the threshold contained within the European Procurement Rules for services. Therefore an advertisement giving notice of the Council's intention to go to tender was placed in the Official Journal of the European Union. Interested contractors were asked to submit a detailed questionnaire with their latest company accounts; relevant references; information regarding their health and safety record; plus a brief quality submission. A total of 13 expressions of interest were received with 12 submitting the required completed application documents. The applications were analysed against the pre-qualification questionnaire. A total of 6 companies were short-listed and invited to tender – see Appendix A, para. 2.1.

During the tender period one contractor gave notice of their intention to not proceed with the submission of a formal tender. Therefore a total of 5 tenders were received as listed in Appendix A, para. 2.1

7.4 The new contract documents have been developed on partnering terms but with a high focus on continuous improvement and tenderers were made very aware of the importance that the Council places on the performance of the contractor. The contract also requires a pro-active approach to risk management with a team based collaborative approach to identifying and managing potential problems that could prevent the achievement of this target.

7.5 The new contract is priced on the basis of a fixed cost for annual servicing and breakdown cover with a Schedule of Rates for major replacements which are not included under the breakdown specification, typically, complete boiler renewals. They will not operate under an Open Book principle. They will also feature much simplified payment and cost control systems which will allow for improved budget monitoring and cost predictability.

7.6 Historically the Mechanical Engineering Dept has been responsible for establishing a servicing and maintenance contract, together with the provision of in-house professional technical services in respect of the heating systems to the Council's Temporary Accommodation Stock. In the new agreements Temporary Housing will be managing the day to day operations with Homes for Haringey providing technical and financial assistance.

7.7 The recommended contract will run for a period of 4 years, but will have the ability to be extended at the Client's sole discretion for a maximum of two periods, each of 12 months.

8.0 Tender Structure

8.1 The Tender Documents were constructed as below:

- i) the **Private Sector Leased works (PSL)** represent the gas servicing and maintenance works to individual systems within tenanted temporary accommodation dwellings and;
- ii) the **Hostels works** represent the gas servicing and maintenance works to the individually and communally heated Hostels stock.

8.2 The Contract stock profile is structured in the following way:

	Housing Areas Served	Dwelling totals	Postcodes
<u>PSL</u>	All	1,392	Borough wide
<u>Hostels</u>	All	205	Borough wide
Total		1,597	

8.3 In common with other similar procurements, the decision was taken for the tender evaluation to be based upon a weighted quality and price structure where the weightings would be assessed on a 60/40 ratio respectively. The 60% weighting for quality was then supported by a set of evaluation criteria to which tenderers had to respond with their Quality Method Statement. Full details of the weightings were provided to tenderers.

8.4 Tenderers were also advised that a threshold would be applied for both quality and price affordability. The tender documents incorporated separate pricing documents for the PSL and Hostels works and tenderers were required to price both elements.

9.0 Tender Evaluation – PSL and Hostels

Quality

9.1 The quality evaluation of tenderers' tenders was carried out against the detailed evaluation criteria and this produced scores which were totalled and weighted on the basis of a maximum of 60% for quality.

Price

9.2 Appendix A, para. 3.2 sets out a comparison of the estimated annual contract price for each of the 5 tenderers based on their tender submissions.

Combining Quality & Price

9.3 Tenderers' prices having been converted into price weighted scores, they were combined with the quality weighted scores (see table 3, appendix A)

Conclusion

9.4 The tenders submitted have been the subject of a detailed quality evaluation process together with a comprehensive validation process. The financial analysis was carried out by the consultants, NPS Ltd. Based on the results of the final tender evaluation, it is recommended that the tender submitted by Contractor A be accepted.

10 Chief Financial Officer Comments

10.1 The costs associated with this contract award are in line with budgeted expenditure in 2010- 11. The exact costs will vary according to the volume of replacement work such as boiler renewal that is required, although this spend will be recovered from landlords where possible.

11 Head of Legal Services Comments

11.1 This report is recommending the award of a new services contract valued in excess of the applicable EU services threshold of £139,393 at the time of tendering. As such full EU procurement rules apply. An extension of the existing contract for a month pending start-up of the new contract is also recommended.

11.2 The new contract has been duly 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.

11.3 Contractor A, as identified in Table 1 in Appendix A, has been recommended for award of the contract on the basis that it submitted the Most Economically Advantageous tender 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.

