



NOTICE OF MEETING

Cabinet Procurement Committee

THURSDAY, 28TH JULY, 2011 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE.

MEMBERS: Councillors Goldberg (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 12 below. New items of exempt business will be dealt with at item 19 below.

3. DECLARATIONS OF INTEREST

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

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

4. MINUTES

To confirm and sign the minutes of the meeting of the Procurement Committee held on 30 June 2011.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. LONDON BOROUGH OF HARINGEY SUSTAINABLE PROCUREMENT POLICIES - SUSTAINABLE TIMBER POLICY AND SUSTAINABLE FOOD AND DRINK POLICY

(Report of the Director of Corporate Resources): To outline the proposed Sustainable Procurement Policies of the Council and to ask Members to consider the policies and provide comments and suggestions for improvement and to recommend them for adoption by the Cabinet.

7. LIBRARY STOCK SUPPLY - AWARD OF CONTRACTS

(Report of the Director of Place and Sustainability): To seek approval to the award of three contracts for Library Stock Supply comprising books for adults; books for children; and DVDs.

8. EXTENSION OF EBAN CONTRACT - THE BLENHEIM COMMUNITY DRUG PROJECT

(Report of the Director of Public Health): To seek approval for a second extension of the Eban contract for a further year from March 2012 to March 2013.

9. DIGITAL COMMUNAL AERIAL SYSTEMS UPGRADE PROGRAMME

(Report of the Director of Adult and Housing Services): To set out a programme of works to continue the upgrade of existing communal aerial systems across the Borough with a digital communal aerial system to comply with the switchover from analogue to digital services.

10. CONTRACT FOR THE SUPPLY OF DESKTOP AND LAPTOP HARDWARE AND ASSOCIATED PROFESSIONAL SERVICES

(Report of the Director of Corporate Resources): To seek approval to the contract for the supply of desktop and laptop hardware and services which will facilitate the delivery of the IT Strategy and to seek agreement to place a contract with a maximum value.

11. PROCUREMENT APPROACH FOR SAP MANAGED SERVICE

(Report of the Director of Corporate Resources): To seek agreement to a joint procurement with the London Borough of Waltham Forest for a replacement managed service for the corporate SAP system, including the option of procuring separate managed services for each borough, utilising best practice processes which will enable future shared services.

12. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

13. 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 which relates to the business or financial affairs of any particular person (including the Authority holding that information).

Note by the Head of Local Democracy and Member Services

Items 14 -18 allow for the consideration of exempt information in relation to items 7 - 11 which appear earlier on the agenda.

14. LIBRARY STOCK SUPPLY - AWARD OF CONTRACTS

(Report of the Director of Place and Sustainability): To seek approval to the award of three contracts for Library Stock Supply comprising books for adults; books for children; and DVDs.

15. EXTENSION OF EBAN CONTRACT - THE BLENHEIM COMMUNITY DRUG PROJECT

(Report of the Director of Public Health): To seek approval for a second extension of the Eban contract for a further year from March 2012 to March 2013.

16. DIGITAL COMMUNAL AERIAL SYSTEMS UPGRADE PROGRAMME

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18. PROCUREMENT APPROACH FOR SAP MANAGED SERVICE

(Report of the Director of Corporate Resources): To seek agreement to a joint procurement with the London Borough of Waltham Forest for a replacement managed service for the corporate SAP system, including the option of procuring separate managed services for each borough, utilising best practice processes which will enable future shared services.

19. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

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and Member Services
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20 July 2011

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

Councillors *Goldberg (Chair), *Bevan, *Kober and * Reith

*Present

Also Present: Councillor Bull

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC01.	<p>DECLARATIONS OF INTEREST (Agenda Item 3)</p> <p>Councillor Bevan in respect of item 7 Downhills Primary School Reception and Kitchen Works</p>	HLDMS
PROC02.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 12 May 2011 be approved and signed.</p>	HLDMS
PROC03.	<p>COMMUNITY MEALS CONTRACT (Report of the Director of Adult and Housing Services - Agenda Item 6)</p> <p>We noted that the report sought our approval to a rectification of the decision taken at our meeting on 6 July 2010 to extend the contract for the provision of Community Meals by correcting the name of the contractor to whom the contract extension was granted from Sodexo Healthcare Services Ltd. to Sodexo Ltd. Approval was also sought to novate the contract from Sodexo Healthcare Services Ltd. to Sodexo Ltd.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That approval be granted to the variation of Minute PROC 10 (2010/11) so as to award the extension of the contract for the provision of Community Meals to Sodexo Ltd. 2. That approval also be granted to the novation the contract for Community Meals from Sodexo Healthcare Services Ltd to Sodexo Ltd. 	<p>DAHS</p> <p>DAHS</p>
PROC04.	<p>DOWNHILLS PRIMARY SCHOOL RECEPTION AND KITCHEN WORKS (Report of the Director of the Children and Young Peoples Service - Agenda Item 7)</p> <p>Councillor Bevan declared a personal interest in this item by virtue of being Chair of the London Housing Consortium.</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</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

	<p>information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>We noted that the report sought approval to appoint a recommended contractor to carry out re-modelling works at Downhills Primary School and to issue a letter of intent prior to formal contract signature for 10% of the contract value. in accordance with CSO 12.02.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the re-modelling works at the Mulberry Primary School to Diamond Build plc on the terms and conditions set out in the Appendix to the interleaved report. 2. That in accordance with Contract Standing Order 12.02 approval be granted to the issuing of a letter of acceptance prior to formal contract signature for 10% of the contract value. 	<p>DCYPS</p> <p>DCYPS</p>
<p>PROC05.</p>	<p>REVISIONS TO CONTRACT STANDING ORDERS (Report of the Director of Corporate Services - Agenda Item 6)</p> <p>We noted that the Council's Contract Standing Orders (CSOs) set out the rules that must be observed to ensure continued compliance with EU and English law and therefore needed to be reviewed from time to time to ensure they remain "fit for purpose". We also noted that the Council needed to achieve significant cost saving efficiencies and in this regard, it was proposed to increase the delegated powers of Directors and adjust the balance between "requests for quotation" and tendering procedures; whilst ensuring sufficient competition to achieve overall best value for the Council.</p> <p>Having noted that many of the changes involved the raising of threshold levels at which officers could award, vary or extend contracts clarification was sought of how the changes would be communicated to staff and what safeguards would be in place to ensure compliance with CSOs.</p> <p>We were informed that the proposals reflected the need of the Council achieve significant cost saving efficiencies and in this regard, it was proposed to increase the delegated powers of Directors and adjust the balance between "requests for quotation" and tendering procedures whilst ensuring sufficient competition to achieve overall best value for the Council. The proposed changes would provide alignment of delegated powers of authority across the CSOs and also raise the threshold at which tendering procedures were to be applied. These changes would enable staff cost efficiencies to be achieved.</p> <p>The only financial risk identified as a result of the proposed changes would apply to procurement below the amount at which Corporate Procurement would become involved, i.e. £50,000, if the business units should not follow procedures that would provide best value for the Council. This had been mitigated by the Head of Procurement</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

	<p>reserving the right to determine another process for selecting a contactor that would meet the best value criteria. The decision and process in such cases had to be properly documented.</p> <p>We were also informed that the Head of Procurement would be writing to Directorates about the changes and arranging seminars for staff. Compliance with the revised CSO's across the Council would be tested as part of the annual internal audit programme of work and, during 2011/12, this would include a specific audit review to provide assurance that Directorates had adequate systems in place to ensure compliance with the new CSO limits. In addition, internal audit would work with Corporate Procurement to undertake ongoing reviews using expenditure information in SAP to ensure that Directorates' expenditure complied with the Council's CSO's.</p> <p>We requested that in addition to the programmed audit work the Head of Procurement carry out spot monitoring involving random samples of procurements made by Directorates within the increased delegated limits and report the results to us periodically. We also asked to be supplied with details of the bench making with other London Borough Councils exercise carried out by the Head of Procurement with regard to threshold limits.</p> <p>We were of the view that sufficient mitigation against risk from the increased thresholds proposed had been built in to the revised procedures and we</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That approval be granted to the proposed amendments to the Council's Contract Standing Orders as set out in the interleaved report. 2. That the amendments be recommended for adoption by the full Council. 	<p>HPr</p> <p>DCR</p> <p>DCR</p>
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The meeting ended at 18.55 hours.

JOE GOLDBERG
Chair

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Agenda item:

Cabinet Procurement Committee Meeting

On 28th July 2011

Report Title.

London Borough of Haringey Sustainable Procurement Policies:

- **Sustainable Timber Policy**
- **Sustainable Food and Drink Policy**

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

Contact Officer :

Ben Brown

Sustainable Business Manager

Ben.brown@haringey.gov.uk

020 8489 2132

Wards(s) affected: **All**

Report for: **Key Decision**

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

1.1 The report outlines the proposed Sustainable Procurement Policies of Haringey Council. Cabinet Procurement Committee is requested to:

- 1.1.1 Review the policies and provide comments and suggestions (if any) for improvement.
- 1.1.2 Recommend adoption of the policies to Cabinet.

2. Introduction by Cabinet Member for Finance and Sustainability

2.1 These policies will ensure on implementation that the Council achieves Value for Money and meets its obligations under Priority 4 of the Greenest Borough Strategy.

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

- Priority 1 - Making Haringey one of London's greenest boroughs.
- Priority 3 - Encouraging lifetime well-being, at home, work, play and learning.

3.1 Council Strategies

3.1.1 It is stated in the Greenest Borough Strategy that Haringey Council will require the

provision of sustainable food for the Council's catering services and implementation of the Sustainable Procurement Strategy, including developing markets for environmentally preferable products.

3.1.2 The Sustainable Procurement Policies incorporate a series of contractual requirement that sets the infrastructure to procure timber, food and drink that are environmentally and socially responsible. The Timber Policy is derived from policy guidance issued by the UK Central Point of Expertise on Timber (CPET), whilst the Food Policy is compliant with the Soil Association's Food for Life Catering Bronze Mark.

3.1.3 Implementing the policies will not only help us meet our commitments under the Greenest Borough Strategy but enable us to reduce our embodied carbon emissions and increase borough employment levels through restricted contract opportunities as required in the Community Strategy and Council Plan.

3.1.4 The policies contribute to the achievement of Level 4 of the Sustainable Procurement Flexible Framework, which Haringey is committed to achieving by 2011/12. They are key elements of the Sustainable Procurement Action Plan – the road map that sets out how Haringey will achieve our target.

3.1.5 The direction Haringey has taken recently received praise from external auditors as being 'notable practice'.

3.2 Efficiency Agenda

3.2.1 It is recognised that both policies must fit with the Council's efficiency drive, which includes the avoidance of cost premiums and unnecessary expenditure. Evidence is available from CPET and the Soil Association that neither policy will cause cost premiums in Council contracts. In the case of the Food Policy, the Council is currently undertaking a review of catering options to decrease costs whilst increasing sustainability. This includes options such as substituting processed and packaged produce with by-products from relevant suppliers. For example, negotiating the supply of grated cheese off-cuts at a cost less than that of blocks of cheese which are subsequently grated in-house.

4. Recommendations

4.1.1 Review the policies and provide comments and suggestions (if any) for improvement.

4.1.2 Recommend adoption of the policies to Cabinet.

5. Reason for recommendation(s)

5.1 Procurement is a considerable element of an organisation's economic power. As a local authority with responsibility for spending public money, Haringey has a duty to ensure it is spent in the community's interests now and for generations to come.

5.2 To deliver outcomes that support sustainable development, the procurement process must take account of social, economic and environmental objectives. For example, across all buildings commissioned as part of the Building Schools for the Future, Primary Capital Programme and Council refurbishment projects are required to provide information detailing how they will reduce emissions on site by 20%, thus also reducing utilities costs and contributing to statutory compliance (Climate Change Act). Our recent Highways and Street Lighting contract will ensure emissions reporting is provided each quarter, in line with National Indicator 185, and sustainable timber is already used on fencing and panelling improving our use of natural resources, thus enhancing our reputation.

5.3 There is an increasing UK government emphasis around sustainable procurement. This includes the UK Sustainable Procurement Task Force, which identified benefits arising from adopting sustainable procurement as: better stewardship of taxpayers' money; environmental and social benefits; public sector support for innovation; encouragement for more environment-friendly technologies; better management of risk; mitigation of concerns about upfront costs through less waste; better information about purchasing patterns; and improved supplier relationships and management. All these elements of sustainable procurement are, at the same time, examples of good procurement practice.

5.4 In addition to offering real value for money over the long term and contributing to meeting the targets in Greenest Borough Strategy (e.g. reducing CO₂ emissions), adoption of the strategy and policy will demonstrate leadership of the borough. This will show Haringey living its values.

5.5 There are also increasing regulatory and policy requirements in the UK and Europe, primarily around financial reporting, waste management, energy use and sustainable production and consumption. The UK government has set the target for the UK to be amongst the EU leaders in sustainable procurement by 2009, an aspiration shared by the Local Government Association. There are expectations of Councils in leading the corporate social responsibility agenda locally.

6. Other options considered

6.1 The Central Procurement Energy and Sustainability Team have considered the achievement of both the Soil Association Catering Silver and Gold Marks. However, the requirements of each include the mandatory sourcing of organic and higher welfare meat, dairy, fish and eggs, such as Freedom Foods accredited produce. The price premium of organic produce is currently 30% and as such increases Council costs. The through-put of these costs to schools and adult care homes is likely to affect uptake of meals and jeopardise the viability of the contract.

7. Summary

7.1 In June 2005, the Sustainable Procurement Task Force published its report to

Government – “Procuring the Future”, which recommended changes to public sector procurement procedures in order to recognise benefits against the sustainability triple bottom line – environment, community and economy.

7.2 The Local Government Association (LGA) response to the Task Force report was overwhelmingly in favour of the agenda, and Local Authorities are required to make significant investment in the area. This has inherent benefits, such as leveraging value for money from contracts, reducing negative environmental impacts and improving quality of life for residents and workers in the Borough.

7.3 The crux of the LGA requirements is to use the Flexible Framework to benchmark and improve sustainable procurement activity. It is a checklist of actions that will embed sustainability in procurement operations. Haringey is committed to Level 4 (of 5) of the Framework by 2011/12, in line with the government aspiration “to be amongst the Leaders in the EU in sustainable procurement”.

7.4 The attached policies will plug some of the gaps indicated in Haringey’s Sustainable Procurement Action Plan, helping us to move from Haringey’s current Level 3 to Level 4 (using Flexible Framework actions). The Action Plan was developed in conjunction with London Remade – a not-for-profit organisation working with public and private sector businesses in London to deliver environmental benefits through changes to procurement processes.

7.5 On 18th March 2008, the Cabinet Procurement Committee endorsed the Haringey Sustainable Procurement Policy and Strategy. The Strategy was followed by the Action Plan which Cabinet Procurement Committee endorsed on the 1st September 2009.

7.7 The policies have been developed in consultation with relevant Council Officers and expert external bodies (CPET and Soil Association). The timber policy has been successfully trialled in the BSF and Highways and Street Lighting contracts, whilst a recent review of existing Council practice in our catering provision suggests we are not far from achieving the Bronze catering mark.

7.8 The Food Policy also contributes to the borough-wide Sustainable Food Strategy, which is led by the Environmental Resources team in Urban Environment.

7.9 Both policies were endorsed by the Leading by Example Board on the 27th September 2010.

7.10 Progress in development and implementation is reported through the Leading by Example Programme Board bimonthly.

8. Chief Financial Officer Comments

8.1 The Lead Financial Officer is the sponsor for the Greenest Borough Strategy Priority 4 – Leading by Example Programme – under which the policies sit.

8.2 The Council has built the sustainability agenda into its Medium Term Financial Strategy and has ensured that any cost or savings implications of this agenda are fully evaluated and understood. The Council's ability to meet this agenda is a key component of the Council Plan requirements both from a sustainability view point and the ability to demonstrate the achievement of Value for Money.

