

NOTICE OF MEETING

Cabinet Procurement Committee

THURSDAY, 12TH JANUARY, 2012 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Goldberg (Chair), Bevan, Kober and Reith

AGENDA

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 11 below. New items of exempt business will be dealt with at item 18 below.

3. DECLARATIONS OF INTEREST

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

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

4. MINUTES (PAGES 1 - 4)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 17 November 2011.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. EXTENSION OF SAP MANAGED SERVICE CONTRACT (PAGES 5 - 8)

(Report of the Director Corporate Resources): to seek approval to extend the existing contract with Logica UK Limited.

7. PAN LONDON FRAMEWORK AGREEMENT FOR CONSTRUCTION RELATED CONSULTANT SERVICES (CRCS): 10 LOTS OF VARIOUS CONSTRUCTION PROFESSIONAL DISCIPLINES. (PAGES 9 - 18)

(Report of the Director Corporate Resources): to seek approval for the award of 10 multi-disciplinary Lots under the pan London CRCS framework agreement.

8. CONTRACT FOR THE SUPPLY OF INTERNAL AUDIT SERVICES (PAGES 19 - 26)

(Report of the Director Corporate Resources): to seek approval to enter into a contract with LB Croydon via the Audit Services Framework agreement to deliver the Internal Audit service.

9. SEMI SUPPORTED HOUSING TENDER (PAGES 27 - 32)

(Report of the Director of Children and Young People's Service): to seek approval for the extension of the current semi supported housing tenders for six months to allow conclusion of the North East London Consortium tendering exercise.

10. NORTHUMBERLAND PARK COMMUNITY SCHOOL - SWIMMING POOL HALL MECHANICAL AND ELECTRICAL IMPROVEMENT WORKS (PAGES 33 - 38)

(Report of the Director of Children and Young People's Service): to seek approval for award of contract to refurbish and replace parts of the existing mechanical and electrical plant within the school pool hall.

11. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

12. EXCLUSION OF THE PRESS AND PUBLIC

The following item is likely to be the subject of a motion to exclude the press and public as they contain exempt information which either relates to the business or financial affairs of any particular person (including the Authority holding that information) or the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods and services.

Note by the Head of Local Democracy and Member Services

Items 13-17 allow for the consideration of exempt information in relation to items 6-10 which appear earlier on the agenda.

13. EXTENSION OF SAP MANAGED SERVICE CONTRACT (PAGES 39 - 40)

(Report of the Director Corporate Resources): to seek approval to extend the existing contract with Logica UK Limited.

14. PAN LONDON FRAMEWORK AGREEMENT FOR CONSTRUCTION RELATED CONSULTANT SERVICES (CRCS): 10 LOTS OF VARIOUS CONSTRUCTION PROFESSIONAL DISCIPLINES. (PAGES 41 - 82)

(Report of the Director Corporate Resources): to seek approval for the award of 10 multi-disciplinary Lots under the pan London CRCS framework agreement.

15. CONTRACT FOR THE SUPPLY OF INTERNAL AUDIT SERVICES (PAGES 83 - 84)

(Report of the Director Corporate Resources): to seek approval to enter into a contract with LB Croydon via the Audit Services Framework agreement to deliver the Internal Audit service.

16. SEMI SUPPORTED HOUSING TENDER (PAGES 85 - 86)

(Report of the Director of Children and Young People's Service): to seek approval for the extension of the current semi supported housing tenders for six months to allow conclusion of the North East London Consortium tendering exercise.

17. NORTHUMBERLAND PARK COMMUNITY SCHOOL - SWIMMING POOL HALL MECHANICAL AND ELECTRICAL IMPROVEMENT WORKS (PAGES 87 - 88)

(Report of the Director of Children and Young People's Service): to seek approval for award of contract to refurbish and replace parts of the existing mechanical and electrical plant within the school pool hall.

18. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

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

Maria Fletcher
Principal Committee Co-ordinator
Tel: 020 8489 1512
Email: maria.fletcher@haringey.gov.uk