11.4 As the contract value exceeds £250,000 the proposed award must be approved by Members according to CSO 11.03 which says that the Cabinet must award all contracts over this value.

11.5 The award of the new contract is a key decision and as such is required by CSO 11.04 to be included in the Council's Forward Plan. The contract details are included as item 8 in Forward Plan version 93 covering the period 15th Feb. to 14th June 2010.

11.6 With respect to the extension of the existing contract, under CSO 13.02 Members may approve the extension of a contract where this is consistent with the Public Contract Regulations 2006 and the Council's Financial Regulations. In this respect, Members should note the further comment in para. 4 of Appendix A.

11.7 Subject to the comments in paragraph 11.6 above, the Head of Legal Services confirms that there are no legal reasons preventing members from approving recommendations in paragraph 4 of this report.

12 Head of Procurement Comments

12.1 The contract was advertised within the OJEU and followed a permitted restricted procedure.

12.2 By establishing this contract the Council continues to meet its obligations for gas safety.

12.3 Tenders were received based upon a quality/price basis of 60%/40% and evaluated as the most economically advantageous tender for this award.

12.4 The award of this contract represents best value to the Council.

12.5 The extension to the existing contract as recommended in paragraph 4.2 is required to enable the service for gas safety to have continuity of cover before the formal agreement is entered.

13 Equalities & Community Cohesion Comments

13.1 The process of providing Gas Safety certification benefits the entire community in terms of protecting against gas accidents. The servicing element of these contracts ensures that gas central heating systems operate at maximum effectiveness in cold weather and with minimum fuel consumption. This benefits the elderly and very young especially and contributes to the reduction of fuel poverty across the Borough. A very high proportion of residents in temporary accommodation are from disadvantaged groups and will benefit from this contract.

14 Consultation

14.1 Consultation Process

The Temporary Accommodation user forums have been used extensively to establish the main resident concerns around gas safety.

15 Service Financial Comments

15.1 Contractor A has scored the highest for both quality and price for the tendering of the Gas Contract for Private Sector Leasing and Hostel accommodation. The tender is for a maintenance contract for boilers in use at these forms of temporary accommodation.

15.2 If the tender is accepted the price of the contract will be the amount shown in the Table 2 in Appendix A. The Private Sector Leasing element of the works will be rechargeable to the landlords who supply these units. The Hostels element will be chargeable to the ring fenced Housing Revenue Account.

16 Use of appendices /Tables and photographs

16.1 Appendix A – Exempt information not for publication.

17 Local Government (Access to Information) Act 1985

Local Government (Access to Information) Act 1985

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

- The contract and specifications written in order to produce the tender documents
- The technical and finance files of the Consultant, Homes for Haringey

17.2 This report contains exempt and non-exempt information. The exempt information is contained in Appendix A of this report and is not for publication. 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 the financial or business affairs of any particular person (including the authority holding that information) (Category 3).



Haringey Council

Agenda item:

Procurement Committee Meeting
On 30th March 2010

Report Title.		North Tottenham Decent Homes Programme 2010/11 NT16
Report authorised by:		Niall Bolger, Director of Urban Environment <i>NB 22/03/10</i>
Contact Officer :	Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
Wards(s) affected:	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 NT16 within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 19 th April 2010. As such, this report is seeking Procurement Committee approval to award the contract for the works in this Project.		
2. Introduction by Cabinet Member 2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.		
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:
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.
- 4.2 The scheme is to be funded from the 2010/11 Decent Homes allocation (see Appendix A).

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. Summary

- 7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme
- 7.1.0 Agreed Maximum Price of this works package
- 7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006.

7.1.2 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.

7.2 Background

7.2.1 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.

7.3 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
19th April 2010
24th September 2010
23 weeks
para 2.1 Appendix A

7.4 Property address location

7.4.1 This report details the specific works required to the 180 properties in the North Tottenham area and are priced in accordance with the framework agreement.

Charles House, Love Lane, N17
Ermine House, Moselle Street, N17
Moselle House, William Street, N17

7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Charles House	60	High rise	10	7	Flat	No
Ermine House	60	High rise	10	6	Flat	No
Moselle House	60	High rise	10	5	Flat	No

7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include renewal of flat roof, replacement of windows, installation of extractor fans, asbestos removal, cavity wall insulation, brickwork and concrete repairs and external decorations.