8.3 Sustainability certification already covers the majority of timber products available on the UK market. Suppliers of sustainable food are required to absorb any price premiums by balancing the basket price of all products. This means that there are no negative financial implications to the Council in the adoption of these policies.

8.4 As sustainable procurement is essentially the application of best practice procurement (delivering value for money), the cost of implementation should be largely absorbed by existing resource directed towards procurement. It is expected that there will be some programme management resource requirements, however these can also be applied through existing arrangements.

8.5 There may be additional costs surrounding procurement training and supplier engagement. Also, in specifying higher minimum standards for our goods works and services, higher upfront costs may apply, but these will be considered on a whole life basis.

9. Head of Legal Services Comments

9.1 Local authorities have the power under S. 2 (1) of the Local Government Act 2000, to adopt and implement any procurement strategy/ policy likely to promote or develop the economic, social or environmental well-being of their area. Furthermore, the EU Directive on Public Procurement (Directive 2004/18/EC) as implemented in the UK by the Public Contracts Regulations 2006 ("the EU Regulations") empowers local authorities to take environmental and social factors into consideration in the procurement process.

9.2 In exercising the above powers however, regard must be had to the fundamental procurement principles of transparency, non-discrimination and procedural fairness embodied in the Council's Contract Standing Orders and the EU Regulations. In addition, care must be taken in incorporating sustainability considerations into procurement exercises to ensure that these considerations are only applied to the extent that they are relevant to and proportionate to the subject matter of the contracts procured. The Action Plan should in practice facilitate this process.

9.3 Legal Services should be consulted on the legal aspects of the procurement pursuant to the policy as per usual practice.

9.4 The Head of Legal Services confirms that there are no legal reasons preventing Officers from endorsing the option for consideration under Paragraph 4 of this report.

10. Head of Procurement Comments

10.1 Development of these sustainable procurement policies is in line with policy from the Local Government Association. They will facilitate Value for Money options appraisal in contract design and evaluation. This is in compliance with the Procurement Code of Practice.

10.2. The development of the policies is in compliance with EC legislation. All relevant contracts will be auditable against actions provided in the policies, administered by Central Procurement.

11. Equalities and Community Cohesion Comments

11.1 The Council is committed to using its procurement function and process to advance its equal opportunities policy aims.

11.2 In this regard, the Council in its Equality Public Duties Scheme (2006) its Guide to Equality in Procurement (2007) and its Equal Opportunities Policy (2007), commits to including equalities considerations at every stage of the procurement process in to ensure that the process is fair, transparent and accessible to all, so that local businesses especially small – medium sized enterprises, Black and ethnic minority business, women and the community and voluntary sector run social enterprises have the opportunity to tender for council contracts.

11.3 The Council is also committed to using its economic power to ensure whether in partnership or through contractual arrangements for the provision of goods, services or works on its behalf, that people it does business with have due regards to the Council's equal opportunities obligations and are able deliver on them.

11.4 The sustainable procurement policies proposed in this report captures the essence of the Council's equalities commitments in regard to procurement.

11.5 This is reflected in the actions of the policies, and in the Equalities Impact Assessments appended to each document which reiterates the Council's commitment in the Equality Public Duties Scheme adopted by the Council in December 2006, and the Council Guide to Equality in Procurement.

11.6 On the whole, when fully implemented, the sustainable procurement policies as proposed will contribute to promoting equality of opportunity in Haringey.

12. Consultation

12.1 The sustainable procurement policies have been developed in line with UK Government and Local Government Association recommendations, in support of the Greenest Borough Strategy, and in consultation with members and officers of the Leading by Example Programme Board. Consultation on the Sustainable Community

Strategy in 2006 showed that Haringey's communities wanted Haringey to be the "greenest borough in London", an "economically sound and prosperous borough", and a borough with "good community cohesion with people respecting each other and their environment". Feedback from the Going Green Conference in 2009 told us that the Leading by Example Priority of the Greenest Borough Strategy, in which the policies sit, is a key element of meeting community expectations.

12.2 The policies have been externally reviewed by the Soil Association, CPET and Sustainable Haringey.

12.3 The policies contribute to the Sustainable Procurement Action Plan – the three year implementation programme to deliver the Sustainable Procurement Policy and Strategy agreed last year. The policies will be supported by implementation programmes through category management, ensuring sustainability is addressed through process change as well as at a contract specific level.

13. Service Financial Comments

13.1 In June 2009, the Environment Directorate for the European Union published a report on Green Public Procurement across 7 member states, including the UK, which monitored contracts containing environmental credentials and the relative average cost premiums/savings associated with specifying environmental criteria. The UK reported an average 5.7% saving in specifying sustainable solutions.

13.2 In February 2007, the Timber Trade Federation undertook an analysis of the UK timber market and concluded that around 70% of domestic softwood sold in the UK was legally and sustainably produced. The likelihood therefore is that the Council is already buying certified timber and as such, the implementation of the policy will not result in price premiums, it will merely consolidate existing practice and enable the Council to raise its environmental profile.

13.3 The Soil Association suggest the following changes to the Council's catering provision are required to achieve the catering bronze mark. The Council should switch to free range eggs. The Soil Association have undertaken a sourcing exercise demonstrating local free range supply is feasible with no cost premium. The Council should use fresh instead of powdered milk. An analysis of spend is currently being undertaken which will explore the opportunity to consolidate expenditure through a single supplier, reducing costs and increasing provision of fresh milk.

14. Use of appendices /Tables and photographs

14.1 Appendix 1 – Sustainable Timber Policy

14.2 Appendix 2 – Sustainable Food and Drink Policy

15. Local Government (Access to Information) Act 1985

Background Papers:

http://www.haringey.gov.uk/sustainable_procurement_policy_and_strategy_final_v1.1.doc
<http://www.defra.gov.uk/sustainable/government/publications/procurement-action-plan/>

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Purchase of Transparently and Sustainably Sourced Timber

Central Procurement

20 July 2011

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Central Procurement

Document Control

Version 1.0	Status DRAFT <i>04.2011 TSST</i>	Author <i>Ben Brown, Sustainable Business Manager, Central Procurement, Corporate Resources</i>
Document Objectives: To ensure the purchase of transparently and sustainably sourced timber in all Haringey Council contracts, practically restricted to construction, civil engineering and furniture.		
Intended Recipients: Council employees responsible for the purchase of relevant contracts, ALMO contract officers responsible for the purchase of relevant contracts (i.e. HfH) and Suppliers of relevant contracts.		
Monitoring Arrangements: <ul style="list-style-type: none"> • 10% audit regime of contracts to include scrutiny of specifications, contract conditions, evidence of supplier compliance – CoC certification and delivery notes. 		
Training/Resource Implications: <ul style="list-style-type: none"> • An intensive training programme for all identified relevant staff (likely to be held over three one-day events). • A yearly refresher programme for key staff and ad-hoc training events for new starters once a minimum attendance threshold. • A member of the Energy and Sustainable Team in Central Procurement to undertake the 10% audit. • Sustainable Business Manager to deliver training (4 days max inaugural year, 2 days max p.a. thereafter). 		
Approving Body and Date Approved	<i>Centre of Procurement Expertise for Timber (CPET). June 2009</i>	
Date of Issue	<i>Month 20XX</i>	
Scheduled Review Date	<i>Month 20XX</i>	
Lead Officer <i>(a contact person who can assist with inquiries about the policy and any other tools or supporting materials that will help the policy to be understood and successfully implemented)</i>	Ben Brown Sustainable Business Manager ben.brown@haringey.gov.uk 020 8489 2132	
Path and file name		

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1. Introduction

In 2007, the UK Government timber procurement policy was announced as part of the UK Government Sustainable Procurement National Action Plan. It requires central government departments in England to buy wood and wood-based products from legal and sustainable sources or FLEGT (Forest Law Enforcement, Governance and Trade) licensed suppliers - an EU initiative to support countries to address illegal logging.

Whilst the policy is mandatory for all central Government departments, local authorities are only encouraged to comply. However, as a Council committed to the improvement of our natural environment, we believe it is essential that we maintain the standards set by central government.

Whilst FLEGT licensing is due for launch by the end of 2011, as of the 1st August 2011, Haringey Council will only accept transparently and sustainably sourced timber (softwoods, temperate hardwoods and wood derived products) in all contracts relating to the provision of construction, civil engineering and furniture, ensuring both legality and sustainability in all affected purchases. This policy will affect all procurement officers and suppliers of relevant market segments.

2. Scope and Definition

Haringey Council is committed to encouraging a diverse supplier base as it enables us to contribute to increased social inclusion. This is especially important when dealing with business within the borough as we seek to promote economic growth and hence improved living conditions for our residents.

We recognise that small to medium sized enterprises (SMEs) may believe the requirement to prove the transparency of source and sustainability of all timber provided to the Council as an undue financial and/or resource encumbrance.

Haringey Council also recognises there is a widespread belief that achieving and maintaining chain of custody (CoC) certification can be an expensive and resource intensive process, which is not financially justifiable for organisations with small turnovers. We are mindful that mandating CoC certification would therefore pose a serious barrier to relevant SME suppliers.

Haringey Council is also keen to ensure that non-CoC certified SMEs are not disadvantaged in preparing evidence for tender documents, as this can be a lengthy and difficult process. (For more information on CoC certification, please read the Government Timber Procurement Advice Note available from <http://www.cpet.org.uk>)

In resolution of these issues, **Haringey Council has decided that all contractors must either:**

- 1. Have CoC certification and be able to present the paperwork on request or;**

2. **Ensure that they have sourced any timber and wood derived products from a CoC certified supplier (1st tier only).** The Contractor shall provide Haringey Council with a copy of the supplier's chain of custody certificate and records of measures taken to avoid contamination with non-sustainable timber such as records of storage and transportation from the contractor's supplier to Haringey Council.

Should the latter situation exist, the format by which this evidence shall be conveyed is as follows:

Contractor's Name	Contractor's Supplier	Supplier's CoC code	Copy of Supplier's Certificate and Delivery Note	Measures taken to avoid contamination
Build Haringey Inc.	Haringey Timber Merchants	TT-COC-1234	Supplied	Separate Storage Area on Site (Photo Evidence Supplied). Delivered directly to customer site etc.

Haringey Council will only accept CoC certification if it is from a Government approved programme. These are from the Forest Stewardship Council and Programme for the Endorsement of Forest Certification¹. Currently as shown below:



Exemptions

Recycled Wood and Wood Products:

Wherever possible, Haringey Council is committed to employing a cradle to cradle approach to procurement. This means that we will contribute to avoiding the generating of waste wherever we can. In respect of timber, we will do this by accepting waste wood and wood products as constituent materials in our purchases without the need to identify the original source of the timber, assuming there are no health and safety implications resultant of recycling process.

Coppiced Material:

Haringey Council understands that coppicing plays an important role in improving the quality of woodland and perpetuating the biodiversity of habitats. It also sustains rural traditions and links with historic land management practices. As coppicing is inherently carbon neutral (lost CO₂ from coppiced wood is recapture by new growth encouraged by increased availability of space) and does not alter woodland sufficiently as to disrupt forest dwelling communities, **coppiced material will not require chain of custody certification for its use in Haringey Council projects. However, evidence of compliance with the UK Forestry Standard (including associated guidelines) for coppicing, legal rights to, and the source of the coppiced wood must be provided.**

Tropical Hardwoods:

¹ PEFC is an "umbrella scheme" which endorses national schemes. The Canadian scheme, CSA, and the North American, SFI, were initially assessed by CPET but they have now been endorsed by PEFC and therefore a separate assessment is no longer required. A CPET report in 2010 confirms both FSC and PEFC continue to provide excellent coverage of legality and sustainability requirements.

Occasionally the projects that Haringey Council undertakes require any timber products used to be able to withstand adverse weather conditions or marine environments. In the event that softwoods or temperate hardwoods are deemed to be unsuitable for the projects, we will use tropical hardwoods. However, the length of time it takes for tropical hardwoods to reach maturity, and the levels of corruption in the regions they grow means sustainability certification is difficult to achieve. ***Haringey Council will therefore not require a CoC certificate for tropical hardwoods. However, evidence of legality and forest source will still be required. Moreover, a business case must be submitted, justifying the need to use tropical hardwood.***

3. Aim

The aim of this policy is ***to ensure that we buy 100% sustainably and transparently sourced timber*** without impeding opportunities for SMEs to bid for Council contracts. It will also ensure we are improving the global environmental – specifically with regards to biodiversity and climate change – by shaping the market from which we purchase. Forest owners will be incentivised to maintain and perpetuate forests that act as a carbon sink and a home for thousands of species worldwide.

4. Roles and responsibilities

Haringey Council's Sustainable Business Manager is responsible for this policy. To ensure its implementation (s)he will:

- Deliver training to all project officers and procurement staff involved in construction, civil engineering and furniture contracts;
- Run monthly reports to track the type, value and number of contracts let which include the provision for transparently and sustainably sourced timber, underpinning this with a 10% audit regime to ensure staff are correctly following procedure;
- Ensure our timber policy and conditions of contract are formally communicated in the tenders we send out;
- Run free workshops for suppliers to help them understand our requirements, where to source certified timber and what evidence is required to verify transparency and sustainability.

All contract officers requiring the use of timber are responsible for ensuring the adherence to this policy through the contracts they agree.

5. Principles

Haringey Council is committed to:

- Ensuring we improve the environmental credentials of our estate and deliver benefits to businesses and residents within our borders through careful selection and improved usage of the timber we buy;
- Raising the supply market's awareness of our sustainable timber requirements in order to stimulate demand and increase the availability and variety of products available to us;
- Providing all interested stakeholders – buyers, suppliers and other public bodies – with tools and guidance on obtaining transparently and sustainably sourced timber products and verifying authenticity so that the risks of long lead-in times and perceived price premiums are removed;
- Encourage our suppliers to adopt practices that minimise their environmental impact and deliver community benefits in relation to their own operations and throughout the supply chains in which they operate;
- Working in partnership with suppliers and communicate good news stories to enhance the reputations of both Haringey Council and those suppliers who provide a positive contribution to the environment.
- Deliver against the London Borough of Haringey's Greenest Borough Strategy – *“to tackle climate change and secure a clean, safe and environmentally sustainable future for everyone living, working, visiting or studying in Haringey.”*

6. Equalities and diversity

Please see Equality Impact Assessment (Annex C)

7. Audit

The policy will be audited through Sustainable Procurement Reports – a monthly document sent to the Sustainable Business Manager containing a list of all new contracts let that have required sustainability considerations to be applied in delivery by the contractor.

To ensure contract officers include this policy in new contracts, the Sustainable Business Manager will map Sustainable Procurement Reports to a quarterly Contract Managers' Report that lists all contracts in place for Haringey.

To ensure contracts correctly evaluate evidence, the Sustainable Business Manager will undertake a 10% audit of all contracts containing the policy as outlined in the Sustainable Procurement Reports.

8. Training

In order to ensure this policy is implemented effectively, contract officers and suppliers will require training concerning specification and evaluation requirements.

The Sustainable Business Manager will identify, in collaboration with Category Managers, the contract officers that require training in line with the contracts they let. Training will be mandatory for all contract officers in the first instance. Training will then be offered annually as a refresher course/training for new starters.

Suppliers will be offered training on their request, to ensure they understand how to provide us with the materials and evidence we require.

9. Review

The policy is expected to lever significant environmental benefits whilst minimising administrative and cost burdens on suppliers in providing against this policy. Audits will yield a sample that can be factored up to provide indicative quantifiable results in amounts of sustainable timber purchased.

Supplier feedback will also be sought and an impacts assessment produced after one year of implementation to understand and alleviate supplier issues with the policy.

The policy will be reviewed one year into implementation.

10. Appendices

Annex A – Contract Conditions.