4 January 2012

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 17 NOVEMBER 2011**

Councillors Reith and Strickland

Apologies Councillor Bevan, Kober and Goldberg

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC22.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Cllrs Bevan, Goldberg and Kober. Cllr Strickland attended as a substitute. The Committee resolved that Cllr Reith chair proceedings.</p>	
PROC23.	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
PROC24.	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest.</p>	
PROC25.	<p>MINUTES</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 6 October 2011 be approved and signed.</p>	<p>HLDM S</p>
PROC26.	<p>DELEGATION OF AWARD FOR LOT 7 CDM CO-ORDINATOR OF THE CONSTRUCTION RELATED CONSULTANTS SERVICES FRAMEWORK AGREEMENT</p> <p>The Committee considered a report seeking approval to delegate the award of one of the 11 Lots of construction disciplines incorporated in the Pan London Construction Related Consultants Services 2011 framework (CRCS 2011). Haringey was the lead authority for this collaborative procurement approach undertaken as part of the North London Strategic Alliance and the Committee had approved the implementation strategy and action plan for the framework in November 2010. This report constituted the first of two reports seeking the award of various Lots of construction consultancy services, with the appointment of Lot 7 CDM co-ordinators needing to be awarded earlier to fit in with one of the programmes of work. A subsequent report would be submitted to the Committee in January 2012 covering the award of the remaining Lots.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That approval be granted to delegate the award of Lot 7 CDM co-ordinators framework agreement within the Construction Related 	<p>Dir CR</p>

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 17 NOVEMBER 2011**

	Consultants Services 2011 (CRCS 2011) to the Director of Corporate Resources.	
PROC27.	<p>INSTALLATION OF SOLAR PANELS ON COUNCIL BUILDINGS USING THE SOLAR PV INSTALLATION AND MANAGEMENT FRAMEWORK AND SOLAR PV COMPONENTS FRAMEWORK LET BY BIRMINGHAM CITY COUNCIL</p> <p>The interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>The Committee considered a report updating on implementation of the procurement strategy for the solar photovoltaic installation programme agreed by Cabinet in July and centred on the intended use of frameworks let on behalf of Birmingham City Council. The Committee noted with disappointment the recent government announcement on the reduction of feed in tariffs from 12 December 2011 thereby necessitating the Council placing a hiatus on installations until the market was able to realign with the new tariffs. A second government review of tariffs was planned in due course. It was intended that by virtue of having a framework already in place, the Council would be in a good position to proceed once the market readjusted and installations became viable again. The Committee noted that the framework agreement did not obligate the Council to commit to a programme of works within a set timescale. It was also noted that the anticipated expenditure relating to installation work at key sites in the borough as listed within the exempt appendix was indicative and could be subject to change post December.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • To note the intended use of the Management, supply and installation of energy efficiency and renewable energy and heat measures framework, let by Buy For Good Community Interest Company on behalf of Birmingham City Council, for the installation of solar photovoltaic arrays for any number and combination of the sites listed in the exempt appendix of the interleaved report. • To note the intended use of mini-competition through the Supply of solar photovoltaic system components framework, let by Buy For Good Community Interest Company on behalf of Birmingham City Council, for the purchase of solar panels and associated equipment for any number and combination of the sites listed in the exempt appendix of the interleaved report. • To note each call off will constitute an individual contract, and that each contract will be submitted for award by the Director of Place and Sustainability, following budgetary approval from the Section 151 Officer in consultation with the Cabinet Member for Finance and Carbon Reduction, on recommendation from an investment board, set up to assess the financial viability of the installation. 	<p>Dir P&S</p> <p>Dir P&S</p> <p>Dir P&S</p>

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 17 NOVEMBER 2011**

<p>PROC28.</p>	<p>MUNRO WORKS INDUSTRIAL ESTATE - FIRE REINSTATEMENT WORKS</p> <p>The interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>The Committee considered a report seeking approval for the award of contract for fire reinstatement and improvement works to four units at Munroe Works industrial estate following a fire in one of the units in 2005. Due to the interconnected nature of the units, roof replacements improvement works would be undertaken to all units in addition to the necessary fire reinstatement works to bring them all to lettable standard.</p> <p>The Committee noted that the tender bid proposed for acceptance did not include a general contingency sum which would need to be held separately. Confirmation was also provided that a further analysis had been undertaken on the two lowest tenders owing to a certain disparity in the fixed prices put forward. This additional check had reaffirmed that the preferred contractor constituted the best value for money and that the disparity reflected the competitive nature of the construction market at the current time.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That approval be granted to award the contract for fire reinstatement and improvement works to Units 1, 4, 5 and 6 Munroe Works, Cline Road, Bounds Green, London N11 to Mulalley & Company Ltd on the terms and conditions set out in the exempt appendix to the interleaved report. 	<p>Dir P&S</p>
-----------------------	---	-------------------------------

CLLR REITH

Chair

This page is intentionally left blank



Haringey Council

Report for:	Cabinet Procurement Committee	Item Number:	
Title:	Extension of SAP Managed Service Contract		
Report Authorised by:	Julie Parker, Director of Corporate Resources		
Lead Officer:	David Hatley, Head of Supplier Management, IT Services		
Ward(s) affected: Not applicable		Report for Key/Non Key Decisions: Key	