7.5.2.1 Proposed Roof works

7.5.2.2 It is proposed to replace the roofs with a flat roof.

7.5.3 Life Cycle Costing Analysis

7.5.3.1 The lifecycle costing in Appendix C show that the replacement of the flat roof with a flat roof is cheaper over a 35 year period by £131,425.00.

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

7.5.3.3 Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A life cycle cost analysis has recently been produced for the decent homes main elements, kitchen, bathrooms, boilers, windows and roofs. This is awaiting verification.

7.5.4 Whole Life Costing

7.5.4.1 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.

7.5.4.2 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.

7.5.4.3 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 £3,900.00 to residents over the 35 year period. Whilst this demonstrates a saving it is not a significant amount over a period of 35 years.

7.6 Planning Approval

7.6.1 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.

7.7 Environmental Improvements

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

7.8 Sustainability

- 7.8.1 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.
- 7.8.2 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.
- 7.8.3 The contractor is registered and complies with the Considerate Constructors Scheme.
- 7.8.4 The new flat roof 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/m²K to improve the thermal qualities of the roof. The life expectancy of flat roofs has improved over the years with increased levels of thermal performance. The replacement of the roof comes with a 20 year insurance backed guarantee.

7.9 Conservation Areas

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

8. Chief Financial Officer Comments

- 8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget.

9. Head of Legal Services Comments

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 18 properties in the North Tottenham area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to the report.
- 9.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes Construction 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 advisors (Trowers and Hamlins) 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 North Tottenham area.
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The Head of Legal Services is satisfied that statutory leaseholder consultation has been carried out to date (03 March 2010) in accordance with the relevant Regulations. Members should be aware that leaseholder consultation had not been completed at the date of these comments (03 March 2010). See further comments at paragraph 12.14 below
- 9.6 The contract is a key decision and, as such needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Director of Urban Environment Directorate has confirmed that this has taken place.
- 9.7 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 (03 March 2010) and the expiry date of the statutory leaseholder consultation period, and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in 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 A Life cycle costing exercise is currently being undertaken for key components and 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. 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.
- 12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.
- 12.3 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

- 12.4 Homes for Haringey has carried out detailed consultation with the residents that will be affected by the works set out in this report. A residents' meeting was held on 27th January 2010 and 11 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meeting.
- 12.5 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.
- 12.6 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') required Homes for Haringey to conduct formal consultation with every leaseholder in the Borough before entering into the Constructor Partner and Compliance Team long term agreements. A Notice of Intention to appoint Constructor Partners and Compliance Teams was sent to leaseholders in 2006. The content of the Notices was approved by Mr Jonathan Brock, a leading property law Queen's Counsel, before it was issued. In March 2007 the Leasehold Valuation Tribunal awarded a dispensation from some of the statutory consultation requirements in respect of the appointment of the Constructor Partners and Compliance Team.

12.7 Leasehold Implications

- 12.8 As a result of applications made under the Right to Buy legislation, there are 18 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 16.
- 12.9 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.
- 12.10 In accordance with Schedule 3 of The Regulations notices were issued on the 19th

February 2010 and the time for observations from leaseholders will expire on the 20th of March 2010.

12.11 The notice gave leaseholders a description of the proposed works and provided leaseholders with an estimate for the cost of the works. The 30 day statutory consultation period commenced on the 19th of February 2010.

12.12 The total amount estimated to be recovered from the leaseholders is £195,135.87

This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges is £19,149.35.

2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £175,986.52.

12.13 The charges to all 18 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%.

12.14 The Council must not enter into an agreement to carry out the works or give instructions to commence work on site, until completion of the 30 day statutory leaseholder consultation period on the 20th of March 2010. The Council must have regard to any observations made by leaseholders and must respond in writing to those observations provided the observations are received on or before the 20th of March 2010.

12.15 No observations were received.

13. Service Financial Comments

13.1 The cost of works within this report is to be funded from the decent homes budget allocation of £33.5m for 2010/11. There is also a provision of £267,000 from the Social Housing Energy Saving Programme for the cavity wall insulation works. Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing. The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

14. Use of appendices /Tables and photographs

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

14.3 Appendix C, Life Cycle cost details.

15. Local Government (Access to Information) Act 1985

15.1 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.