USE OF TRANSPARENTLY AND SUSTAINABLY SOURCED TIMBER

The UK Government timber procurement advice note requires “*Central government departments, their executive agencies and non-departmental public bodies are now required to procure timber and wood-derived products originating from either legal and sustainable or FLEGT licensed or equivalent sources.*” The Council is encouraged by DEFRA to implement this policy throughout its procurement. The Council has interpreted this to mean transparently and sustainably sourced timber.

(1) Definition of Timber

For the purposes of the Contract Specification ‘timber’ and ‘wood derived products’ are deemed to include any product that contains wood or wood fibre. Such products range from solid wood to those where the manufacturing processes obscure the wood element (e.g. paper). Timber and wood derived products supplied or used in performance of the contract that have been reclaimed or re-used are referred to as ‘recycled’ timber, which is further defined below. Timber and wood derived products supplied or used in performance of the contract that are not recycled are referred to as ‘virgin’ timber when the distinction needs to be made for clarity.

(2) Transparently and Sustainably Sourced Timber

All timber purchased by, or on behalf of The Employer, must be verifiable as from a legal and sustainable source. The term ‘Transparently and Sustainably Sourced Timber’ in the context of this Contract Condition refers to the timber from a forest that meets the requirements set out in the document titled “UK Government Timber Procurement Advice Note” (available from the Employer on request and visible on the UK Government authorised Central Point of Expertise on Timber web site www.proforest.net/cpet). The edition current on the day the Contract is awarded shall apply. In summary, the organisation or body that felled the trees and provided the timber from which the wood supplied under the Contract derived shall have had legal use rights to the forest, complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws and paid all relevant royalties and taxes. Trees will be felled on rotation and replanted to ensure continuous growth and constant density of forest or plantation that guarantees a continuous level of carbon sequestration and habitat for forest dwelling flora, fauna and communities. Management of the forest or plantation shall be audited at intervals confirming ongoing good forest management. Audits will be undertaken by organisations with appropriate forest management experience that are independent of the organisation that holds timber harvest and/or management rights for that forest. Plantation owners should be able to demonstrate continual replacement of felled trees and due regard for environmental and socio-economic impacts of felling and transportation.

(3) Evidencing Transparently and Sustainably Sourced Timber

(a) Category A evidence: The Contractor holds a valid Chain of Custody certificate under a scheme recognised by the UK Government as meeting the criteria set out in the document titled “UK Government Timber Procurement Policy: Criteria for Evaluating Category A Evidence” (available from The Employer on request and visible on the UK Government authorised Central Point of Expertise on Timber web site www.proforest.net/cpet). The edition current on the day the Contract is awarded shall apply. A list of assessed certification schemes that currently meet the government’s requirements can be found below.

	Scheme	Legal	Sustainable
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	Forest Stewardship Council (FSC)	Yes	Only products and lines containing >70% certified or recycled raw material
	Programme for the Endorsement of Forest Certification (PEFC)	Yes	Only products and lines containing >70% certified or recycled raw material

(b) The Contractor’s attention is drawn to point 6 – Independent Verification, which requires him or her to provide credible evidence on the source of products supplied that has been or can be independently verified as such by an individual or body whose organisation, systems and procedures conform to ISO Guide 65:1996 (EN 45011:1998) General Requirements for Bodies Operating Product Certification Systems or equivalent: and who is accredited to audit against timber production standards by a national or international body whose organisation, systems and procedures conform to ISO 17011: 2004 General Requirements for Providing Assessment and Accreditation of Conformity, Assessment Bodies or equivalent. This condition is met automatically where Category A evidence is supplied.

(c) Category B evidence: In the instance that the Contractor does not hold a Chain of Custody Certificate (Category A evidence) the Contractor shall, before delivering any timber or wood product under this contract, obtain documentary evidence that any timber and wood derived products have been sourced from a Chain of Custody certified supplier. The Contractor shall provide the Council with a copy of the supplier’s chain of custody certificate and records of any storage and transportation from the Contractor’s supplier to the Council. The format by which this evidence shall be conveyed is as follows:

Example	Contractor’s Name	Contractor’s Supplier	Supplier’s CoC code	Copy of Supplier’s Certificate and Delivery Note	Measures taken to avoid contamination
	The Picket Fencing Corporation	Prefab Pickets	TT-COC-1234	Supplied	Separate Storage Area on Site (Photo Evidence Supplied). Delivered directly to customer site etc.

(4) Definition of Recycled Wood

For the purposes of the Contract Specification ‘recycled wood’ and ‘timber or wood-derived products derived from recycling’ are deemed to include any product that contains wood or wood fibre which are obtained through reuse of existing wood or wood-derived products, or reprocessing of waste wood and wood-derived products for inclusion in a new product. Products range from solid wood to those where the manufacturing processes obscure the wood element (e.g. paper).

(5) Use of Recycled Wood

The Council understands that recycling plays an important role in reducing the quantity of waste arising directly attributable to the disposal of wood or wood-derived products. Due to the inherent sustainability of recycled wood, the Council will not require chain of custody certification for its use in Council projects. However, the Contractor shall, before delivering any recycled timber or wood product under this contract, obtain documentary evidence of legal rights to, and the source of, the recycled wood.

(6) Definition of Coppiced Wood

(a) For the purposes of the Contract Specification ‘coppiced wood’ and ‘timber or wood products derived from coppicing’ are deemed to include any product that contains wood or wood fibre which

are obtained using a traditional method of woodland management in which young tree stems are cut down to a low level to encourage re-growth. Such products range from solid wood to those where the manufacturing processes obscure the wood element (e.g. paper).

(b) Coppicing must be carried out in accordance with requirements under the UK Forestry Standard and its associated guidelines. Particular attention should also be paid to avoiding or minimising disturbance to the immediate ecosystem and ensuring the stools are adequately protected against deer (and other herbivores) to ensure good re-growth (at least 1m growth on >75% of stools at the end of the first growing season), or that there is otherwise effective deer management in place to allow such re-growth to take place.

(7) Use of Coppiced Material

The Council understands that coppicing plays an important role in improving the quality of woodland and perpetuating the biodiversity of habitats. It also sustains rural communities as an historic staple in the economy. Due to the inherent sustainability of coppiced wood, the Council will not require chain of custody certification for its use in Council projects. However, the Contractor shall, before delivering any timber or wood product derived from coppicing under this contract, obtain documentary evidence of compliance with the UK Forestry Standard (including associated guidelines) for coppicing, legal rights to, and the source of, the coppiced wood.

(8) Independent Verification

(a) The Council reserves the right to decide whether the evidence submitted to demonstrate legality and sustainability is adequate to satisfy the criteria that the timber or wood product is transparently and sustainably sourced timber. In the event that the Council is not so satisfied, the Contractor shall, on written request by the Council, commission and meet the costs of an 'independent verification' and report that will (a) verify the forest source of the timber or wood and (b) assess whether the source meets the criteria for legality as defined on the CPET website www.proforest.net/cpet.

(b) In this Contract 'Independent Verification' means that an evaluation is undertaken and reported by an individual or body whose organisation, systems and procedures conform to ISO Guide 65:1996 (EN 45011:1998) General requirements for bodies operating product certification systems or equivalent: and who is accredited to audit against forest management standards by a body whose organisation, systems and procedures conform to ISO 17011:2004 General Requirements for Providing Assessment and Accreditation of Conformity Assessment Bodies or equivalent.

(9) The Council's Right to Reject Timber

The Council reserves the right to reject any timber or wood derived products that do not comply with the provisions of these Conditions or the Contract Specification. Where the Council exercises its right to reject any timber, the Contractor shall supply alternative timber, which does so comply, at no additional cost to The Council and without causing delay to the contract completion period.

(10) Contact Information

For further information on the use of transparently and sustainably sourced timber contact:

Ben Brown
Sustainable Business Manager
Central Procurement
Haringey Council
ben.brown@haringey.gov.uk
020 8489 2132



HARINGEY COUNCIL

EVALUATION GUIDANCE

TRANSPARENTLY SOURCED AND SUSTAINABLE TIMBER

CENTRAL PROCUREMENT UNIT

Contact:

Ben Brown
Sustainable Business Manager
Central Procurement Unit
ben.brown@haringey.gov.uk
020 8489 2132

Registration Certificate



Certificate Number: TT-COC-1234

05/10/2005

05/10/2005

05/10/2008

Date of Initial Registration

Date of Issue

Date of Expiry

This is to certify that
ZZZ Merchants

BM TRADA
*meets the requirements for FSC Chain of Custody Standard
 FSC-STD-40-004 (2004) within the
 BM TRADA Certification Limited Scheme for
 TRADA-Trak chain of custody certification.*

The scope of the approval in respect of processes and products which are eligible to carry the FSC logo are as shown in the Schedule

This certificate cannot be presented as evidence that certified wood products have been supplied.

In all cases, such evidence must be conveyed on the corresponding sales invoice.

SPECIMEN



A. Gaver

Signed on behalf of BM TRADA Certification Ltd

BM TRADA Certification Ltd, Stocking Lane, Hughenden Valley, High Wycombe, Buckinghamshire, HP14 4NR, England UK. FSC
Trademark © 1996 Forest Stewardship Council A.C. FSC-SECR-0021

For verification of this certificate please visit www.bmtrada.com

Registration Schedule



Certificate Number TT-COC-1234

4

<u>Establishment</u>	<u>Address</u>	<u>Number</u>
ZZZ Merchants	Anony House, Some Place, Nowhere	123/321

Scope

This is where the scope normally appears and it includes information such as:
 "The purchasing, processing, sales and distribution of FSC certified timber and timber products."

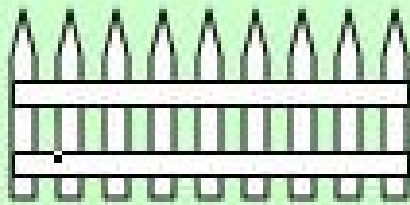
Product Groups / Categories Covered by this Certification

<u>Product Group</u>	<u>Product Category</u>
Round softwood fencing posts, peeled Softwood rails, peeled	

5

6

05/10/2005	05/10/2005	05/10/2008
<u>Date of Initial Registration</u>	<u>Date of Last Issue</u>	<u>Date of Expiry</u>



ZZZ Merchants

INVOICE

Invoice No. 123-123-000
 Invoice Date. 20.08.2007
 Customer ID. NE-123-123

ZZZ Merchants
~~Apple House~~
~~Some Place~~
~~Nowhere~~

Tel: (01234) 567890
 Fax: (01234) 098765
 Info: zzz@merchants.org

Billing Address.
 Procurement Officer
 Timber Lodge
 Wood Street
 Copse Row

Delivery Address.
 Forest Hill NNR
 Sapling Avenue
~~Treetown~~

Item No.	Quantity	m ³	Description	Amount %	VAT	Unit Price	Total
112/08	130	390	Round softwood fencing posts, peeled	7	100%	100%	100%
084/00	12	60	Softwood rails, peeled		100%	100%	100%
						Subtotal	100%
						Tax 17.5%	100%
						Misc.	100%
						P&P	100%
						Balance Due	100%








ZZZ Merchants verify that item numbers 112/08 and 084/00 are certified under the FSC sustainable timber scheme, and are covered under the registration schedule of ZZZ Merchant's Chain of Custody certificate. Code: TT-COC-1234.

Remittance

Customer ID. NE-123-123
 Date. 20.08.2007
 Amount Due. Exxx
 Amount Enclosed. Exxx



A Quick Checklist to Help You Evaluate Legal and Sustainable Timber

Number	What to look out for												
(1)	<p>Make sure the provided certificate displays a government endorsed certification logo. These are as follows:</p> <table border="1" data-bbox="400 367 1342 680"> <thead> <tr> <th></th> <th>Scheme</th> <th>Legal</th> <th>Sustainable</th> </tr> </thead> <tbody> <tr> <td></td> <td>Forest Stewardship Council (FSC)</td> <td>Yes</td> <td>Only products and lines containing >70% certified or recycled raw material</td> </tr> <tr> <td></td> <td>Programme for the Endorsement of Forest Certification (PEFC)</td> <td>Yes</td> <td>Only products and lines containing >70% certified or recycled raw material</td> </tr> </tbody> </table> <p>NB: With the exception of the mixed sources logo for each scheme unless the logo EXPLICITLY states the material has >70% certified or recycled material. To the right is an example of one such logo. <i>(By Jan 2010 all FSC mixed source products will be a minimum of 70%)</i></p> 		Scheme	Legal	Sustainable		Forest Stewardship Council (FSC)	Yes	Only products and lines containing >70% certified or recycled raw material		Programme for the Endorsement of Forest Certification (PEFC)	Yes	Only products and lines containing >70% certified or recycled raw material
	Scheme	Legal	Sustainable										
	Forest Stewardship Council (FSC)	Yes	Only products and lines containing >70% certified or recycled raw material										
	Programme for the Endorsement of Forest Certification (PEFC)	Yes	Only products and lines containing >70% certified or recycled raw material										
(2)	<p>Every certificate must have a VALID Certificate Number. If you are unsure of the authenticity of the certificate, this number can be typed into the product search of the corresponding website.</p> <p>An FSC certificate number can be tracked at: http://www.fsc-uk.org/product-search http://www.fsc-info.org</p> <p>A PEFC certificate number can be tracked at: http://register.pefc.cz/search1.asp</p>												
(3)	<p>Every certificate should be in date. Therefore, it should not be postdated on the 'date of registration' or the 'date of issue'. Neither should the 'date of expiry' have passed.</p>												
(4)	<p>The certificate comes in two parts – the registration certificate and the registration schedule. It is important to ensure that the certificate numbers match on both parts to the certificate. The two parts may be on a single page or split over two pages.</p>												
(5)	<p>The registration schedule lists the products covered by the certification. You should ensure that the products covered by the registration are fit for purpose. For example, it's no use having a certificate which only covers mdf sheets if the project requires peeled and round softwood posts.</p>												
(6)	<p>It is important to ensure that the registration, issue and expiry dates match on both parts to the certificate.</p>												
(7)	<p>When timber is received for the project, one of two things must happen.</p>												

	<p>1) If the timber is delivered directly to site, or to a Haringey Council depot, you will need to receipt an invoice or delivery note. This should detail the type of timber received which should match with the product scope on the certificate registration schedule.</p> <p>2) If the timber is delivered to the contractor's site, you will need to receipt a copy of the delivery note/invoice ensuring the delivered materials and the certificate registration schedule are a match. You should ALSO receive evidence (photo, site visit, signed declaration etc.) proving that the certified timber has not been contaminated by other sources. I.e. It is stored and transported separately to non-certified timber.</p>
(8)	<p>The invoice/delivery note should explicitly state that the timber delivered for use on the project is registered under a certificate number. This number should match the number on the certificate.</p>
Finally...	<p>It is important to remember that you will not necessarily receive a certificate at the framework tender stage. Contractors may not wish to commit to a preferred supplier of certified timber for the duration of the framework as that supplier may not have capacity to provide the required material for each job. Rather, contractors may provide the certificate with each quote, and it may be from a different supplier every time. Either way, if the delivery note/invoice does not match the certificate, or you do not receive the information before the project commences, you will have to reject the timber.</p>

Annex C – Equality Impact Assessment

HARINGEY COUNCIL

EQUALITY IMPACT ASSESSMENT FORM

Service: Central Procurement Unit

Directorate: Corporate Resources

Title of Proposal: Transparently and Sustainably Sourced Timber Policy

Lead Officer (author of the proposal): Ben Brown

Names of other Officers involved: David Mulford

Step 1 - Identify the aims of the policy, service or function

1.1 Introducing a sustainable timber policy will ensure the following:

- Alignment with Central Government Policy.
- Safeguarding of communities reliant of sales of timber for income. WWF estimates illegal timber felling reduces forest capital (that is, the amount of money generated through sales) by up to \$22.5bn per year).
- A contribution to the campaign against climate change. Illegal logging practice does not replace felled trees, thus reducing the potential for carbon emissions to be recaptured in the 'carbon sink'.
- Safeguarding of biodiversity. Illegal logging practice is indiscriminate regarding species but often may target protected species (e.g. mahogany) for its value on the black market.