1. Describe the issue under consideration

- 1.1 The Council, in conjunction with the London Borough of Waltham Forest, has issued an OJEU Notice for the provision of an SAP managed service to both Boroughs. (Reference is made to Cabinet Procurement Committee report dated 28 July 2011 entitled Procurement Approach for SAP Managed Service).
- 1.2 The existing contracts that both Councils hold with Logica expire in November 2012, for Haringey, and March 2013 for Waltham Forest. The joint procurement exercise, as well as reducing procurement costs, will enable the Boroughs to work towards a shared SAP system that could allow for increased shared services.
- 1.3 It is not possible to know at this stage whether the migration plan for the new service will allow for Haringey to migrate before Waltham Forest and it is felt prudent that an agreement is reached now with our incumbent supplier to allow for a short term extension to the contract should this be required to mitigate any migration risk.



2. Cabinet Member introduction

- 2.1 The OneSAP procurement is a joint approach with the London Borough of Waltham Forest and will provide a platform upon which the Boroughs can consider shared back office processing.
- 2.2 The potential need to align contracts and migration plans between the Boroughs, whilst taking account of other factors such as Financial Year End, necessitates the option of a contract extension with our incumbent supplier.
- 2.3 The detailed planning required to agree on a suitable migration and live date cannot be undertaken at this time until close of the Competitive Dialogue and award of contract.
- 2.4 I therefore support the proposed recommendation.

3. Recommendations

- 3.1 That Cabinet Procurement Committee agree to the extension of the existing contract between Haringey and Logica UK Limited for a minimum period of 4 months (to allow alignment with Waltham Forest's contract expiry date in March 2013), with the option to extend on a rolling month basis to a maximum of 12 months, to facilitate any prolonged negotiation with regards a new contract and to enable adequate planning as necessary to migrate to a new SAP based solution.
- 3.2 That Cabinet Procurement Committee agree to delegate the power to the Director of Corporate Resources to:
 - (a) agree the terms of the initial 4-month extension recommended in paragraph 3.1 above; and,
 - (b) to decide on a monthly basis, starting at the end of the first month of the 4-month extension, whether to allow further extensions or to issue a 3-month notice of termination.

4. Other options considered

- 4.1 The option of allowing the existing contract to terminate at its expiry may leave the Council, and Waltham Forest, exposed should negotiations and the migration plan require additional lead in times.



5. Background information

- 5.1 Haringey and Waltham Forest Councils have entered into a joint procurement exercise to tender the managed service contracts for their SAP systems. The intention is to procure a managed service for a standard SAP system that can be used by both Boroughs. This will initially reduce the costs of procurement but will also enable reduced running costs and could facilitate shared services between the two Boroughs for back office processes.
- 5.2 Both Boroughs use SAP as their core enterprise system and both have a contract with Logica UK Limited to manage the service. The Haringey contract expires in November 2012 whilst Waltham Forest's expires in March 2013.
- 5.3 At this stage, it is too early to establish any form of migration plan to the new platform which may entail a joint migration or may require key dates, such as financial year end, to be avoided. It was felt prudent to agree terms now with Logica for the short term extension of our contract should this be required.
- 5.4 The proposal is for a minimum 4 month extension with the option to provide additional one month rolling extensions, subject to three months notice of termination. The cost of this extension is shown in Appendix A, Exempt Information.
- 5.5 A separate report will be made to the Cabinet Procurement Committee for the contract award for the new managed service in late 2012/13.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 The budget for the current managed service contract with Logica sits within IT services and, until the new contract is agreed by Cabinet Procurement, will be available to cover the costs of the proposed extension to the existing contract as recommended in paragraph 3.

7. Head of Legal Services and legal implications

- 7.1 The report is seeking an extension to the existing Logica contract which is a mixed services/supplies contract that is subject to EU procurement rules as reflected in Public Contract Regulations 2006 ("PCR 2006"). The proposed extension is not provided for in the terms of the contract.
- 7.2 Under CSO 10.02.2 the Cabinet Procurement Committee may extend a contract providing that to do so is consistent with the Public Contract Regulations 2006 ("PCR 2006") and the Council's Financial Regulations.
- 7.3 Further considerations on the exercise of the discretion whether to extend are set out in Appendix A (Exempt Information).



Haringey Council

7.4 Cabinet Procurement Committee also has the power, under the Local Government Act 2000, section 15(7), to delegate its powers to the Director. This includes the power to approve the terms of the initial 4-month extension recommended in paragraph 3.1 as well as the further monthly extensions recommended in paragraph 3.2.