15.2 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).

APPENDIX BDecent Homes Expenditure to date **2010/11**

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
TOTAL		£25,588,950.13		

**Lovell Partnership
John Rowan and Partners**

North Tottenham Phase 16 (NT16)						
Scheme description (elemental works)	Source of funding	Allocated budget	Estimated cost £	Variance	Traffic light signal	2009/10 Comments
Survey (incl Asbestos)	DH	£1,200.00	£1,200.00	0		
Asbestos survey	DH	£0.00	£0.00	0		
Kitchen and bathroom	DH	£128,385.00	£128,385.00	0		
External Doors	DH	£0.00	£0.00	0		Extract fans only
Window Replacement	DH	£599,080.02	£599,080.02	0		
Scaffolding / Hoarding	DH	£422,470.86	£422,470.86	0		
Mechanical and electrical	DH	£298,767.10	£298,767.10	0		
Decorations	DH	£25,275.60	£25,275.60	0		
Roof works	DH	£173,576.40	£173,576.40	0		
Roof (street properties)	DH	£0.00	£0.00	0		
Insulation (cavity wall)	DH	£33,949.50	£33,949.50	0		
External fabric repairs	DH	£174,413.00	£174,413.00	0		
Drainage	DH	£1,500.00	£1,500.00	0		
Lightning protection test	DH	£1,185.00	£1,185.00	0		
Risk register	DH	£43,140.00	£43,140.00	0		
Preliminaries	DH	£234,370.02	£234,370.02	0		
Overheads and Profit	DH	£147,083.63	£147,083.63	0		
Sub Total		£1,985,629.03	£1,985,629.03	0		
Additional works outside of DH programme						

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Haringey Council *

Agenda item

[No.]**Procurement Committee Meeting****on 30th March 2010**

Report Title. South Tottenham Decent Homes Programme 2010/11. Phase **ST15**.

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

NPBolger 22/03/10

Contact Officer : Larry Ainsworth, Strategic Client Representative
Tel: 020 8489 1134
e.mail: larry.ainsworth@homesforharingey.org

Wards(s) affected: **St Anns Ward**

Report for: **Key Decision**

1. Purpose of the report.

1.1 This report sets out a detailed programme of works as it relates to various properties known as ST15 within the delivery of the Decent Homes Programme. The works outlined in this report are for Braemar Road, Culvert Road, Edgecot Grove, Helston Court, Kerswell Close, Lydford Road, Oulton Road, Pagin House, Russell Road, Southey Road and Victoria Crescent and are scheduled to commence on the 12th April 2010. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

2. Introduction by Cabinet Member

- 2.1 Once again, in accordance with our stated commitment to improve the quality of homes for our tenants and to meet the housing need, this report informs the Members of the procurement committee about the current packages of work about to commence under the Decent Homes programme, as it is being delivered by Homes for Haringey.
- 2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for these properties.

3. State link(s) 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:
- 4.2 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.
- 4.3 The scheme is to be funded from the 2010/11 Decent Homes allocation.

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.

- 5.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.58m. This includes £11.4m earmarked for environmental projects.
- 5.5 Managing and delivering the Decent Homes Programme to cost, time and to the expectation of the tenants and residents of Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other local Authorities/ ALMO's.

6. Other options considered

6.1 None applicable.

7. Summary

7.1 Agreed Maximum Price of this works package.

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006. Subsequently, improved revised schedule of rates have been agreed with the constructor partners arising from Value Engineering, agreement of which will be signed off in late February.

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

7.2 The Project Partnering Contract (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 Project Partnering Contract (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.

7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	12 th April 2010
Anticipated Contract completion	11 th March 2011
Contract duration	48 weeks
Contractor	para 2.1 Appendix A

7.4 Property address location

7.4.1 This report details the specific works required to the 463 properties in the South 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:

Braemar Road 8 – 32 (evens) excl no10.

Culvert Road 1 – 59 (odd)

Edgecot Grove, 1 – 168 (incl)

Helston Court 1 – 46 (incl)

Kerswell Close 1 – 15(odd), 16 – 36, 38 – 50 (even)

Lydford Road 16, 18, 20, 22, 23, 24, 28, 30, 34.

Oulton Road 6, 8, 10, 46a/b.