1.2 It will benefit:

- Legally compliant operatives that adhere to legislation and environmental standards. It will help to reduce competition with black market timber that is substantially cheaper, owing to non-payment of taxes and import/export charges.
- Peoples who are reliant on forests for their livelihoods. It will help reduce the felling of trees that are subsequently not replanted and hence deforestation.
- UK timber merchants. 66.7% of all UK timber products, and 81% of softwood roundwood are Chain of Custody certified, which is substantially higher than UK imports from abroad. Implementing this policy will inherently increase the amount of UK timber used in contracts and thus reinvest money in the local economy.

Step 2 - Consideration of available data, research and information

2.1 Haringey is one of London's 32 boroughs. It is located in the north of the capital and more than 11 square miles in area. Nearly half of its 224,700 people come from ethnic minority backgrounds. According to the 2001 Census the largest groups are:

- Caribbean - 11%
- African - 10%
- Asian (Indian, Pakistani and Bangladeshi) - 8%
- Eastern European, Turkish and Kurdish - 5%
- Irish - 4%

2.2 This diversity is reflected in the fact that almost half of all pupils in Haringey schools speak English as an additional language, and in 2008, between them reported the use of over 160 languages at home.

2.3 It's often said that Haringey is an outer London borough with inner London challenges. It ranks as one of the most deprived boroughs in the country with 6.6 per cent of the economically active (i.e. those working or actively seeking work) population unemployed in December 2008. This is more than the Great Britain average of 4.1 per cent.

2.4 However, none of the populations resident in Haringey are over or under represented in our current purchasing arrangements. This is because the purchase of timber is not a frontline action and does not interact with residents.

2.5 Haringey's business arena reflects the diversity of the Borough, with around 95% of the 8,000 businesses classified as Small-to-Medium Sized Enterprise.

2.6 Without a defined Council Policy for Sustainable Timber, several issues restrict access to Council contracts for SMEs and BAMEs.

2.7 The barriers accountable for restricting opportunities for SMEs and BAMEs to bid for Council contracts are as follows:

- Where there is no set policy, organisations that have become accredited in a bid to increase their chances for winning Council contracts are disadvantaged when supplying evidence. This is because there is no criteria for evidencing the legality and sustainability of timber. Therefore, contractors with Chain of Custody (CoC) certification and who have made significant investment in auditing their supply chain are not considered for contracts any more than suppliers with a verbal or written declaration.
- When requiring legal and sustainable timber, the most common public sector line is to evidence that the timber is FSC or PEFC accredited.² However, where accreditation is not forthcoming, suppliers are required to evidence the legality and sustainability of the timber they are providing. Increased administration and data gathering. A sustainable timber policy requires suppliers to evidence the legitimacy of claims that they are supplying legal and sustainable timber. SMEs and BAMEs may not have the resource to undertake this process.
- Accreditation leads to increased costs. In order to guarantee the legality and sustainability of timber, organisations can become CoC certified. This means an independent auditor has traced the supply chain from supplier to forest source and is satisfied that all supply tiers conform with pre-agreed legal and sustainable criteria. Whilst this removes any resource issues for SMEs and BAMEs, it does increase costs. A typical CoC certificate costs around £1300 for an initial assessment and between £775 and £3530 per year to maintain (depending on sales of forest products).³

² UK Timber Policy Report Dec 2008 - CPET

³ Conversation with BM Trada 17.03.2009 – Karen Prendergast 01494 569700

Step 3 - Assessment of Impact

- 3.1 This proposal is expected to reduce barriers to SMEs in providing the Council with Sustainable Timber and increase tendering opportunities.
- 3.2 All suppliers will be required either:
- To have CoC certification; or
 - To source their timber from a CoC certified supplier and evidence the steps from supplier to site as free from contamination.
- 3.3 This will ensure:
- All contractors are required to submit the same type and quality of evidence, mitigating the disadvantages of CoC certification when competing with non-certified bidders.
 - All contractors must only provide evidence of legality and sustainability to the depth of one supply chain tier, thus reducing the resource required to collate and present information.
 - All contractors are able to demonstrate CoC certification in the supply chain and are not required to maintain it themselves. This alleviates cost implications of maintaining CoC certification for contractors, and sends the risk down the supply chain to large scale distributors/merchants with the financial stability and wide customer-base for CoC to be commercially beneficial (24 suppliers in London alone of FSC accredited soft and hardwood products).⁴
- 3.4 Whilst a policy formalises Council requirements, there is still a risk that SMEs will not be aware of the Government drive for legal and sustainable timber. Whilst this is not a risk that can be mitigated through a policy, Haringey will develop a Supplier Engagement Presentation which will outline the Council requirements and the steps that contractors must undertake to ensure these are met.

Step 4 - Consult on the proposal

Stakeholder	Internal/External	Key Issues	Mitigation Actions
BSF Design Team	Internal	None	N/A
Construction Procurement Manager	Internal	None	N/A
CPET	External	None	N/A
Corporate Landlord Manager	Internal	None	N/A
Head of Facilities Management	Internal	None	N/A
Legal Services	Internal	None	N/A
Sustainable Haringey	External	None	N/A

Step 5 - Addressing Training

⁴ [FSC Product Search - London Trade 17.03.09](#)

5.1 In order to ensure compliance with the policy, two levels of training have been identified and developed for Council Officers and Suppliers respectively.

- Council Contract Officers will be required to attend a mandatory training event that explores the background to the policy (including Government requirements and sustainability benefits), an explanation of Chain of Custody and the policy in practice (including evaluating bid submissions).
- Suppliers will receive an abridged version of the same presentation should they request it.

5.2 Contract Officers will be identified by the Sustainable Business Manager in conjunction with Category Managers. Invitations to training events will be sent via Category Managers (whom the Sustainable Business Manager will liaise with to identify a suitable training venue). The event will also be communicated via Harinet.

5.3 The training will provide information concerning the effects of the policy on equality and diversity and the actions being taken to ensure no group is disadvantaged through compliance. Feedback will be requested concerning the risks to suppliers in the delivery of this policy.

Step 6 - Monitoring Arrangements

6.1 The policy will be audited through Sustainable Procurement Reports – a monthly document sent to the Sustainable Business Manager containing a list of all new contracts let that have required sustainability considerations to be applied in delivery by the contractor.

6.2 To ensure contract officers include this policy in new contracts, the Sustainable Business Manager will map Sustainable Procurement Reports to a quarterly Contract Managers' Report that lists all contracts in place for Haringey.

6.3 To ensure contracts correctly evaluate evidence, the Sustainable Business Manager will undertake a 10% audit of all contracts containing the policy as outlined in the Sustainable Procurement Reports. Suppliers will be asked to feedback following completion of contracts on their experience with policy compliance. A pro-forma will be developed to this effect, combining supplier equalities information (as laid out in the Council's pre-qualification questionnaire) and questions on the policy itself.

6.4 Equalities monitoring data will be gathered, analysed and report quarterly, in the first instance to the Corporate Resources DMT and to the Equalities Team thereafter, by the Sustainable Business Manager.

Step 7 - Summarise impacts identified

In the table below, see summary for each diversity strand the impacts identified in the assessment.

Age	Disability	Ethnicity	Gender	Religion or Belief	Sexual Orientation
		Black and Minority Ethnic Enterprise – concern that price premiums/ increased administration may prohibit them from bidding for contracts. No current mechanisms for feedback concerning this issue.	Women-Owned Business - concern that price premiums/ increased administration may prohibit them from bidding for contracts. No current mechanisms for feedback concerning this issue.		

Step 8 - Summarise the actions to be implemented

In the list below are recommendations for action that will be taken as a result of this impact assessment.

Issue	Action required	Lead person	Timescale	Resource implications
No current supplier feedback form available	Develop feedback pro-forma	Sustainable Business Manager	End of quarter 2, 11/12	0.5 days FTE p.a.
Report and react to supplier/client feedback	Quarterly collation and presentation of monitoring information	Sustainable Business Manager	Ongoing	2.0 days FTE p.a.

Step 9 - Publication and sign off

9.1 This impact assessment will be published alongside the Sustainable Timber Policy on the Haringey Sustainable Procurement Webpage. A Powerpoint presentation will follow one year later summarising Contract Officer and Supplier feedback and any changes to the policy required as a result of this exercise.

Assessed by (Author of the proposal):

Name: Ben Brown

Designation: Sustainable Business Manager, Central Procurement

Signature:

Date: 19.04.11

Quality checked by (Equality Team):

Name: Inno Amadi

Designation: Senior Policy Officer, Equality and Diversity Team

Signature:

Date:

Sign off by Directorate Management Team:

Name:

Designation:

Signature:

Date:

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Purchase of Sustainably Sourced Food and Drink

Central Procurement

20 July 2011

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Central Procurement

Document Control

Version 2.0	Status FINAL DRAFT <i>04.2011 SFDP</i>	Author <i>Ben Brown, Sustainable Business Manager, Central Procurement, Corporate Resources</i>
Document Objectives: To ensure the purchase of sustainably sourced food and drink in all Haringey Council contracts.		
Intended Recipients: Council employees responsible for the purchase of relevant contracts, suppliers of relevant contracts.		
Monitoring Arrangements: <ul style="list-style-type: none"> 10% audit regime of relevant contracts to include scrutiny of specifications, contract conditions, evidence of supplier compliance – type one certification and delivery notes. 		
Training/Resource Implications: <ul style="list-style-type: none"> An intensive training programme for all identified relevant staff (likely to be held over three one-day events). A yearly refresher programme for key staff and ad-hoc training events for new starters once a minimum attendance threshold has been reached. A member of the Energy and Sustainability Team in Central Procurement to undertake the 10% audit. Sustainable Business Manager to deliver training (3 days max inaugural year, 2 days max p.a. thereafter). 		
Approving Body and Date Approved	<i>Soil Association July 2010</i>	
Date of Issue	<i>Month 20XX</i>	
Scheduled Review Date	<i>Month 20XX</i>	
Lead Officer (<i>a contact person who can assist with inquiries about the policy and any other tools or supporting materials that will help the policy to be understood and successfully implemented</i>)	Ben Brown Sustainable Business Manager ben.brown@haringey.gov.uk 020 8489 2132	
Path and file name		

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1. Introduction

In 2003, Haringey Council passed a resolution to adopt fair trade considerations in all relevant contracts let by, or on behalf of the Council. Wherever practicable, it requires all contracts to ensure produce and products certified as providing a working environment that meets or exceeds International Labour Organisation convention criteria. However, Haringey recognises that it is able to positively affect not only socio-economic standards but our natural environment as well. From the 1st August 2011, the Council will implement standards compliant with the Soil Association Food for Life Catering Bronze Mark across all catering, event and hospitality contracts. This policy will affect all procurement officers and suppliers of relevant market segments. This also supports our Sustainable Food Strategy, which provides a framework for the production and consumption of more sustainable food in Haringey, as committed to in our Greenest Borough Strategy.

(For more information on the Food for Life Catering Mark, please read the Soil Association requirements available from [this website](#).)

2. Scope and Definition

Haringey Council is committed to encouraging a diverse supplier base as it enables us to contribute to increased social inclusion. This is especially important when dealing with business within the borough as we seek to promote economic growth and hence improved living standards for our residents.

We recognise that some small to medium sized enterprises (SMEs) may believe the requirement to prove the sustainability of all food and drink provided to the Council is an undue financial and/or resource encumbrance.

Haringey Council also recognises there is a widespread belief that achieving and maintaining a sustainable supply chain can be an expensive and resource intensive process, which is not financially justifiable for organisations with small turnovers. We are mindful that mandating type 1 certification (that is: accreditation such as fair trade, that has been independently verified by a suitably qualified third party) would therefore pose a serious barrier to relevant SME suppliers.

Haringey Council is keen to ensure that SMEs are not disadvantaged in preparing evidence for tender documents on Food for Life Bronze Mark compliance, and as such, we have produced a Sustainability Workbook for Food and Drink which is available on the Council's website:

http://www.haringey.gov.uk/sustainable_procurement_booklet_2_-_food_and_drink.pdf

The Sustainability Workbook has been produced to help Council procurement officers and incumbent and potential suppliers to implement the Council's requirements regarding the Food for Life Mark.

The Workbook contains short chapters on integrating the following in contract provision:

- Organic
- Fair Trade

- Animal Welfare
- Local Produce
- Seasonal Produce
- Fresh Produce
- Energy Efficient White Goods

Each section contains a model specification that can be copied into invitations to tender and also a model bid that provides suppliers with an understanding of the requirements of contract delivery.

In summary, to achieve the Food for Life Catering Bronze Mark, the Council requires the following:

Criteria	Specification	Standard	Requirement
Organic	A percentage of produce and/or meat and eggs provided to be certified by an Approved Organic Certification Schemes approved body	Food for Life Catering Silver Mark	Optional
Fair Trade	All tea, coffee and hot chocolate to be certified by a FINE ¹ certification body. A percentage of additional produce provided to be certified by a FINE certification body.	Council Fair Trade Resolution; Food for Life Catering Silver Mark	Mandatory
Animal Welfare	All meat and poultry/eggs to be derived from livestock reared on independently assured farms, with the latter cage free. Where relevant, all fish to hold an MSC Chain of Custody (CoC) certificate.	Food for Life Catering Bronze (moving to Silver) Mark	Type 1 Farm Assurance is Mandatory. Type 1 Free Range is Mandatory for Poultry/Eggs MSC CoC Optional.
Local Produce	The Public Sector cannot specify Local requirements.	N/A	N/A
Seasonal Produce	A percentage of produce provided to be seasonal as per DEFRA's seasonal produce charts ²	Food for Life Catering Bronze Mark	Mandatory
Fresh Produce	A percentage of produce provided to be fresh as per OGC's Food Quality Standards	Food for Life Catering Bronze Mark	Mandatory
Energy Efficient White Goods	White Goods, such as vending machines should comply with the specifications set out in the Buying Solutions Quick Wins List	Quick Wins List	Mandatory

All contractors must be able to demonstrate type 1 certification in the supply chain but are not required to maintain it themselves. This alleviates cost implications of maintaining type 1 certification for contractors, and places the responsibility down the supply chain to large scale distributors/merchants with the financial stability and wide customer-base for type 1 certification to be commercially beneficial.

Evaluation and consideration

The basket of products that Haringey Council will evaluate must meet the mandatory standards as listed above. It is important that the application of these standards does not compromise the Council's efficiency drive, which includes the avoidance of cost premiums and unnecessary expenditure.

¹ http://www.haringey.gov.uk/sustainable_procurement_booklet_2_-_food_and_drink.pdf

² <http://www.defra.gov.uk/foodfarm/policy/publicsectorfood/resources.htm>

Suppliers are expected to review the overall basket price to mitigate against any price premiums (such as free-range eggs). Pricing forms a core element of Council evaluation criteria and Suppliers should consider the effect on bid scores if tenders include significant price premiums over the total basket price.

Exemptions

Ensuring there is no discrimination regarding the provision of goods, services and works is already a legal requirement concerning race and religious beliefs under the Equality Bill. In April 2010 a revision of this bill was published to include gender, disabilities and sexual orientation.

Whilst organisations must therefore ensure a written statement of intent explicitly adheres to the principles set out in this bill, there are opportunities to go further. The Office of Government Commerce has already published guidance concerning social inclusion, with a view to improving the accessibility of public sector tenders to small-to-medium enterprises (SMEs), women-owned businesses (WOBs), black and minority enterprises (BAMEs), social enterprises and the third sector.