7.5 Subject to the considerations referred to in para. 7.3, there are no legal reasons preventing Members from approving the recommendations.

8. Equalities and Community Cohesion Comments

There are no equalities impact at this stage.

9. Head of Procurement Comments

9.1 The SAP contract with Logica UK Ltd expires in November 2012.

9.2 The procurement team are conscious of the need to align with Waltham Forest where possible to ensure cohesive implementation of this joint project and also mindful of the need to minimise any risks to Council services and processes, especially around the financial year-end.

9.3 In order to ensure overall best value and to minimise risks, it is necessary to negotiate with Logica now, the terms of any options to extend.

9.4 Officers are therefore seeking Cabinet Procurement Committee approval to begin negotiations as soon as possible, and to delegate decision making powers to the Director of Corporate Resources. The delegated powers would be exercised by the Director to allow monthly extensions beyond the proposed initial 4-month extension until Cabinet Procurement Committee are able to consider a report for the award of the new contract.

9.5 The Head of Procurement is satisfied that the recommendations in this report are prudent and realistic; and will minimise any risk to Council services and processes, at optimal cost.

10. Policy Implication

10.1 There are no policy implications at this stage.

11. Use of Appendices

11.1 Appendix A, Exempt Information, is attached.

12. Local Government (Access to Information) Act 1985



Haringey Council

Report for:	Cabinet Procurement Committee 12 th January 2012	Item number	
--------------------	--	--------------------	--

Title:	Pan London Framework Agreement for Construction Related Consultant Services (CRCS): 10 lots of various construction professional disciplines.
---------------	---

Report authorised by :	Julie Parker Director – Corporate Resources <i>J. Parker 4/1/12.</i>
-------------------------------	--

Lead Officer:	David Mulford: 020 84891037 david.mulford@haringey.gov.uk
----------------------	--

Ward(s) affected: All	Report for Key/Non Key Decision: <i>Key</i>
------------------------------	---

1. Describe the Issue Under Consideration

The Pan London Construction Related Consultants services framework agreement, on behalf of the core team Councils of London Boroughs of Haringey, Enfield and Barnet are due to be awarded in February 2012.

There are 11 lots to the framework agreement which are detailed further in background information. However, one of these lots - Lot 7 CDM Co-ordinator needed to be awarded earlier to meet one of the Core Team Council's programmes of work.

At the Cabinet Procurement Committee on 17th November 2011 approval was given to delegate the award of Lot 7 CDM co-ordinators framework agreement within the Construction Related Consultants Services 2011 (CRCS 2011) to the Director of Corporate Resources. This was awarded on 28th December 2011. Based on the report dated 22nd December 2011.



Haringey Council

This report is therefore for the award of Lots 1 to 6 and lots 8 to 11 as shown in paragraph 5.7.

There is no committed value to the framework agreement. Spend will be entirely dependent upon the value of projects commissioned from the appointed consultants by participating London Authorities.

2. Cabinet Member Introduction

- 2.1 I concur with the recommendations within this report at paragraph 3 for the award of 10 lots for the Pan London Construction Related Consultants Services Framework Agreement. It is also noted that as agreed by delegation from Cabinet Procurement Committee that Lot 7 - CDM co-ordinators has since been awarded by the Director of Corporate Resources.
- 2.2 This is a further excellent example of how Haringey's central procurement team have managed effective consultation and collaborative working over an 18 month period; to establish a Pan London framework agreement from which all London Boroughs can benefit.

3. Recommendations

- 3.1 That the award is made for the following lots as framework agreements for upto four years to those Consultants identified in
- a. Paragraph 8.1 in Appendix A for Lot 1 Multi Disciplinary (Building Surveying led): Small Works £249,999 and below.
 - b. Paragraph 8.1 in Appendix B for Lot 2 Multi Disciplinary (Building Surveying led): £250,000 to £999,999.
 - c. Paragraph 8.1 in Appendix C for Lot 3 Multi Disciplinary (Building Surveying led): Over £1,000,000.
 - d. Paragraph 8.1 in Appendix D for Lot 4 Architect and Associated Supply Chain – Education Projects: Up to £2,999,999.
 - e. Paragraph 8.1 in Appendix E for Lot 5 Architect and Associated Supply Chain – Education Projects: Over £3,000,000.
 - f. Paragraph 8.1 in Appendix F for Lot 6 Project Management inclusive of Employers Agent and Partnering Advisors.
 - g. Paragraph 8.1 in Appendix H for Lot 8 Quantity Surveyors



Haringey Council

including EU procurement.