Russell Road 1 – 9 (incl), 10 – 40 (even), 21, 61, 71 – 111 (odd).

Southey Road 24 – 50 (even) except 30 and 44, 70 – 82 (even), except 74.

Victoria Crescent 2 – 162 (even)

Pagin House 1 – 16 (incl)

7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Braemar Road	12	Low rise		5	Pitch	No
Culvert Road	30	Low rise		17	Pitch	No
Edgecot Grove	163	Med rise		54	Flat	No
Helston Court	46	Med rise		15	Pitch	No
Kerswell Close	36	Low rise		17	Pitch	No
Lydford Road	9	House		0	Pitch	No
Oulton Road	5	House		2	Pitch	No
Russell Road	47	Low rise		17	Pitch	No
Southey Road	19	Low rise		3	Pitch	No
Victoria Crescent	80	Low rise		33	Pitch	No
Pagin House	16	Med rise		3	Flat	No

7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof renewal, kitchen and bathroom refurbishment, asbestos removal, central heating/boiler renewal, smoke detectors and insulation.

7.5.2 In addition to the above, it has been identified that a surface water drainage problem exists emanating from the walkways on Edgecot Grove. Building Services are currently investigating the exact cause and remedy.

7.5.3 It is essential that this issue be resolved prior to any decent homes internal works being carried out to prevent damage and therefore, any works required to be carried out by the decent homes contractor to assist in resolving this issue will be investigated. The costs for this aspect of work will not be charged to the decent homes budget.

7.5.4 Proposed Roof works

7.5.4.1 The roofs to Pagin House and Edgecot Grove are currently flat roofs. The life cycle costs for these are recorded below.

7.5.4.2 Edgecot Grove has existing double glazed windows therefore, therefore it is proposed to replace the roof with a flat roof as this can be carried out using a roof perimeter scaffold. In order to replace the roof with a pitched roof would require full height scaffolding. This is reflected in the initial cost as well as the 35 year life cycle cost (see below analysis 7.5.3.1)
The flat roof to Pagin House requires a new roof and it is proposed to install a 'cut to falls' flat roof as this demonstrates a favorable option financially both at installation and over a 35 year life cycle analysis (see below analysis 7.5.4.3.2)

7.5.4.3 Life Cycle Costing Analysis.

7.5.4.3.1 Edgecot Grove

Flat Roof Renewal					Flat to Pitch Conversion				
	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs		Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	5	632,484	0	632,484	Yr 35	5	1,055,449	0	1,055,449

Flat Roof Renewal					Flat to Pitch Conversion				
	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs		Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr 35	5	632,484	660,096	1,292,580	Yr 35	5	1,055,449	317,633	1,373,082

Energy loss for **Edgecot Grove**

4 floors - Roof area 2,928m² = £42,654.20 (Flat Roof), £25,611.44. (Pitched)

7.5.4.3.2 **Pagin House**

Flat Roof Renewal						Flat to Pitch Conversion				
	Inflation % Increase	Original/ Maintenance Cost	Inflation Cost	Total Costs			Inflation % Increase	Original/ Maintenance Cost	Inflation Cost/Yr	Total Cost
	5	68,210	0	68,210			5	111,303	0	111,303

Flat Roof Renewal					Flat to Pitch Conversion				
	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs		Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Cost
	5	68,210	77,611	145,821		5	111,303	33,497	144,800

Energy loss for **Pagin House**

4 floors - Roof area 391 m² = £5,695.96 (Flat Roof), £3,420.05 (Pitched)

7.5.4.4. Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A life cycle cost analysis has recently been produced for the decent homes main elements, kitchens, bathrooms, boilers windows and roofs. This is awaiting verification.

7.5.5 **Whole Life Costings.**

7.5.5.1 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.

7.5.5.2 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 builds.

Combined saving of £19,318.67 to residents over the 35 year period.

7.6 **Digital Satellite Provision**

7.6.1 No installation of Digital IRS will be carried out under this phase of work.

7.7 Planning Approval

- 7.7.1 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.

7.8 Environmental Improvements

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

7.9 Sustainability

- 7.9.1 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.
- 7.9.2 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.
- 7.9.3 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Premier, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.
- 7.9.4 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.
- 7.9.5 The contractor is registered and complies with the Considerate Constructors Scheme.
- 7.9.6 All new windows will be double glazed and adhere to Part 'L' of the Building regulations.