Haringey Council, through the Sustainable Community Strategy, is committed to increasing the number of long-term unemployed residents (either on incapacity benefit or Job Seekers Allowance) into sustained work.

To realise greater levels of employment in the borough, the Council may reserve certain contracts for supported businesses. A supported business is defined in the EU Public Sector Procurement Directive as “A service where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.” Where the Council is able to identify appropriate catering, event and hospitality contracts to reserve for supported businesses (typically low risk and low value), we do not require the suppliers to meet the Food for Life Bronze Mark criteria.

3. Aim

The aim of this policy is ***to ensure that we buy sustainably sourced food and drink in accordance with the Food for Life Catering Bronze Mark*** without impeding opportunities for SMEs to bid for Council contracts. It will also ensure we are improving the global environmental – specifically with regards to health, wellbeing, biodiversity and climate change – by shaping the market from which we purchase. Producers will be incentivised to maintain and perpetuate sustainable farming practices that provide a home for thousands of species, and a fair working environment for thousands of people worldwide.

4. Roles and responsibilities

Haringey Council's Sustainable Business Manager is responsible for this policy. To ensure its implementation (s)he will:

- Deliver training to all project officers and procurement staff involved in catering, events and hospitality contracts;
- Run reports to track the type, value and number of contracts let which include the provision for sustainably sourced food and drink, underpinning this with a 10% audit regime to ensure staff are correctly following procedure;
- Ensure our sustainable food and drink policy and specifications are formally communicated in the tenders we send out, and achievements are publicised through Council channels such as the Council website;
- Run free workshops for suppliers to help them understand our requirements, where to source sustainable food and drink products and what evidence is required to verify transparency and sustainability.

All contract officers requiring the provision of food and drink are responsible for ensuring the adherence to this policy through the contracts they agree.

5. Principles

Haringey Council is committed to:

- Ensuring we improve the environmental credentials of our operations and deliver benefits to businesses and residents within the borough through careful selection and improved usage of the food and drink products we buy;
- Raising the supply market's awareness of our sustainable food and drink requirements in order to stimulate demand and increase the availability and variety of products available to us;
- Providing all interested stakeholders – buyers, suppliers and other public bodies – with tools and guidance on obtaining sustainably sourced food and drink products and verifying authenticity so that the risks of long lead-in times and perceived price premiums are removed;
- Encouraging our suppliers to adopt practices that minimise their environmental impact and deliver community benefits in relation to their own operations and throughout the supply chains in which they operate;
- Working in partnership with suppliers and communicating good news stories to enhance the reputations of both Haringey Council and those suppliers who provide a positive contribution to the environment.
- Deliver against the London Borough of Haringey's Greenest Borough Strategy – *“to tackle climate change and secure a clean, safe and environmentally sustainable future for everyone living, working, visiting or studying in Haringey.”*

6. Equalities and diversity

Please see Equality Impact Assessment (Appendix B)

7. Audit

The policy will be audited through Sustainable Procurement Reports – an annual audit undertaken by the Sustainable Business Manager consolidating a list of all new contracts let that have required sustainability considerations to be applied in delivery by the contractor.

To ensure contract officers include this policy in new contracts, the Sustainable Business Manager will map Sustainable Procurement Reports to a quarterly Contract Managers' Report that lists all contracts in place for Haringey.

To ensure contracts correctly evaluate evidence, the Sustainable Business Manager will undertake a 10% audit of all contracts containing the policy as outlined in the Sustainable Procurement Reports.

8. Training

In order to ensure this policy is implemented effectively, contract officers and suppliers will require training concerning specification and evaluation requirements.

The Sustainable Business Manager will identify, in collaboration with Category Managers, the contract officers that require training in line with the contracts they let. Training will be mandatory for all relevant contract officers in the first instance. Training will then be offered annually as a refresher course/training for new starters.

Suppliers will be offered training on their request, to ensure they understand how to provide us with the materials and evidence we require.

9. Review

The policy is expected to lever significant environmental and socio-economic benefits whilst minimising administrative and cost burdens on suppliers in providing against this policy. Audits will yield a sample that can be factored up to provide indicative quantifiable results in amounts of sustainable food and drink purchased.

Supplier feedback will also be sought and an impacts assessment produced after one year of

implementation to understand and alleviate supplier issues with the policy.

The policy will be reviewed one year into implementation.

10. Appendices

Appendix A – Link to Sustainable Food and Drink Guidance

http://www.haringey.gov.uk/sustainable_procurement_booklet_2_-_food_and_drink.pdf

Appendix B – Equality Impact Assessment

HARINGEY COUNCIL

EQUALITY IMPACT ASSESSMENT FORM

Service: Central Procurement Unit

Directorate: Corporate Resources

Title of Proposal: Sustainably Sourced Food and Drink Policy

Lead Officer (author of the proposal): Ben Brown

Names of other Officers involved: Adam Parvez, Era Varellas, Marianna Clune-Georgiou; Shena Aitkenhead

Step 1 - Identify the aims of the policy, service or function

1.1 Introducing a sustainable food and drink policy will ensure the following:

- Alignment with Central Government Policy.
- Safeguarding of communities reliant on a fair wage for income. The ILO found in a recent study – Promotion of rural employment for poverty reduction 2008 – that many agricultural workers were paid wages significantly below the minimum national wage and that when wages were received, they were often deferred or provided as payment in kind.
- A contribution to the campaign against climate change. In 2008, UK agricultural practices were responsible for emitting 6.2 mega tonnes of CO₂, the primary greenhouse gas.
- Safeguarding of biodiversity. Intensive farming practices are indiscriminately removing or polluting existing hedgerows and watercourses which are home to many indigenous species.
- Improved health for agricultural workers with a reduction in hazardous substances such as pesticides and an increase in controlled handling training and procedures.

1.2 It will benefit:

- Staff and residents of the borough, by increasing wellbeing through the contribution to achieving Fair Trade Borough status and by providing quality and nutritious food at events, improving health and tackling diet related medical conditions such as diabetes and obesity.
- Peoples who are reliant on agriculture for their livelihoods. It will help increase the working conditions and wages of those people working in the industry – especially in the developing world.
- The UK food industry, by requiring seasonal and fresh foods, which reduce dependency on imports and ensures money is reinvested into the local community, spurring regeneration.

Step 2 - Consideration of available data, research and information

2.1 Haringey is one of London's 32 boroughs. It is located in the north of the capital and more than 11 square miles in area. Nearly half of its 224,700 people come from ethnic minority backgrounds. According to the 2001 Census the largest groups are:

- Caribbean - 11%
- African - 10%
- Asian (Indian, Pakistani and Bangladeshi) - 8%
- Eastern European, Turkish and Kurdish - 5%
- Irish - 4%

2.2 This diversity is reflected in the fact that almost half of all pupils in Haringey schools speak English as an additional language, and in 2008, between them reported the use of over 160 languages at home.

2.3 It's often said that Haringey is an outer London borough with inner London challenges. It ranks as one of the most deprived boroughs in the country with 6.6 per cent of the economically active (i.e. those working or actively seeking work) population unemployed in December 2008. This is more than the Great Britain average of 4.1 per cent.

2.4 However, none of the populations resident in Haringey are over or under represented in our current purchasing arrangements. This is because the purchase of food and drink is not a frontline action and does not interact with residents.

2.5 Haringey's business arena reflects the diversity of the Borough, with around 95% of the 8,000 businesses classified as Small-to-Medium Sized Enterprise.

2.6 Without a defined Council Policy for Sustainable Food and Drink, several issues restrict access to Council contracts for SMEs and BAMEs.

2.7 The barriers accountable for restricting opportunities for SMEs and BAMEs to bid for Council contracts are as follows:

- Where there is no set policy, organisations that offer sustainable products in a bid to increase their chances for winning Council contracts are disadvantaged when supplying evidence. This is because there are no criteria for evidencing the sustainability of food and drink. Therefore, contractors with standards and certification and who have made significant investment in auditing their supply chain are not considered for contracts any more than suppliers with a verbal or written declaration.
- Usually the public sector requires suppliers to evidence that food and drink is sustainably accredited. However, where suppliers aren't accredited, they are required to evidence the sustainability of the food and drink they provide. SMEs and BAMEs may not have the resource to undertake this process, as it sometimes entails increased administration and data gathering.
- Accreditation leads to increased costs. In order to guarantee the sustainability of food and drink, organisations can source products and produce with type one eco-certification.. This means an independent auditor has traced the supply chain from supplier to source and is satisfied that all supply tiers conform with pre-agreed legal and sustainable criteria. Whilst this removes any resource issues for SMEs and BAMEs, it does increase costs. Typical organic certification attracts a 30% price premium, whilst fair trade attracts a \$0.50 per kilogramme premium, which may be passed through to customers, but could create cash flow issues.

Step 3 - Assessment of Impact

3.1 This proposal is expected to increase sustainability through food and drink provision and specifically equalities, through the use of Fair Trade to provide decent wages to deprived people and collectives in the developing world. However, it is understood that small to medium sized enterprises (SMEs) may believe the requirement to prove the sustainability of all food and drink provided to the Council is an undue financial and/or resource encumbrance. However, the Council has made reasonable endeavours to minimise barriers to SMEs in providing the Council with Sustainable Food and Drink and increase tendering opportunities.

3.2 All suppliers will be required to provide the following criteria where applicable:

Criteria	Specification	Requirement
Organic	A percentage of produce and/or meat and eggs provided to be certified by an Approved Organic Certification Schemes approved body	Optional
Fair Trade	All tea, coffee and hot chocolate to be certified by a FINE certification body. A percentage of additional produce provided to be certified by a FINE certification body.	Mandatory
Animal Welfare	All meat and eggs to be derived from livestock reared on independently assured farms. Where relevant, all fish to hold an MSC Chain of Custody certificate.	Type 1 Farm Assurance is Mandatory. MCS CoC Optional.
Local Produce	Will not specify Local requirements.	Mandatory
Seasonal Produce	A percentage of produce provided to be seasonal as per Defra's seasonal produce charts	Mandatory
Fresh Produce	A percentage of produce provided to be fresh as per OGC's Food Quality Standards	Mandatory
Energy Efficient White Goods	White Goods, such as vending machines should comply with the specifications set out in the Buying Solutions Quick Wins List	Mandatory

3.3 This will ensure:

- All contractors are required to submit the same type and quality of evidence, mitigating the disadvantages of type 1 certification when competing with non-certified bidders.
- All contractors must only provide evidence of sustainability to the depth of one supply chain tier, thus reducing the resource required to collate and present information.
- All contractors are able to demonstrate type 1 certification in the supply chain and are not required to maintain it themselves. This alleviates cost implications of maintaining type 1 certification for contractors, and sends the risk down the supply chain to large scale distributors/merchants with the financial stability and wide customer-base for type 1 certification to be commercially beneficial.

3.4 Whilst a policy formalises Council requirements, there is still a risk that SMEs will not be aware of the Government drive for sustainable food and drink. Whilst this is not a risk that can be mitigated through a policy, Haringey will develop a Supplier Engagement Presentation which will outline the Council requirements and the steps that contractors must undertake to ensure these are met.

Step 4 - Consult on the proposal

Stakeholder	Internal/External	Issues	Mitigation Actions
Food Category Manager	Internal	None	N/A

Urban Environment Sustainable Food Officer	Internal	None	N/A
Soil Association	External	None	N/A
Head of Catering	Internal	None	N/A
Head of Facilities Management	Internal	None	N/A
Legal Services	Internal	None	N/A
Sustainable Haringey	External	None	N/A

Step 5 - Addressing Training

5.1 In order to ensure compliance with the policy, two levels of training have been identified and developed for Council Officers and Suppliers respectively.

- Council Contract Officers will be required to attend a mandatory training event that explores the background to the policy (including Government requirements and sustainability benefits), an explanation of the various required standards and the policy in practice (including evaluating bid submissions).
- Suppliers will receive an abridged version of the same presentation should they request it.

5.2 Contract Officers will be identified by the Sustainable Business Manager in conjunction with Category Managers. Invitations to training events will be sent via Category Managers (whom the Sustainable Business Manager will liaise with to identify a suitable training venue). The event will also be communicated via Harinet.

5.3 The training will provide information concerning the effects of the policy on equality and diversity and the actions being taken to ensure no group is disadvantaged through compliance. Feedback will be requested concerning the risks to suppliers in the delivery of this policy.

Step 6 - Monitoring Arrangements

6.1 The policy will be audited through Sustainable Procurement Reports – an annual document sent to the Sustainable Business Manager containing a list of all new contracts let that have required sustainability considerations to be applied in delivery by the contractor.

6.2 To ensure contract officers include this policy in new contracts, the Sustainable Business Manager will map Sustainable Procurement Reports to a quarterly Contract Managers' Report that lists all contracts in place for Haringey.

6.3 To ensure contracts correctly evaluate evidence, the Sustainable Business Manager will undertake a 10% audit of all contracts containing the policy as outlined in the Sustainable Procurement Reports. Suppliers will be asked to feedback following completion of contracts on their experience with policy compliance. A pro-forma will be developed to this effect, combining supplier equalities information (as laid out in the Council's pre-qualification questionnaire) and questions on the policy itself.

6.4 Equalities monitoring data will be gathered, analysed and report quarterly, in the first instance to the Corporate Resources DMT and to the Equalities Team thereafter, by the Sustainable Business Manager.

Step 7 - Summarise impacts identified

In the table below, see summary for each diversity strand the impacts identified in the assessment.

Age	Disability	Ethnicity	Gender	Religion or Belief	Sexual Orientation
As per BAMEs	As per BAMEs	SMEs may be Black and Minority Ethnic Enterprises (BAMEs) – concern that price premiums/ increased administration may prohibit them from bidding for contracts. No current mechanisms for feedback concerning this issue.	Women-Owned Business (as per BAMEs).	As per BAMEs	As per BAMEs

Step 8 - Summarise the actions to be implemented

In the list below are recommendations for action that will be taken as a result of this impact assessment.

Issue	Action required	Lead person	Timescale	Resource implications
SME knowledge gaps	Create a Food and Drink Sustainability Workbook with template clauses and example bids	Sustainable Business Manager	Complete	N/A
SME knowledge gaps	Provide training to relevant suppliers who request it	Sustainable Business Manager	On demand	0.5 days FTE per event (max 3 p.a.)
Opportunities for people with disabilities	Reserve contracts where appropriate for supported businesses	Sustainable Business Manager	Complete	N/A
Cost and resource implications of certification	Certification is required of the supply chain, and not the supplier.	Sustainable Business Manager	Complete	N/A
No current supplier feedback form available	Develop feedback pro-forma	Sustainable Business Manager	End of quarter 2, 11/12	0.5 days FTE p.a.
Report and react to supplier/client feedback	Quarterly collation and presentation of monitoring information	Sustainable Business Manager	Ongoing	2.0 days FTE p.a.

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Step 9 - Publication and sign off

9.1 This impact assessment will be published alongside the Sustainable Food and Drink Policy on the Haringey Sustainable Procurement Webpage. A PowerPoint presentation will follow one year later summarising Contract Officer and Supplier feedback and any changes to the policy required as a result of this exercise.

Assessed by (Author of the proposal):

Name: Ben Brown

Designation: Sustainable Business Manager

Signature:

Date: April 2011

Quality checked by (Equality Team):

Name: Inno Amadi

Designation: Senior Policy Officer, Equality and Diversity Team

Signature:

Date:

Sign off by Directorate Management Team:

Name:

Designation:

Signature:

Date:



Agenda item:

[No.]

Procurement Committee

On 28th July 2011

Report Title: Library Stock Supply – Award of Contracts

Report of **Director of Place & Sustainability**

Signed :

28/7/11

MARK DORFMAN

Contact Officer : Diana Edmonds

Assistant Director: Culture Services

Tel: 0208 489 2759

Wards(s) affected: **All**

Report for: **Key Decision**

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

To seek the approval of the Cabinet Procurement Committee for the award of three contracts for Library Stock Supply comprising (1) Books for Adults, (2) Books for Children and (3) DVDs.