- h. Paragraph 8.1 in Appendix J for Lot 9 BREEAM Assessors.
- i. Paragraph 8.1 in Appendix K for Lot 10 Clerk of Works.
- j. Paragraph 8.1 in Appendix L for Lot 11 Client Design Advisors.

these are within the Construction Related Consultants Services framework agreement 2011 (CRCS 2011).

4. Other Options Considered

- 4.1 The option of using other public sector arrangements for construction consultancy services was examined. Although there are other arrangements such as the Government Procurement Service they do not allow the level of independent disciplines to the design teams that the Core Team Councils have agreed.

5. Background Information

- 5.1 A report was presented to Cabinet Procurement Committee on 25th November 2010 regarding the strategy for the implementation of Pan London Construction Related Consultants Services 2011 frameworks (CRCS 2011). The progress of this is detailed below and this is the second report of two for the award of the various lots. (At the Cabinet Procurement Committee on 17th November 2011 approval was given to delegate the award of Lot 7 CDM co-ordinators framework agreement within the Construction Related Consultants Services 2011 (CRCS 2011) to the Director of Corporate Resources. This was awarded on 28th December 2011.
- 5.2 Since 15th September 2010 detailed discussions have taken place between a number of boroughs to examine specific opportunities to engage in collaborative working and Haringey have led this collaborative procurement with the London Boroughs of Enfield and Barnet (the Core Team Councils).
- 5.3 The progress of this procurement is detailed below and this report is the second report of two for the award of the various lots. The first report related to the agreement to award for delegated authority for Lot 7 CDM Co-ordinator which was presented to Procurement Committee on 17th November 2011.


Haringey Council

- 5.4 Framework agreements for a number of construction disciplines will be procured, which will be available to all London boroughs, ALMO's and Greater London Authority group members.
- 5.5 The Core Team Councils are working together as a virtual team on a collaborative basis and will each manage certain elements of the framework going forward and will agree certain central core duties which each will fulfil including the reporting and monitoring of Key Performance Indicators.
- 5.6 Additionally, a steering group led by Haringey's Head of Procurement (and Construction Lead for London) that comprises representatives from each of the five London sub-regions (North – Camden, East – Tower Hamlets/Barking & Dagenham, West - Westminster, South – Sutton, South East - Lewisham) plus the GLA, has been established to work with the Core Team Councils (Haringey, Enfield and Barnet) (CTC) to oversee and guide Construction Strategy and Category Management along with promoting and implementing solutions.
- 5.7 The consultancy framework agreement opportunity was advertised in the Official Journal of the European Union (OJEU) in January 2011, for a period of four years.

The consultancy framework agreement Lots are:-

Design

- Lot 1 Multi Disciplinary (Building Surveying led): Small Works £249,999 and below.
- Lot 2 Multi Disciplinary (Building Surveying led): £250,000 to £999,999
- Lot 3 Multi Disciplinary (Building Surveying led): Over £1,000,000
- Lot 4 Architect and Associated Supply Chain – Education Projects: Up to £2,999,999
- Lot 5 Architect and Associated Supply Chain – Education Projects: Over £3,000,000

Independent Services

- Lot 6 Project Management inclusive of Employers Agent and Partnering Advisors.
- Lot 7 CDM Co-ordinators
- Lot 8 Quantity Surveyors
- Lot 9 BREEAM Assessors
- Lot 10 Clerk of Works



Haringey Council

Lot 11 Client Design Advisors

- 5.8 Pre-qualification questionnaire (PQQ) responses were received on 21 March 2011 and evaluated. Bidder organisations being notified of the results during the period of 26 August 2011 to 21 September 2011.
- 5.9 Those organisations who were successful at PQQ stage and (subject to sufficient numbers) ranked in the top 12 for each lot, were short listed for tendering and an invitation to tender was sent to these organisations on 21 October 2011 with a tender return date of 1st December 2011.
- 5.10 The tender evaluation for Lot 1 Multi Disciplinary (Building Surveying led): Small Works £249,999 and below was carried out by a Price 70% Quality 30%. Further details of the tender evaluation are contained in Appendix A.
- 5.11 The tender evaluation for lots 2-11 was carried out by a Price 50% Quality 50%. Further details of the tender evaluation are contained in the appendices B – L.
- 5.12 Those organisations that were successful at PQQ stage for more than one lot were invited to submit tenders and were required to submit individual separate tenders for each lot.
- 5.13 The award for this Pan London framework will be made by Haringey being the lead Authority. The other Councils will then provide briefing papers to their own relevant committees informing them of the decision made.
- 5.14 Although this Framework Agreement has been advertised for a term of four years there is no obligation to use the Framework agreement.
- 5.15 As part of this process CPG by being innovative and to enable consistency of briefing to the Consultants across all the lots, a video was made with BIP solutions (who host the delta e sourcing portal). The video gave further awareness to the tenderers regarding background information to the tender documents. Webinars were also held instead of mid tender reviews which achieved savings in officer time and in sustainability by travel. The Question and Answers from these webinars were then available to issue soon after the webinar.
- 5.16 **Benefits**

The benefits associated with this type of arrangement are

- a Created by London Authorities for London Authorities.
- b Multi disciplinary lots (3 bandings).