7.10 Conservation Areas

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

8. Chief Financial Officer Comments

- 8.1 The cost of the works outlined in this report can be met from the 2010-11 capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget.
- 8.2 Any expenditure in respect of leaseholder properties will be funded from leaseholder charges for major works.
-

9. Head of Legal Services Comments

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 463 properties in the South Tottenham area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to the report.
- 9.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes Construction 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 advisors (Trowers and Hamlins) 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 South Tottenham area.
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The Head of Legal Services is satisfied that statutory leaseholder consultation has been carried out to date (03 March 2010) in accordance with the relevant Regulations. Members should be aware that leaseholder consultation had not been completed at the date of these comments (03 March 2010). See further comments at paragraph 12.11 below.
- 9.7 The contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Director of Urban Environment has confirmed that this has taken place.
- 9.8 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 (03 March 2010) and the expiry date of the statutory leaseholder consultation period, and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in 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 A Life cycle costing exercise is currently being undertaken for key components and 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. 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. 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

- 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. A resident's meeting will be held on Wednesday the 3rd March. The Ward Members will be invited to attend. This will be followed by a newsletter to residents within 10 days of the meeting.

- 12.3 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.
- 12.4 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') required Homes for Haringey to conduct formal consultation with every leaseholder in the Borough before entering into the Constructor Partner and Compliance Team long term agreements. A Notice of Intention to appoint Constructor Partners and Compliance Teams was sent to leaseholders in 2006. The content of the Notices was approved by Mr Jonathan Brock, a leading property law Queen's Counsel, before it was issued. In March 2007 the Leasehold Valuation Tribunal awarded a dispensation from some of the statutory consultation requirements in respect of the appointment of the Constructor Partners and Compliance Team.
- 12.5 Leasehold Implications
- 12.6 As a result of applications made under the Right to Buy legislation, there are 166 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 158. This report provides a breakdown of the costs for each group in paragraph 12.10
- 12.7 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.
- 12.8 In accordance with Schedule 3 of The Regulations, notices were issued on 26th February and will expire on the 26th of March 2010.
- 12.9 The notice gave a description of the proposed works and provided details for the costs of the works. The 30 day statutory consultation commenced 26th February 2010.
- 12.10 The total amount estimated to be recovered from the 166 leaseholders is £1,268,584.05 This is broken down as follows:
1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £18,552.72.
 2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £1,250,031.33.
- 12.11 The Council must not enter into an agreement to carry out the works or give instructions to commence work on site, until completion of the 30 day statutory leaseholder consultation period on the 26th of March 2010. The Council must have regard to any observations made by leaseholders and must respond in writing to those observations provided the observations are received on or before the 26th of March 2010.

13. Service Financial Comments

- 13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33.5m for 2010/11. Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.
- 13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates. The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

14. Use of appendices /Tables and photographs

- 14.1 Appendix A AMP cost and breakdown
- 14.2 Appendix B, Expenditure to date (attached)

15. Local Government (Access to Information) Act 1985

- 15.1 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 Larry Ainsworth – Strategic Client Representative on 020 8489 1134.
- 15.2 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):
- 15.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

APPENDIX B. Expenditure to date 2010/2011.

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
	TOTAL	£25,588,950.13		

Agenda item:

[No.]

Cabinet Procurement Committee

On 30th March 2010

Report Title. Framework Agreement for Minor Building Construction Works

Report of Director of Corporate Resources

Signed : *J. Palmer* 16/3/10.

Contact Officer : David Mulford, 020 8489 1037

Wards(s) affected: **All**

Report for: **Key Decision**

1 Purpose of the report

- 1.1 To seek Cabinet Procurement Committee approval to award framework agreements for the provision of minor building construction works for buildings owned or managed by the Council and Homes for Haringey.

2 Introduction by Cabinet Member

- 2.1 I concur and support the recommendations.

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

- 3.1 The opportunity to procure long term agreements for minor building construction works was identified through the Council's Category Management strategy.
- 3.2 The framework agreements will not be used for reactive work covered by the term contract for reactive repairs and maintenance managed by Corporate Property Services.

4 Recommendations

- 4.1 In accordance with CSO 11.03 that framework agreements for minor building construction works be awarded to those companies listed in Appendix 1
- 4.2 That the framework agreements be awarded for a period of 2 years with an option to extend for a further 2 years and with an estimated total value of £5million per year.