2. Introduction by Cabinet Member (if necessary)

I have noted this report and the financial saving the change of suppliers would bring to the Council. This forms part of our continuing efforts to find back office efficiencies in the library service, allowing us to support continued frontline library provision.

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

3.1. Delivering high quality, efficient services

- Contract awards to support the delivery of Value for Money, Smart Working and Customer focussed services (through appropriate stock selection processes)

3.2.A Thriving Haringey

- Contract awards to support the delivery of core library services, helping people to flourish and achieve in their leisure and educational activities.

4. Recommendations

That the Cabinet Procurement Committee approves the award of three contracts for Library Stock Supply comprising Books for Adults, Books for Children and DVDs to the three contractors identified in Part B

5. Reason for recommendation(s)

The supply of library stock materials is essential to the delivery of an effective public library service. The proposed contracts offer improved value for money; meet the service's operational requirements and provide an accessible range of stock to meet customer needs.

6. Other options considered

The Eastern Shires Purchasing Organisation (ESPO) holds a national EU compliant library stock supply framework agreement which includes all the main suppliers in this field and conducting a "mini competition" through the framework agreement was considered the most effective procurement method. Therefore we did not consider any options.

7. Summary

- 7.1. The library service undertook a "mini competition" process using the Eastern Shires Purchasing Organisation framework agreement for library stock supply (ESPO contract reference 376/F/10). The framework agreement has been advertised and established in full compliance with public procurement (including EU) legislation. The agreement is in place until 31.3.13 (with the option to extend for a further year). The three contracts are for a period of three years, with the option to extend annually for a further two years.
- 7.2. Tenders were invited for the supply of Books for Adults, DVDs and Books for Children. Invitations to tender were sent to all suppliers on the framework listed as able to supply the relevant stock categories. Two tenders were received for Books for Adults, three for Books for Children and three for DVDs.
- 7.3. The tenders were evaluated against the following framework criteria:
 - a) Prices and costs
 - b) Performance and operational requirements (including speed of supply)
 - c) Range and appropriateness of stock offered
 - d) Suitability, functionality and ease of stock selection methodologies

7.4. The recommended providers will enable the library service to:

- build on its existing streamlined processes for stock management, with its emphasis on the provision of shelf-ready stock and the use of RFID/self service technology.
- access a range of stock selection methodologies, utilising both staff and supplier expertise to provide a range of stock relevant to local communities.
- deliver improved value for money in its stock purchasing.

7.5 Performance of the contracts will be monitored by the service initially monthly and then every three months once the contracts are established.

7.6. The supply of library stock is essential to the delivery of an effective public library service and the proposed contracts offer improved value for money; meet the service's operational requirements and provide an accessible range of stock to meet customer needs.

8. Chief Financial Officer Comments

The cost of this contract can be contained within existing libraries service budgets. Although budgets have not been agreed for future years at this point, the contract does not specify a minimum spend level and so does not commit the Council to spend beyond allocated budgets in later years

9. Head of Legal Services Comments

9.1. The Council has power to enter into a supply contract for the provision of library stock under section 1 of the Local Government (Contracts) Act 1997 on the basis that the supplies are properly required for the discharge of the Council's duties.

9.2. The total value of each of the three contracts over their lifetime is above the threshold requiring the application of the Public Contracts Regulations 2006. (the threshold for supplies being £156,442.00 at the time of drafting)

9.3 The Eastern Shires Purchasing Organisation framework agreement for library stock supply was tendered in Europe in compliance with European procurement legislation i.e. the Public Contracts Regulations 2006 . ("The Regulations")

9.4 In accordance with the Regulations, the Director of Place & Sustainability has confirmed that they have conducted a mini-competition between all economic operators capable of performing the contract.

9.5. The contract is a Key Decision and the Director has confirmed it has been included in the Forward Plan.

9.6. The Director now wishes to award contracts to the three contractors named in Part B of the Report.

9.7. Because of the value of each of the three contracts, the award must be approved by the Cabinet Procurement Committee in accordance with Contract Standing Order 11.03

9.8. See further comments of the Head of Legal Services in the exempt part of the Report.

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

This tendering process has been carried out in accordance with the Procurement Code of Practise

Contract monitoring arrangements have been put in place to ensure that the contract operates compliantly and to minimise any risk of poor performance.

Although the recommendation is not to award the contract to the lowest price bidders the discounts offered within the new contracts are greater than the current arrangements and demonstrate a saving for the Council

11. Equalities & Community Cohesion Comments

An equalities impact assessment was carried out in advance of the “mini competition” process.

12. Consultation

Consultation has taken place with end users and the Corporate Procurement Unit.

13. Service Financial Comments

- 13.1. The proposed contracts cover the principal areas of stock supply for the public library service and the Schools Library Service (SLS).
- 13.2. The proposed contracts represent improved value for money, which will help mitigate the impact on the service of savings already taken from this area.
- 13.3. The proposed contracts will be for a period of three years, with the option to extend for one year.
- 13.4. The use of the contracts will be funded by the libraries’ stockfund budget.
- 13.5. The proposed start date for the contracts will be August 2011.
- 13.6. The contracts do not commit the Council to a minimum level of spend.
- 13.7. Performance of the contracts will be regularly monitored.

14. Use of appendices /Tables and photographs

Appendix A - Part B: Exempt Information

15. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. Exempt information is contained in Appendix A 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).



Agenda item:

[No.]**Cabinet Procurement Meeting****On 28th July 2011**

Report Title: Extension of Eban Contract – The Blenheim Community Drug Project

Report of: Jeanelle de Gruchy – Director of Public Health

Signed :

Contact Officers: Marion Morris, Drug and Alcohol Strategy Manager; and
Andy James, DAAT Programme ManagerWards(s) affected: **All**Report for: **Key****1. Purpose of the report**

- 1.1. To seek member approval for a second extension of the “Eban” contract for a further year from March 2012 to March 2013, under CSO 13.02 of the Council’s Contract Standing Orders. As the value of the contract (at circa £400,000) exceeds the Director’s delegated powers limit, the approval of the Procurement Committee is sought for the proposed extension. This can be accommodated under the arrangements for the Variation and Extension of Contracts as set out in CSO 13 of Contract Standing Orders.

2. Introduction by Cabinet Member

- 2.1. The extension of the Eban contract for a further year will ensure that all of the borough’s substance misuse treatment provision can be re-tendered in the same time frame (2012-13). Existing substance misuse contracts are a combination of NHS and local authority held contracts which are all due to expire and be re-tendered in 2012-13 (with the exception of the Eban contract).
- 2.2. The extension of the Eban contract will ensure that Eban can be brought into the scope of the re-tender in 2012-13. The re-tendering exercise will also ensure that all of the substance misuse contracts are let as local authority contracts as Primary Care Trusts (PCT)s will not exist post 2013.

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

This service contributes to the Council's following strategies/priorities:

- 3.1 [Sustainable Community Strategy](#) outcome – Healthier people with a better quality of life;
- 3.2 [Well-being Strategic Framework](#): The Framework is currently being reviewed to focus on the new policy agendas of personalisation, safeguarding vulnerable adults and addressing health inequalities;
- 3.3 http://harinet.haringey.gov.uk/safer_for_all_strategy.pdf Community Safety Strategy; and
- 3.4 http://harinet.haringey.gov.uk/adult_drug_treatment_plan_2010-11.pdf Adult Drug Treatment Plan.

4. Recommendations

- 4.1 That in accordance with CSO 13.02 approval be granted to extension of the Eban contract for a period of one year from April 2012 to March 2013 to the value of £401,224 and that this contract award sum be paid to The Blenheim Community Drug Project directly from the Adult Pooled Drug Treatment Budget.
- 4.2. That it be noted that the cost of the contract will be met from the Adult Drug Pooled Treatment Budget, which is an annual ring-fenced budget from the Department of Health (National Treatment Agency for Substance Misuse).

5. Reason for recommendation(s)

- 5.1. The 2010 drug treatment needs assessment identified that Haringey has an ongoing need for a stimulant/poly drug use service as the vast majority of drug users coming into treatment in 2009/10 used both crack cocaine and heroin (72%).
- 5.2. In order to ensure that all provider drug and alcohol contracts end in March 2013, and to facilitate the re-tendering of all drug and alcohol provision in the borough, member approval is sought to extend the EBAN contract for a further year to bring it in line with all other provider contracts and therefore in the scope of the re-tender operation which will commence in 2012.
- 5.3. The re-tendering of all substance misuse provision is designed to:
 - Provide better value for money (VfM) to the Council by tendering all of the substance misuse treatment provision at the same time;
 - Transfer existing NHS contracts into Council contracts;
 - Achieve a more coherent and integrated substance misuse system by integrating drug and alcohol services; and
 - Achieve better treatment outcomes for service users, by simplifying the routes into substance misuse treatment.

- 5.4 The nature of the market for the services required to meet this need has been investigated and found to be limited. It is therefore recommended not to re-tender at this point but to exercise the option to extend the existing contract for a further year from March 2012- March 2013.
- 5.5 The level of the funding for the contract reflects the expertise required to engage and successfully treat this client group. The provider is meeting all of its performance targets and has contributed to Haringey having one of the highest rates of planned discharges from drug treatment, in London.
- 5.6 The current provider has now gained a great deal of knowledge in relation to successfully attracting and engaging some of the most marginalised people in Haringey into effective drug treatment. The provider has also gained a good reputation and trust within the local community and works with the police to divert drug users into treatment following 'Crack House closures'. Re-tendering at this stage would disrupt this effective treatment and could lead to the increased risk of drug related anti-social behaviour and crime.

6. Other options considered

- 6.1 The option to re-tender Eban was considered by the DAAT Joint Commissioning Group. However, it was agreed that as all of the remainder of substance misuse contracts were up for renewal in 2013, it made more strategic and economic sense to bring the Eban contract into the re-tendering process in 2013.

7. Summary

- 7.1. All existing substance misuse contracts, with the exception of the Eban contract, expire in 2013 and therefore a re-tendering exercise will need to take place in 2012-13.
- 7.2 In addition, all substance misuse contracts need to be re-tendered as local authority contracts and local Primary Care Trusts will cease to exist in 2013. Existing substance misuse contracts are a combination of NHS and local authority contracts.
- 7.3 The extension of the Eban contract for a further year will ensure that all substance misuse provision can be re-tendered in the same time frame and drive down the costs as contracts are currently held by a number of different providers.
- 7.4 The 2010 adult drug treatment needs assessment identified that Haringey has an ongoing need for a stimulant/poly drug use service as the vast majority of drug users coming into treatment in 2009/10 used both crack cocaine and heroin (72%) and 19% of those in treatment are primary crack cocaine users.

7.5 The Contract will be robustly performance managed with the provider through quarterly contract meetings.

8. Chief Financial Officer Comments

8.1. The funding for this contract comes from the Pooled Treatment Budget (PTB) managed by NHS Haringey.

8.2 The contract allows for variations in provision so in the unlikely event that the available PTB should reduce over the period of the extension, the service specification could be reduced down to match available funding.

8.3 The only direct financial cost to Haringey associated with this contract is the contract performance management which can be met from existing budgets.

8.4 The request for the extension is set out clearly in the report and will enable more efficient commissioning of substance misuse contracts to take place during 2012/13.

8.5 The Chief Financial Officer draws attention to the points raised in the exempt section of the report.

9. Head of Legal Services Comments

9.1 The services are classed as Part B services under the Public Contracts Regulations 2006 and are therefore not subject to the full scope of the tendering requirements of the Regulations.

9.2 The Public Health Directorate requires a second extension of the Eban contract from March 2012 until March 2013. This is to coincide with the expiry of the Council's other substance misuse contracts and so that they can be re-tendered together.

9.3 Because of the value of the extension, the approval must be approved by the Procurement Committee in accordance with CSO 13.02.

9.4 Please see additional comments in the exempt part of the report.

10 Head of Procurement Comments

10.1. This report is seeking approval to extend the specialised provision of the Eban treatment of crack cocaine user's service.

10.2. The second extension of the Eban contract from March 2012 until March 2013 is

recommended to coincide with the expiry of the Council's other substance misuse contracts and so that they can be re-tendered together.

- 10.3. The service is demonstrating value for money for the Council in terms of exceeding targets and within allocated funds; and market research indicates that it would not be viable to re-tender at this time.
- 10.4 The contract is monitored quarterly and is meeting the performance indicators set out.
- 10.5 It would be advisable to start the re-tendering process for new substance misuse contracts at the earliest opportunity to ensure that the market is tested and a new contract is in place at the expiry of this extension.

11 Equalities & Community Cohesion Comments

- 11.1. The stimulant/poly drug use service (Eban) was commissioned as a result of a needs assessment undertaken in 2006, which clearly demonstrated the need for a service that could specifically work with residents who were experiencing problems with crack cocaine and other stimulant drugs.
- 11.2 In particular the needs assessment identified that younger African Caribbean men, female sex workers and those in unstable accommodation were not accessing existing treatment provision.
- 11.3 There was no provision for people living in the North East of the borough, despite this being the most prevalent area for substance misuse.
- 11.4 A lower percentage of women use crack cocaine than men. However, their needs are often greater. The percentage of women accessing Haringey drug treatment services is above the regional average. One factor in this success is the counselling services offered by Eban along with the service design which allows women to be treated in an environment where they feel safe.
- 11.5 Equalities considerations were considered throughout the original tendering process; an equalities impact assessment was conducted and the Senior Equalities and Diversity Officer was part of the tendering process to ensure equalities issues were robustly addressed.

12 Consultation

- 12.1 The need for a specialist crack cocaine service was informed by a robust needs assessment which included the views of service users. The current service, Eban, has a service user involvement group who actively shape the service. Their views around extension were sought and they are fully supportive regarding the effectiveness of the current provider in delivering the service.

12.2 The members of the Joint Commissioning Group, which includes NHS Haringey, Probation, Supporting People and the Police, have been consulted and endorse extension of the contract.

12.3 As part of the re-tendering exercise service users will be consulted.

13 Service Financial Comments

13.1 The Adult Drug Pooled Drug Treatment Budget is comprised of different funding streams from the Department of Health, the Home Office, and mainstream health and social care monies.

13.2 The Joint Commissioning Group for substance misuse oversees spend which is actioned by the Joint Commissioning Manager for Substance Misuse.

13.3 This contract is commissioned from the Pooled Treatment Budget which comes directly down from the Department of Health to DAATs for spend on drug treatment provision in their boroughs.

13.4 The full cost of commissioning this service is £401,224 per annum.

13.5 In 2012 the Pooled Treatment Budget will transfer into the Public Health Budget, under the Director of Public Health, who will ultimately hold responsibility for the commissioning of substance misuse services in the borough.

14 Use of appendices /Tables and photographs

14.1 Appendix 1 – Exempt Information

15 Local Government (Access to Information) Act 1985

15.1. This report contains exempt and non-exempt information. Exempt information is contained in the Appendix 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):

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



Haringey Council

Agenda item:

Procurement Committee	On 28th July 2011
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Report Title:	Digital Communal Aerial Systems Upgrade Programme
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Report authorised by:	Mun Thong Phung, Director of Adult and Housing Services
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Contact Officers:	<p>Phil Harris, Deputy Director for Community Housing Services Contact Tel: 020 8489 4338, Email: phil.harris@haringey.gov.uk</p> <p>Keith Carter - Executive Director of Property Services Contact Tel: 020 8489 3272, Email: keith.carter@homesforharingey.org</p>
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Wards(s) affected: All	Report for: Key Decision
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1. Purpose of the report

- 1.1 This report sets out a programme of works to continue the upgrade of existing communal aerial systems across the Borough with a digital communal aerial system to comply with 4th April 2012 switchover from analogue to digital services. The works outlined in this report are scheduled to commence on 15th August 2011. As such, this report is seeking Procurement Committee approval for the award of this contract.