Haringey Council

- c Specialist Education Architects (2 bandings).
- d Independent services including Cost Consultants, Project Management, CDM Co-ordinators (Health & Safety) BREEAM Assessors and Client Design Advisors
- e Centralised monitoring of the framework agreement within Haringey and the Core Team Councils, core groups to monitor the framework overall and regular performance reviews.
- f Templates available for commissioning appointment
- g Standardisation templates for change control, life cycle costings to be developed.
- h Key Performance Indicators.
- i Different forms of contract can be used.
- j New user assistance.
- k Standard approaches (as part of development groups).
- l Key objectives defined within the tender documents
- m Collaborative working.
- n Work across a variety of sectors.
- o Projects of varied types can be procured through the framework.

5.17 This report therefore requests the awards to the Consultants as named in the relevant Appendices for lots 1-6 and 8-11.

5.18 Appendix G also shows the names of the Consultants who were awarded lot 7 by delegation to the Director of Corporate Resources.

6 Comments of the Chief Financial Officer and Financial Implications

6.1 The Chief Financial Officer confirms that award of contract does not commit the Haringey or any of the participating local authorities to any minimum level of work over the proposed 4 year period.

6.2 As set out in paragraph 10.2, a schedule of fees has been received as part of the tenders generated to allow direct call off where applicable. Mini competitions may also be held between those successful from each of the various lots (within the framework) for each project which should challenge prices throughout the period of the contract.

6.3 As set out in 5.16, there should be a number of additional benefits from this Pan London procurement approach such as central monitoring and performance management; performance indicators; standardised templates etc. which should all support the achievement of value for money. A levy will be added to each contract which will be refunded to Haringey, as Lead borough, to cover the costs associated with this activity.

7 Head of Legal Services and Legal Implications



Haringey Council

- 7.1 The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006 ("Regulations"), allows local authorities to enter into framework agreements with contractors, and to select contractors in respect of specific projects from amongst those contractors with which it has concluded framework agreements.
- 7.2 The framework agreement to which this report relates has been tendered in the EU in accordance with the Regulations, using the restricted procedure, a tendering procedure whereby expressions of interest are invited by advertisement in the Official Journal of the EU, with a selection of the contractors who have expressed an interest being invited to submit tenders.
- 7.3 The award of this framework agreement is a key decision and the client has confirmed that it has been included in the Forward Plan, pursuant to CSO 3.01 d.
- 7.4 This report is recommending award of Lots 1-6 and 8-11 of the framework agreement to consultants who have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Regulations.
- 7.5 As the total estimated value of the contracts to be awarded under the framework agreement is likely to be in excess of £250,000, the proposed award must be approved by Members pursuant to CSO 9.07.1(d).
- 7.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 3 of this report.
- 8 Equalities and Community Cohesion Comments**
 - 8.1 Equalities are considered as part of the Pre-qualification Questionnaire which applicants had to respond to enable them to be on the short list for each lot of this tender.
 - 8.2 Equalities will also be considered as part of a construction project as it is designed.
- 9 Head of Procurement Comments**
 - 9.1 The framework agreement is being established for possible use by all London Authorities and relates to Professional Consultancy Services (Construction).



Haringey Council

9.2 The framework has been advertised in Official Journal of the European Union (OJEU) and all lots are due to be awarded and made available for use from March 2012.

9.3 Haringey Council's existing consultancy framework expires in March 2012 and this new Pan London framework will provide the crucial ongoing professional services the Council needs.

10 Policy Implications

10.1 The need to procure long term frameworks up to a maximum of four years is identified as part of the category management process for Construction, FM and Public Realm.

10.2 Value for Money

10.2.1 The framework is being tendered in the open market, so a schedule of fees has been received as part of the tenders generated to allow direct call off where applicable. Mini competitions may be held between those successful for each of the various lots (within the framework) for each project.

10.2.2 The framework will be monitored through the four years of the framework.

10.3 Property Assets

10.3.1 The Consultants appointed to this framework will be carrying out construction related professional services to enable construction projects to be delivered from Inception to Completion.