5 Reason for recommendation(s)

- 5.1 Framework agreements for building construction works of value less than £250,000 were awarded in January 2006 for a period of 2 years, with the option to extend for up to a further 2 years. Framework agreements commenced in April 2006, and have subsequently been extended twice. The current framework agreements are due to expire on 31st March 2010.
- 5.2 The framework agreements to be awarded will be used to subsequently procure contractors for minor building construction works following the expiry of the existing framework agreements.
- 5.3 Works will be split between three value bands, with a separate framework agreement covering work under each band. The value bands are as follows:
 - up to £25,000
 - £25,000 to £125,000
 - £125,000 to £250,000
- 5.4 The framework agreements will provide a mechanism for the procurement of building contractors for individual projects of value less than £250,000. Selection will either be through a mini-tender or call-off process. Selection of contractors through a call-off process will be on the basis of the most economically advantageous tender (MEAT) based on the results of the procurement process for the framework agreement and performance measured through key performance indicators (KPI).
- 5.5 The value band for work up to £25,000 aligns with the Council's Contract Standing Orders. Up to a value of £25,000 procurements are to follow a quotation process as opposed to a tender process, in which full terms and conditions are applied to the tender documents in order for a contract to be sealed by Haringey Corporate Legal Services. Therefore any work procured under this framework will not be subject to a formal tender process whereby a contract is sealed.
- 5.6 The use of a framework agreement will provide a robust contract management process, with key performance indicators used to monitor contractor performance.
- 5.7 The framework agreement will be available to all Council directorates and Homes for Haringey following a Section 20 consultation process.

6 Other options considered

- 6.1 The Construction Procurement Group examined the option of using other public sector arrangements for the provision of minor building construction works. No such arrangements exist which cover the form of contract and extent of this procurement.

7 Summary

- 7.1 The procurement followed an EU tender process. A contract notice was published on 19th February 2009 via the Official Journal of the European Union (OJEU).
- 7.2 A consultant was commissioned to act as an additional resource to CPG and Council officers in the evaluation of pre-qualification questionnaires and to prepare the pricing mechanism for the tender document for the procurement. The consultant was commissioned from the Council's framework agreement for the provision of construction consultants with NPS London Ltd.
- 7.3 Pre-qualification Questionnaires (PQQ) were received from 75 companies across the three value bands. The pre-qualification questionnaires were assessed by officers from CPG, Corporate Property Services, the Children & Young People's Service and the commissioned consultant.
- 7.4 The 14 companies with the highest scores for each value band following evaluation of pre-qualification questionnaires were invited to tender for the framework agreement on 01/12/09. All tenders were received.
- 7.5 Tenders were assessed on a 60% Quality: 40% Price basis.
- 7.6 Quality evaluation was based on tenderers' responses to questions relating to their proposed delivery of the framework agreement (see Appendix 1, 1.3 for questions) and on their responses to questions relating to a project scenario provided in the tender document (see Appendix 1, 1.4). The potential marks available for each question were specified in the tender documents. The total marks awarded were converted to a percentage of the maximum marks available. This was then multiplied by 60% to obtain the quality score for each company. The quality responses were evaluated by officers from CPG, Corporate Property Services and the Property & Contracts team within the Children & Young People's Service.
- 7.7 Price was evaluated using a schedule of rates submitted by each tenderer. The pricing mechanism consisted of overheads, preliminaries (site based overheads), profit and measured work items.
- 7.7.1 Tenderers were asked to submit percentage values for overheads and profit for the different types of work that may be encountered under each value band.
- 7.7.2 Similarly, tenderers were asked to submit rates for preliminaries,