2. Introduction by Cabinet Member

- 2.1 To ensure that television reception is available on our communal television reception systems following the switch off of the analogue signal, this report informs Members of the Procurement Committee about the proposed packages of work that will ensure that the Council will meet the coalition government's digital switchover deadline.
- 2.2 I therefore support the approach outlined and note that HfH appear to have put a lot of thought into the programme delivery particulars, whilst being committed to both facilitating the Council's duty as a Landlord and completing the digital IRS programme in December 2011, 4 months ahead of the government's deadline.

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

3.1 Sustainable comment

As with all our Asset Management procurement programmes, the contractor is expected to contribute to Haringey's vision on sustainability. The contractor will minimise waste, recycle and safely dispose of residual waste. The contractor will use durable, renewable, recyclable materials that are of low toxicity and easy to maintain.

3.2 Conservation Area

The communal aerial system upgrade programme will respect and complement the blocks in conservation areas. This will be done in accordance with the Asset Management Strategy and Environmental Sustainability Strategy both which provide a strategic framework for delivery of Capital Works Programmes. 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.

4 Recommendations

4.1 That Members agree to award the contract for the above project to **SCC International Ltd**, as allowed under Contract Standing Order CSO11.03.

4.2 That the total anticipated cost excluding fees as detailed in Paragraph 1.2 of Appendix A be noted.

5 Reason for recommendation(s)

5.1 The Government has stated 4th April 2012, as the deadline for the switchover from analogue to digital TV services. This means that our existing analogue communal TV aerial system must be upgraded for residents to receive digital TV services in time for the digital switchover.

5.2 The delivery of the programme will be via a design and build contract, via a framework procured by the Council in 2009 in accordance with European Union regulations.

6. Other options considered

6.1 Not applicable.

7. Summary

7.1 The works set out in this report form part of the overall delivery of the Housing Capital Programme for 2011/12.

7.2 Background

The majority of the communal TV aerial systems in Haringey are over 30 years old and nearing the end of their useful life. The Government is turning off the analogue broadcasts to London in April 2012. This means that for residents to receive digital TV services the existing analogue communal TV aerial system must be upgraded to receive digital TV in time for the digital switchover in 2012.

7.3 Proposed Works and Call Off Contract Details

7.3.1 It was established and reported previously that the most suitable procurement route for the delivery of the programme would be using the design and build option where the contractor undertakes all the responsibility for the delivery of the programme on an annual basis to cost and time. The delivery of the programme will therefore be via a design and build contract to be called off of the Council's framework set up for this purpose in 2009. This framework has been procured in accordance with European Union (EU) regulations.

7.3.2 As outlined in the Official Journal of the European Union (OJEU) notice, it is envisaged that the services to be provided under the framework by the Digital Communal Aerial System (IRS) contractor will include: survey, design, building services design and the execution of the works.

7.3.3 On 27 October 2009 approval was obtained from the Procurement Committee for the award of Framework agreements to replace the communal analogue TV aerials within the Borough with an Integrated Reception System (IRS).

7.3.4 SCC International Ltd's tender for the framework was assessed to be the most competitive.

7.3.5 SCC International Ltd surveyed the properties and has provided the quotation set out in paragraph 1.2 of Appendix A which is based on the agreed schedule of rates within their tender for the framework.

7.3.6 The average cost per unit for the installation within this phase is £356.00 without fees.

7.3.7 SCC International Ltd's quotation has been checked by the Contract Administrator who has confirmed that the costs are in accordance with their schedule of Rates. It is considered to represent value for money and is satisfactory as the basis for a contract. Their quoted cost is therefore the anticipated cost of the contract works.

7.3.8 Total anticipated construction cost (excluding fees) refer to para 1.2 of Appendix A

Anticipated contract start on site	15 th August 2011
Anticipated contract completion	30 th December 2011
Contract duration	20 weeks

7.4 Properties Within Project

7.4.1 There are 3566 properties within this project.

7.5 Schedule of Works

7.5.1 Installation of Digital Integrated Reception System (IRS), which includes, main control boxes, main satellite dishes, cabling and individual socket outlets within residents dwellings. The works will also include the removal of satellite dishes for hand back to residents.

7.6 Sustainability Implications

7.6.1 The programme has been carefully designed where possible to allow for minimising waste during the construction and the useful life of the products.

Where possible, existing trunking and conduits will be used to run the wiring, thereby retaining any equipment which still has a useful life.

7.6.2 The majority of the existing wiring is buried within the fabric of the buildings and this will be left in situ. The new wiring contains an element of copper, a material that can be recycled at the end of its useful life.

7.6.3 The new systems should reduce the need for individual residents to have to purchase and erect their own dishes thereby reducing the carbon footprint.

7.7 Conservation Areas

7.7.1 Consideration will be shown for areas that are subject to specific consents relating to conservation.

7.8 Planning

7.8.1. The Planning department will be consulted under the standard application methods if required.

8. Chief Financial Officer Comments

8.1 Budget provision in the sum of £3,500,000 was approved by Cabinet on the 26th April 2011 to meet the costs of Digital TV – Integrated Reception System installations in 2011/12. This budget will be funded from the Major Repairs Allowance.

8.2 If this project is approved the total cost in the sum of £1,441,702, including fees, will be charged to the above budget.

8.3 A sum of £282,780.88 will be recharged to Leaseholders with the sums being returned to the Housing Revenue Account. Householders who are tenants will be charged an annual service charge.

9. Head of Legal Services Comments

9.1 This report is seeking Procurement Committee approval to award a call-off contract for communal aerial upgrade works at the properties detailed in the report to the contractor named in paragraph 4.1 of the report.

9.2 Cabinet Procurement Committee had on 27th October 2009 granted approval to the appointment of four contractors to framework agreements for provision of such works in the borough. The contractor recommended for award of the contract in this report was one of the four contractors appointed.

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.

9.4 When the framework agreements were awarded, the contractor named in paragraph 4.1 of this report was assessed as the most economically advantageous tenderer, that is the contractor which submitted the most competitive tender having regard to both quality and price.

- 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 contract is also a key decision and as such needs to be and has been included in the Council's Forward Plan (in accordance with CSO 11.04).
- 9.7 Subject to the further comments set out in para. 4 of Appendix A of this report, the Head of Legal Services is satisfied that the Council as landlord has complied with its statutory leaseholder consultation obligations in relation to leaseholders from whom a contribution towards the works of over £250 will be sought.

10. Head of Procurement Comments

- 10.1 This framework agreement for Digital TV – Integrated Reception System installation was originally tendered in the EU and awarded in October 2009 by Cabinet Procurement Committee.
- 10.2 SCC International Ltd named in appendix A paragraph 1.2 has been called off as the most economically advantageous tender under the original tender.
- 10.3 Homes for Haringey have confirmed that the prices have been calculated from and are in accordance with the framework agreement and to be best value.

11. Equalities and Community Cohesion Comments

- 11.1 Haringey is a diverse borough with a wide variety of ethnic backgrounds. The proposed works demonstrate Homes for Haringey's commitment to meeting the needs of its community.
- 11.2 The programme will provide a wide range of local and foreign television channels (subject to residents subscribing to the services).
- 11.3 Consultation newsletters were translated into the following languages on request. Somali, Greek, Turkish, Portuguese, Albanian, Farsi, Lingana, Chinese and Bulgarian at a total cost of £1,615.94.
- 11.4 The 'switching over to digital TV' booklet was translated into Russian on request at a cost of £737.09.

12. Consultation

12.1 Internal

Homes for Haringey have consulted council officers in the preparation of this programme by briefings, detailed newsletters to council officers and Ward Members.

12.2 External

Homes for Haringey have carried out detailed consultation on this project through detailed newsletters and meetings with residents.

- 12.3 Residents across the borough were consulted and an Option selection process was carried out between June 2010 and December 2010. The existing communal

aerial system will be replaced with one of the Integrated Reception System (IRS) system options (as chosen by residents) below:

- Option 1: IRS 13 wire installation providing, DAB radio, Freeview TV, Freesat, all Sky TV services, Hotbird satellite & Turksat satellite
- Option 2: IRS 5 wire installation providing, DAB radio, Freeview TV, Freesat, all Sky TV service

12.4 The results of the residents' consultation were that 2,477 chose Option 1 and 1,089 Option 2.

12.5 Leaseholder Implications

12.6 As a result of applications made under the Right to Buy legislation, there are leaseholders as well as council tenants, living in the properties affected by the works described in this report.

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 the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices and subject to the Procurement Committee's agreement the council will award this contract to the most economically advantageous tenderer.

12.9 A statutory Notice of Intention to carry out the works was sent to leaseholders on 09 December 2010. That notice gave a description of the proposed works and invited leaseholders to make observations on the proposal. Leaseholders had until 07 January 2011 to make observations in writing on the notice.

12.10 The total amount estimated to be recovered from 826 leaseholders is £282,780.88.

12.11 There 25 Leaseholders within the 5 year Section 125 period. No recoverable charges will be made.

12.12 Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges are £282,780.88, which equates to an average of £353.03 per leaseholder.

12.13 The charges to all 826 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included within the annual Certificate of Actual Services Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the final account cost of the works. The invoice will be payable interest free over a five to six month period.

12.14 Tenant Implications

For tenanted properties, the cost of the new digital communal aerial system will be recovered through their service charge.

13. Service Financial Comments

13.1 The project cost estimate is detailed in the exempt information Appendix A (attached) and will be funded from TV & Digital Aerials within the Mechanical & Electrical Services Budget.

14. Use of appendices /Tables and photographs

14.1 Appendix A – Exempt Information

15. Local Government (Access to Information) Act 1985

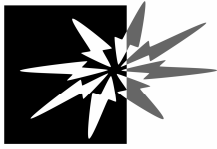
15.1 The background papers relating to this project are:

- Procurement Committee Approval Frameworks contract to replace communal analogue TV aerial to an Integrated Reception System (IRS) Report – 27th October 2009

This and other documents can be obtained from Ronke Adetunji – Project Manager on 0208 489 1203.

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).

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Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee

On: 28th July 2011

Report Title. **Contract for the supply of Desktop and Laptop Hardware and associated professional Services.**

Forward Plan Reference Number: TBC

Report of: **Director of Corporate Resources**

Contact Officer : David Airey, Head of IT Services

Wards(s) affected: **N/A**

Report for: **Key Decision**

1. Purpose

- 1.1 To seek Member agreement to approve the contract for the supply of desktop and laptop hardware and services which will facilitate the delivery of the IT Strategy approved by Cabinet on 13th July 2010; and
- 1.2 To seek agreement to place a contract with a maximum value as set out in the exempt part of the report. This figure is derived from the original amount agreed by Cabinet on 13th July 2010, recently reduced to take account of the staff reductions across the council.

2. Introduction by Cabinet Member

- 2.1 *I recommend this proposal to the Procurement Committee.*
- 2.2 *I am confident that this contract represents the most economically advantageous response and therefore represents value for money*
- 2.3 *The supplier has been carefully selected through a competitive invitation to quote exercise from the existing Buying Solutions Framework – Commoditised IT Hardware and Software RM721 (“the Framework Agreement”)*

3. State link with Council Plan Priorities and actions and other Strategies:

The replacement of ageing desktops and laptops is a key component of the IT Strategy 2010-13 agreed at Cabinet in July 2010. This strategy outlines an approach to the delivery of IT services which ensures alignment between IT activity and business priorities.

In particular, a subset of the Council Plan Priorities are supported in the following manner:

Delivering High Quality, Efficient Services.

Delivering value for money by enabling the Council to operate a much more efficient desktop environment: using desktops and laptops in a manner which will enable flexible working (both at home and in the office), improved reliability, improved IT security and performance of the desktop infrastructure.

A Cleaner, Greener Haringey.

Green computing is a high profile item in the proposals and influences many of the ways in which IT Services operates, from sourcing equipment, through delivering the service in the most efficient manner, to recycling. This is exemplified by the Energy Efficiency characteristics of the equipment to be purchased:-

- Desktop and Laptop equipment must be accredited with at least a Silver 80Plus power supply. These modern and efficient power supplies have shown an 80% reduction on power usage per device.
- Desktop and Laptop equipment must be accredited with an Energy Star. An energy efficiency star is awarded to a supplier of equipment whose products meet new energy saving standards.
- Desktop and Laptop equipment must be accredited to EPEAT (Electronic Product Environmental Assessment Tool) gold level. This is a three tier standard of environmental performance testing with gold being the highest level achievable.

4. Recommendations

Members approve the award of contract for supply of Desktop and Laptop Hardware and associated professional Services to Bidder A as named in Appendix A 'exempt information'

Reasons for recommendations

- 4.1. The award of a contract to supply desktop & laptop hardware and services is a critical enabler of the approved IT Strategy 2010-13 which is aligned with the Council's priorities.
- 4.2. The contract represents the most economically advantageous agreement.
- 4.3. The contract enables desktop and laptop equipment and services to be sourced at agreed pricing levels but does not commit Haringey Council to specify the precise number of desktops and laptops required. This will provide Haringey with the maximum flexibility on requirement at a time when the number of staff in the Council is reducing and the ratio of desktops to laptops may alter as home working expands and the shared service model may be introduced.
- 4.4. The contract incorporates special terms which will enable Haringey to take advantage of any technology developments or price reductions which occur to the devices selected during the contracts lifetime at no cost to Haringey.
- 4.5. The contract duration is 3+1+1 years. That is the devices and services will be available to Haringey over a three year period with the option to extend for two further periods of 1 year each. This will ensure that Haringey benefits from the arrangement beyond this Infrastructure renewal programme.
- 4.6. The approach is consistent with that agreed by the Cabinet Procurement Committee on 16th September 2010.

5. Other options considered

A number of alternative options have been considered:

- 5.1 **To purchase via a single supplier framework** of a specific range of desktop or laptop devices. This approach would guarantee a Desktop and Laptop which is 'fit for purpose' but does not guarantee that the Desktop and Laptop will be the most economically advantageous to the Council.
- 5.2 **A restricted OJEU tender process**, managed by Haringey but which could take nine months to complete and require extensive effort to evaluate all the potential suppliers of desktop and laptop equipment that could register an interest, without any

increase in value to the council over the chosen Buying Solutions framework.

5.3 To purchase Desktops and Laptops in small quantities from existing framework agreements. This would not enable the Council to take advantage of the discounts which accrue due to the aggregated volume purchase built into a contract, plus there is uncertainty over what framework agreements would be available over the life of the Haringey IT programme

5.4 Do nothing: This approach would mean that the approved IT Strategy 2010-13 could not be delivered.

6 Summary

6.1 Current Situation

There are approximately 4500 Desktop and Laptop computers distributed throughout the Council of which 70% are thin clients and 30% are thick clients.

A thin client is a small device on each desk which acts as a normal PC but with reduced functionality. A thick client is a normal computer similar to that used in the home. The thin and thick clients in use within Haringey Council are predominantly manufactured by HP except for the latest models which are manufactured by Dell.

IT Services have experience in supporting both manufacturers of desktop and laptop computers. A reduction in Council employees is expected to align the Council with new budgetary requirements, and therefore affects the number of thin and thick clients requiring replacement.

All of the above equipment runs Windows XP as the operating system, Microsoft Office 2003 and Internet Explorer v6.

6.2 Pressure for Change

The major concern for the equipment is the age and software installed. The equipment nearly all dates from 2004/5 and so are 6/7 years old and out of warranty. The equipment must be appropriately supported to ensure 'Government Connect Secure Extranet' (GCSX) compliance.

The Windows XP operating system is coming to the end of its supported life and is vulnerable to viruses. The specification of the equipment is low and very dated. Windows XP, Internet Explorer v6 and Office 2003 core software platform does not support many of the current features being requested by users. For instance, some of the latest websites cannot be accessed via Internet Explorer v6.