10.4 Risk Management.

10.4.1 A risk register will be compiled for the construction projects as part of all major projects project management.

10.4.2 CDM Co-ordinators will be expected to challenge the design on health and safety matters by risk assessments and feed into the overall risk register for the project.

10.5 Staff/Workforce

10.5.1 This framework although Pan London will be managed jointly with the Core Team Councils of Haringey, Enfield and Barnet.



Haringey Council

11 Use of Appendices

11.1 As attached A-N.

12 Local Government (Access to Information) Act 1985

12.1 Report to Cabinet Procurement Committee on 25th November 2010 regarding the strategy for the implementation of Pan London Construction Related Consultants Services 2011 frameworks (CRCS 2011).

12.2 Report to Cabinet Procurement Committee on 17th November 2011 regarding the Delegation of award for Lot 7 CDM Co-ordinator of the Construction Related Consultants Services Framework Agreement.

12.3 Report to the Director of Corporate Resources dated 22nd December 2011 regarding the award for Lot 7 CDM Co-ordinator of the Construction Related Consultants Services Framework Agreement (signed on 28th December 2011).



Haringey Council

This page is intentionally blank.



Haringey Council

Report for:	Cabinet Procurement Committee 12 January 2012	Item number	
Title:	Contract for the supply of Internal Audit Services		
Report authorised by :	Director of Corporate Resources <i>J. B. W. 3/1/12</i>		
Lead Officer:	Anne Woods, Head of Audit & Risk Management		
Ward(s) affected: All	Report for Key Decision		

1. Describe the issue under consideration

1.1 Haringey Council, under the Local Government Act 1972, has a statutory duty to maintain an adequate and effective internal audit service. To fulfil this requirement, the majority of the Council's internal audit service is currently provided under contract by Deloitte and Touche Public Sector Internal Audit Ltd (Deloitte).

1.2 The current contract has been in place since April 2007 and is due to expire on 31/03/12. It is therefore necessary to consider how the service will be delivered from 2012/13 onwards in order to comply with statutory requirements and achieve the best value for money for the Council. The Council does have an option to extend the current contract for a further 12 months, but the daily rates to be applied to the extension would exceed the recommended option included in this report.

2. Cabinet Member Introduction

2.1 I concur with the recommendations of this report. This recommendation is based on cost efficiency, current experience, and performance in current contracts.



Haringey Council

3. Recommendations

3.1 That in line with Option 3 outlined in the report below, a contract is entered into with the London Borough of Croydon, by means of their Audit Services Framework Agreement, from 1 April 2012 to 31 March 2015 to provide audit resources to deliver the Internal Audit service for the Council.

3.2 If the Croydon framework contract is extended in compliance with the EU regulations, and satisfactory contract performance is maintained, it is further recommended that the Council extends its contract with London Borough of Croydon and associated framework agreement.

4. Other options considered

4.1 As the existing contract with Deloitte comes to an end on 31st March 2012, and the cost of taking up the 12 month extension exceeds the recommended option, a replacement needs to be put in place. Three options have been considered and these are set out below.

4.2 It should be noted that experience has proved that it is highly unlikely that an in-house resource could be recruited and retained to deliver the Council's internal audit service. All London boroughs have outsourced their internal audit service to some extent and none are looking to bring this service fully back in-house due to the ongoing costs of recruitment, retention and training.

Option 1 - Full Open Tender

4.3 The potential contract values involved for this length of contract would require a full re-tender following European procurement legislation, commonly known as the OJEU rules, unless an acceptable alternative procurement route is used e.g. an appropriate framework agreement. The full open tender approach by Haringey alone is not recommended, as recent assessments of the current market confirmed that taking an independent procurement route in this way would be resource-intensive and unlikely to achieve better results in terms of value for money than the other options available.

Option 2 – Government Procurement Service (GPS)

4.4 This is a framework agreement established by central government, (formerly OGC Buying Solutions) for the provision of internal audit services. Although geared towards provision within Central Government, local authorities are included in the list of organisations eligible to use the framework. The framework includes the provision of services from all the main providers of Local Government internal audit, namely: Deloitte, PWC and RSM Tenon PLC. To utilise the framework it would be necessary to conduct a 'mini-competition' between the contractors.

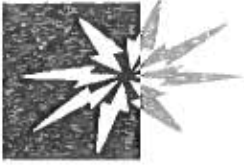


Haringey Council

4.5 The time scales for such an exercise would be at least two months and would require Council-specific tender documents and specifications to be created prior to the exercise. While this option would ensure that the market is fully tested, it is considered that, as with the full tender (option 1), it is unlikely that the relatively small number of audit days Haringey would require would attract better rates than those available under the Croydon Framework. The current indicative standard daily rates quoted by each of the contractors within the overall Buying Solutions framework are higher than those currently paid by the Council, or available under the Croydon Framework.