	<p>comprising a list of specified items.</p> <p>7.7.3 Tenderers were asked to price schedules of measured work items, i.e. defined tasks under each project scenario.</p> <p>7.7.4 The total prices for each of the defined scenarios were built up using figures from 7.7.1 – 3 above.</p> <p>7.7.5 The tenderer who submitted the lowest total price received a maximum 40% score for price. The other tenderers' received a score out of 40%, calculated by multiplying the variation between their submitted price and the lowest price by 40%.</p> <p>7.8 The 8 companies with the highest overall scores for each value band following the tender evaluation are recommended to be appointed under the framework agreements discussed in this report. See Appendix 1, 1.1 for details of the recommended companies</p>
	<p>8 Chief Financial Officer Comments</p> <p>8.1 The Chief Financial Officer has been consulted over the contents of this report. This framework should support the Council and Homes for Haringey in achieving on-going value for money for minor work contracts. Although a number of contractors appear within each of the 3 value bands, appointing 8 contractors per band should provide sufficient breadth and scope to deal with calls against the framework.</p>
	<p>9 Head of Legal Services Comments</p> <p>9.1 The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, allows local authorities to enter into framework agreements with contractors, and to select contractors in respect of specific projects from amongst those contractors with which it has concluded framework agreements.</p> <p>9.2 The framework agreement to which this report relates has been tendered in the EU in accordance with the Public Contracts Regulations 2006, using the restricted procedure, a tendering procedure whereby expressions of interest are invited by advertisement in the Official Journal of the European Union, with a selection of the contractors who have expressed an interest being invited to submit tenders.</p> <p>9.3 This report is recommending award of the framework agreement to the contractors named in Appendix 1. These contractors have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Public Contracts Regulations.</p> <p>9.4 As the total estimated value of the contracts to be awarded under the framework agreement is likely to exceed £250,000, the proposed award must be approved by</p>

Members pursuant to CSO 11.3.

9.5 The award of this framework agreement is a key decision and the client has confirmed that it has been included in the Forward Plan.

9.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of the report.

10 Head of Procurement Comments

10.1 Framework Agreements provide a mechanism whereby "approved" contractors are selected but there is no commitment at this stage on the Council to place any orders.

10.2 When a construction need arises, Council officers invite all capable contractors on the framework to either submit a tender under mini-competition or if the nature of the works is such, a "call-off" procedure is used based on pricing schedules submitted during the initial selection process. These processes are defined within Public Procurement Regulations.

10.3 The new framework agreements being proposed have been competitively evaluated and provide the Council with a good range of contractors across a number of value bands that should serve the Council well over the next 2-4 years.

10.4 Key benefits of using framework agreements are to reduce costs for the Council and Contractors and enable quicker time to site, because 80% of the necessary contractor evaluations and pricing schedules etc are done once (at the time of selection onto the framework) and all subsequent mini-competitions or "call-offs" are project specific.

10.5 The framework agreements put before Members for approval offer good Value for Money for the Council and are designed to include known best practice and compliance with current legislation.

11 Equalities & Community Cohesion Comments

11.1 All pre-qualification questionnaires were evaluated in terms of equality and diversity. The companies to be appointed under this framework agreement have demonstrated a commitment to equalities and diversity.

11.2 The framework agreement will benefit all wards within the borough.

12 Consultation

12.1 The procurement process for the framework agreement has been undertaken in consultation with key client departments within all directorates and Corporate Legal Services.

12.2 The decision has been taken to enter into a Section 20 Leaseholder consultation process. The Council is obliged to consult leaseholders in accordance with the Landlord and Tenant Act 1985 and the Service Charges (Consultation

Requirements) (England) Regulations 2003 ('the Regulations'). The Regulations require the Council to send two notices to leaseholders before the services are provided. In order to ensure compliance with the Regulations the Council must make an application to the Leasehold Valuation Tribunal (LVT) for a dispensation from some of the requirements of the Regulations, specifically the requirement to provide information on the value of work covered by the framework agreement in the second notice. This information will not be available due to the unpredictable nature of the work to be carried out by the framework agreement.

- 12.3 The Framework Agreement will not provide construction works for projects in which Section 20 leaseholder consultation may be required, until the statutory consultation is complete.

13 Service Financial Comments

- 13.1 The costs involved in the use of the framework agreements for future minor construction works may come from external funding, revenue or capital budgets for the directorates for which work is being carried out.
- 13.2 The prices submitted by the successful tenderers have been assessed and are competitive against the current market. The option for the use of mini-competition for the award of work is available for projects covered by this framework agreement. This will provide further competition in terms of price.

14 Use of appendices /Tables and photographs

- 14.1 Appendix 1 of this report contains information exempt from public viewing. The information contained relates to the evaluation process for this procurement.

15 Local Government (Access to Information) Act 1985

- 15.1 Appendix 1 of this report contains exempt information and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):
- *Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).*

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