6.3 Action Required

Haringey Council propose to replace all thin clients and all thick clients with either a standard desktop or laptop, the specifications of which are in line with business requirements.

It is anticipated that the equipment will be replaced during an 18 month period commencing September 2011.

The replacement will occur in two phases:-

Phase 1: The replacement of all thin clients, (deployment over a 6 month period commencing September 2011)

Phase 2: The replacement of all thick clients with either a standard desktop or laptop and the development and subsequent deployment of a new Haringey Council Windows 7 environment (deployment over a 12 month period commencing April 2012) to all replaced devices under phases 1 and 2.

The contract proposed is with a supplier who will assist with this phased approach.

The contract will be awarded under the Buying Solutions desktop hardware Framework Agreement Commoditised IT Hardware and Software (CITHS), RM 721/L1.

6.4 Constraints

The Council is currently undergoing considerable change to address the budget reductions that have been introduced by Central Government. A consequence of this is the number of staff employed by the council over the next year will reduce substantially and therefore the precise number of desktops/laptops required cannot be stated in the requirement.

6.5 Business Priorities & Pressures for Change

The IT Strategy 2010-13 which will be enabled by the Desktop and Laptop contract has been designed to ensure that IT supports the **business priorities outlined in the Council Plan**. The specific **pressures for change** addressed by the strategy are:

- Value for Money and the Economic Climate which will drive the Council to generate savings over the next few years as the Government responds to the cuts in public spending. Information Technology is seen as a key enabler for realising efficiency savings through the Haringey Efficiency Programme and programmes such as smart and home working.
- The IT infrastructure which is now over 6 years old will need to be replaced or we

will see a significant deterioration in its supportability and the level of service provided.

- The Greenest Borough Strategy which outlines our commitment to the efficient use of energy and natural resources.

6.6 Selecting the most economically advantageous contract

- The Buying Solutions Framework for Commoditised IT Hardware and Software – Desktop Hardware was selected as the preferred procurement route.
- The use of the Buying Solutions Framework was agreed by the Procurement Committee on 15th September 2010. This framework agreement is EC compliant and regarded as a best value route to selected IT hardware suppliers.
- This framework provided the ability to undertake further competition amongst suppliers by issuing an Invitation to Quote (ITQ) to ensure value for money.
- Detailed evaluation criteria were created for this exercise which addressed the whole life Desktop/Laptop costs and potential suppliers evaluated on their responses.
- Supplier responses were received to Haringey's requirement and these responses can be seen in the Appendix A exempt information.

6.7 Evaluation Criteria – Whole Life Cost – Total Cost of Ownership

In evaluating the most economically advantageous response to Haringey's requirement, it is essential that the impact of the proposal on the whole life costs on the organisation are considered. The Gartner Group recently published an assessment of the typical lifetime costs associated with desktop and laptop ownership. The report confirmed that the unit cost of a computer, be it thin or thick client can only account for 15% of the whole life costs associated with the asset.

85% of the costs associated with ownership of the asset can be attributed to the operational support, maintenance, upgrades and user based costs.

During this process, The decision was taken to associate 30% of the bidding evaluation criteria to the unit cost of each replacement computer – To demonstrate a greater commitment to drive down cost.

The remaining 70% of the bidding evaluation criteria was based on ensuring the replacement computers were of good quality, fully GCSx compliant and were supported throughout the life of ownership in the most cost effective manner.

6.8 Tender Process

An invitation to quote (ITQ) was carried out under the Buying Solutions Framework Agreement RM721 ' **Commoditised IT Hardware and Software (RM721 Lot 1)** Two bids were received of which only one was found to be a compliant bid see Appendix A exempt Information

The compliant bid was evaluated using the following set high level criteria based on Quality 70% and Price 30%.

The evaluation was concluded on the 6th July 2011.

As we were only able to evaluate Bidder A's submission we wanted to ensure we were achieving value for money so in order to demonstrate this, The unit cost was benchmarked against comparable IT frameworks which showed we are able to save 9% on the unit price (including professional services) of a desktop.

Bidder A- Scored as follows: 85.7% out of a possible 100%

Bidder B – Non Compliant Bid received (the bid was not fully completed)

Please see Appendix A – Exempt Information.

The recommendation is to award the contract to Bidder A for a period of three years with an option to extend for a further two periods of one year each.

The contract will be monitored on a regular basis by the IT Supplier Management Team.

7 Chief Financial Officer Comments

- 7.1 The Chief Financial Officer confirms that the proposed contract is a key component in supporting the successful delivery of the IT Strategy approved by Cabinet on 13th July 2010.
- 7.2 The replacement of desktop and laptops is the largest item of expenditure within the infrastructure renewal programme and the proposed contract as recommended in this report appears to provide the cost certainty required as well as the flexibility to not commit to the purchase of a fixed number of items. This is critical given the on-going uncertainties over the size and operational model of the Council over the next few years. Furthermore, as outlined in section 6.8 the unit costs submitted by the recommended bidder is significantly below the IT market place benchmarking.
- 7.3 The Chief Financial Officer confirms that funding as agreed by Cabinet is in place to enable placing a contract up to the maximum value as set out in the exempt part of the report.

8 Head of Legal Services Comments

- 8.1 The proposal to award this contract follows a competitive tendering process under the Framework Agreement which was established in accordance with the Public Contract Regulations 2006 (“the Regulations”).
- 8.2 Reg. 19(7) (b) of the Regulations provides that a contracting authority may let a specific contract by re-opening competition where not all the terms of the proposed contract are laid down in the framework.
- 8.3 In accordance with CSO 11.03 as the value of this contract is likely to exceed £250,000 it may only be awarded by the Cabinet Procurement Committee.
- 8.4 The Directorate has confirmed that this has been included in the Forward Plan in accordance with CSO 4.03.
- 8.5 Please see additional legal comments in the exempt part of the report.

9 Head of Procurement Comments

- 9.1 The recommendation is in line with the Procurement Code of Practise.
- 9.2 Al though only one compliant bid was received this has been benchmarked against other comparable IT frameworks and shows a saving of 9% against current market prices.
- 9.3 Contract management has been put in place within IT Services to ensure contract compliance and ongoing Value for Money.
- 9.4 The contract gives us the flexibility to respond to changes in technology and changes within the council thus ensuring that we are able to continue support the most efficient IT strategy.

10 Equalities & Community Cohesion Comments

This report deals with general frameworks for procurement of IT hardware. At the stage when specific requirements for IT hardware are made, equalities comments will be provided focusing on accessibility and usability which are the key equalities issues in procurement of IT solutions. Until then, the Equalities Team makes no specific comments.

11 Consultation

In line with the Cabinet report recommendation of July 13th 2010, The PC Contract proposal has been considered and approved by the Infrastructure Programme Board as sub-committee of the Corporate IT Board. This involved a detailed review of the proposed

contract.

12 Service Financial Comments

12.1 The funding for the PC Contract will come from the Council's Infrastructure Budget as agreed by Cabinet in July 2010, up to a maximum as set out in the exempt section.

12.2 As outlined in section 4.3, entering into this contract will provide certainty over pricing levels however, it does not commit Haringey to the purchase of a specific numbers of desktops / laptops.

13 Use of appendices

Appendix A – Exempt Information

14 Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. Exempt information is contained in Appendix A 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):

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

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Agenda item:

[No.]**Cabinet Procurement Committee****On 28th July 2011**

Report Title. Procurement Approach for SAP Managed Service

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

Signed

Contact Officer : Kamla Chetty, Corporate Application Programme Manager,

IT Services

Telephone no.: 020 8489 3186

e-mail: Kamla.Chetty@haringey.gov.ukWards(s) affected: **None**Report for: **Key Decision****1. Purpose of the report**

1.1 To seek agreement to a joint procurement with the London Borough of Waltham Forest for a replacement managed service for the corporate SAP system, including the option of procuring separate managed services for each borough, utilising best practice processes which will enable future shared services.

1. Introduction by Cabinet Member (if necessary)

- 2.1 The Council is required to tender for a managed service for its SAP application on the expiry of the current contract.
- 2.2 The proposed approach of a joint procurement with the London Borough of Waltham Forest is in keeping with the Memorandum of Understanding between the Boroughs, supporting shared working and improved value for money.
- 2.3 The proposal includes the option for each Borough to procure a managed service on their own account should this prove to be the better option.
- 2.4 I therefore support the proposed approach to this procurement.

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

- 2.1 Value for Money by reducing IT platform costs and potential sharing of back office processes.
- 2.2 Greener Borough Strategy by reducing the IT hardware footprint utilising modern more energy efficient equipment.
- 2.3 Shared Service agenda by enabling common processes.
- 2.4 Haringey IT Strategy 2010-2013 and Memorandum of Understanding with Waltham Forest.

3. Recommendation

- 3.1 That Members agree the proposed approach for Haringey to undertake a joint procurement for a SAP managed service with Waltham Forest as detailed in this report with the option of procuring separate managed services for each borough if required.

4. Reason for recommendation(s)

- 4.1 The Council is required to tender for a replacement for the current managed service contract for the SAP system which expires in November 2012.
- 4.2 A joint approach to the market with Waltham Forest, and potentially other London Boroughs, will improve opportunities for value for money due to the potentially increased volume for Suppliers.
- 4.3 The potential to use a common version of SAP supported by best practice processes and shared hardware platform will enable shared services.

5. Other options considered

- 5.1 The Council can approach the market on its own account but this would restrict the potential for value for money and the potential for shared services.

6. Summary

- 6.1 SAP is the core IT system that supports the Council's Finance, Procurement, HR/Payroll and Customer Services functions – systems that support these types of functions are known in the market as Enterprise Resource Planning Systems (ERP Systems).
- 6.2 In 2001 London Borough of Haringey awarded a 10 year contract to Logica for the provision of a managed service and the implementation of SAP Financial, HR and

Procurement modules. The 10 year contract commenced from the point of 'go-live' in November 2002 with a contract end date of November 2012. The scope of the system has been extended since the original implementation to include Supplier Relationship Management for on-line purchasing, Contract Management, Customer Relationship Management, Asset Accounting and the provision of a managed service for the Council's cash collection.

6.3 The London Borough of Waltham Forest also use a SAP platform (providing similar modules and functionality) and also have a managed service contract with Logica which expires in February 2013.

6.4 A Pan London initiative is currently underway, sponsored by Capital Ambition, to create a series of shared ERP platforms across London based on agreed best practice business processes. One of the proposed ERP platforms is based on SAP (One-SAP project) and is aimed at the 7 London boroughs that use SAP now and potentially those London boroughs that do not currently have an ERP system and may wish to use SAP in the future. The perceived benefit of such an approach is the potential to reduce both IT costs (hardware and software) through a shared IT platform and enable further cost reductions through the sharing of back office functions.

6.5 Objectives and Scope

To procure, in conjunction with the London Borough of Waltham Forest, a replacement managed service for a shared SAP platform.

The SAP managed service to be procured will comprise as a minimum

- Hosting of the hardware and software
- Initial configuration, interface delivery, migration of data/reporting and any training of users required
- On-going support including updates to software and hardware.

6.6 The option for separate managed services for both boroughs will also be determined as part of the procurement exercise, in order to quantify the benefits of a joint approach and to provide a contingency should it not be practical to procure a cost effective shared SAP platform in the market.

6.7 The contract will be available to the 7 London boroughs that use SAP now and it is anticipated that it will be available to those London boroughs that do not currently have an ERP system and wish to use SAP in the future provided they confirm their interest before the OJEU notice is issued.

6.8 The SAP solution selected will utilise best practice processes that will drive efficiency and enable the future sharing of back office functions across Councils that use SAP (initially Haringey and Waltham Forest).

6.9 Benefits

The main benefits from a joint procurement of a SAP managed service are:

- Reduced cost of ownership through shared IT hardware, software and support
- Reduced procurement costs through consolidated purchasing of software licenses and software development

- Enables the future sharing of back office functions across Councils and the associated reductions in cost.

6.10 Approach

In view of the potential value of the tender, and the shared procurement approach, a notice will be issued for a full EU tender. The process will make use of a shortlisting approach to enable a competitive dialogue to be undertaken with a small number of suppliers. The use of competitive dialogue will enable the Council to establish the best way to satisfy our requirements.

6.11 It has been agreed with SAP that they will assist with this procurement acting as adviser and critical friend.

6.12 An indicative procurement timetable is set out in Appendix A.

6.13 In discussion with Waltham Forest it has been decided that Haringey will lead and manage the procurement exercise.

7. Chief Financial Officer Comments

7.1 This report is recommending agreement to take a joint procurement approach for the replacement SAP managed service. At this stage it is anticipated that the procurement will be with Waltham Forest but the resulting contract may potentially include a further number of London boroughs.

7.2 The joint procurement route should deliver cost benefits to Haringey and others included in the contract being procured although at this stage there is insufficient certainty to build specific sums into the Council's MTFP.

7.3 As stated in 6.13, Haringey will lead the procurement process. An agreement with Waltham Forest is being drafted by Legal which will finalise attributable costs. At this stage it is assumed that any costs attributable to Haringey will be met from existing IT and Procurement budgets.

7.4 Clearly joint procurement will require congruent start dates and an adjustment may need to be made to current contract end dates..

8. Head of Legal Services Comments

8.1 8.1 The proposed SAP managed service contract involves procurement of a mixed services/supplies contract valued above the applicable threshold (£156,442). As a result, EU tendering is required under the Public Contracts Regulations 2006 (PCR 2006).

8.2 The choice of tender procedure will depend on whether the proposed contract can be considered particularly complex and one which cannot be awarded by use of the open and restricted procedures. This will require the Council to show that it is either: 1) not objectively able to define the technical means capable of satisfying its needs or objectives and / or 2) not objectively able to specify the legal and / or financial make up of the project.

- 8.3 Use of the competitive dialogue procedure requires written justification which must be published and on which legal advice should therefore be taken. Given the Council's intention to seek from tenderers innovative technical solutions for using a cross-borough shared SAP platform and the resulting inability for the Council to specify in advance the eventual technical, financial and legal makeup of the project, this project is likely to qualify to be tendered under competitive dialogue.
- 8.4 Given the legal complexities of a competitive dialogue procurement, Legal should be fully consulted and kept involved from the earliest stages of and throughout the project.
- 8.5 Subject to the further considerations set out in paragraph 2 of Appendix A to this report, the Head of Legal Services confirms that there are no legal reasons preventing Cabinet from approving the recommendations in paragraph 4 of this report.

9. Head of Procurement Comments

- 9.1 The procurement of a ONE SAP managed service provider will follow a OJEU compliant Competitive Dialogue process that will be advertised at the end of July 2011.
- 9.2 The aim is to select a maximum of 6 potential providers with whom we shall conduct initial dialogue; after which time we shall then reduce numbers to a maximum of 3 providers from whom we shall invite tenders.
- 9.3. The selection criteria will be based on price & quality.
- 9.4 A report will subsequently be submitted to Cabinet Procurement Committee with the results of the tender evaluation and seeking approval to award the contract.
- 9.5 A similar report will be submitted within Waltham Forest, seeking approval to either join the contract on a shared services basis or on an individual borough basis; dependent upon what is most appropriate and best value for each borough.

10. Equalities and Community Cohesion Comments

- 10.1 There are no equalities impacts at this stage.

11. Consultation

- 11.1 Capital Ambition Project Athena Group (OneSAP)
11.2 Waltham Forest

12. Service Financial Comments

12.1 Revenue costs for the managed service for SAP will be provided for within the IT Services budget for the Haringey element of the costs. At this stage it is not possible to quantify what it may be under the new contract.

13. Use of appendices /Tables and photographs

13.1 Appendix A of this report contains exempt information.

14. Local Government (Access to Information) Act 1985

14.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A of this report and is NOT FOR PUBLICATION. The information is exempt under the following category (identified in amended Schedule 12A of the Local Government Act 1972):

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

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