Option 3 – London Borough of Croydon & associated Framework Agreement

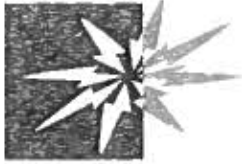
- 4.6 This option involves the Council using the framework agreement procured by the London Borough of Croydon. LB Croydon tendered for a single supplier framework agreement to take effect from 1 April 2008. LB Croydon has confirmed that the framework agreement has been tendered in compliance with EU Procurement Regulations. The LB Croydon's framework agreement is delivered by a single supplier, Deloitte and Touche, Haringey's current supplier. Haringey Council's Legal Services and Corporate Procurement Services have reviewed the OJEU notice to confirm that the Council would be able to participate in the framework agreement.
- 4.7 This is a shared services model, whereby LB Croydon is the contracting authority (and therefore the service provider) and will call off a contract on behalf of the authorities which participate in the framework agreement. The framework agreement is structured to provide cheaper daily rates for audit services as more authorities join the framework. LB Croydon will invoice the Council for the audit work completed in accordance with the framework daily rates and the Council will undertake regular contract monitoring and review meetings with LB Croydon. Regular group meetings of the current framework users already take place and it is envisaged that the Council will participate in these to ensure service developments and operational arrangements are satisfactory.
- 4.8 The framework agreement rates are based on different daily rates for the various audit areas such as IT; Contract; and General audit (including Schools). This is in line with the Council's current contract. The framework rates are slightly lower, by approximately 5%, than the rates under our current contract for all areas apart from IT audit which is approximately 8% per day higher. However, the majority of the days in the current annual audit plan relate to the general rate, so total costs



Haringey Council

would be lower than the current contract costs by approximately £10k, based on current usage of 1000 audit days.

- 4.9 The framework agreement rates will be subject to a Retail Prices Index-linked increase in April 2012 but as stated above, the rates are subject to a discount scheme as more local authorities join the contract. LB Croydon currently estimates that daily rates will not increase significantly from April 2012, countering the inflationary uplift. The contract is structured as a call-off and, as such, offers the Council maximum flexibility in terms of the number of days purchased in any year, with no requirement to purchase a minimum number of days. Currently 19 London authorities participate in the framework agreement.
- 4.10 There are clear administrative benefits in retaining the services of our existing supplier as they are fully conversant with the Council's operational arrangements, systems and processes as well as the standard of work the Council expects and will therefore provide staff with the requisite skills.
- 4.11 As stated at 4.7 above, the contract for the internal audit service would be between the Council and LB Croydon. As the current framework agreement is scheduled to last until 31 March 2015, it is being recommended that the Council enter into a contract for a three year period, or if LB Croydon extends the framework agreement, up to 31 March 2018.
- 4.12 The framework agreement, whilst in theory being 'managed' by LB Croydon, is delivered through Deloitte and Touche, the Council's current provider, in accordance with the auditing approach which it currently uses in Haringey. It is considered highly likely, although not guaranteed, that the current provider would continue to utilise staff working on the existing Haringey contract, thus retaining their accumulated knowledge about the Council.
- 4.13 The following outlines the contractual arrangements which would be in place if the council were to use the LB Croydon framework agreement:
- a) LB Croydon & Deloitte
This is the framework agreement onto which Croydon appointed Deloitte following a full tender process for the provision of up to 15,000 audit days per annum (covering all routine audit work and fraud work). This framework agreement commenced 1 April 2008 and runs for seven years, with an option to extend for a further three years.
 - b) Contract between Haringey and LB Croydon
A contract will be established between Haringey and Croydon, whereby Croydon would undertake to provide Haringey with a



Haringey Council

number of audit days as per its requirement/ specification. Croydon would be responsible for delivering the services by calling-off a sub-contract from their framework agreement with Deloitte. Croydon would charge Haringey at the same contract day rates for any work they undertake in managing and monitoring this contract (the number of days would be agreed in advance each year).

c) Letter of engagement between Haringey and Deloitte

This agreement is necessary to ensure that the process remains as stream lined as possible at the operational level and allows existing working practices to continue as far as is required. This agreement would enable Deloitte to issue all audit reports direct to Haringey Council, rather than via LB Croydon.

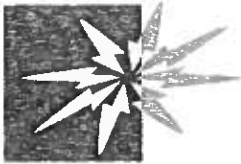
5. Background information

5.1 In April 2007, the Council entered into a contract with Deloitte Public Sector Internal Audit Ltd (Deloitte) for the provision of internal audit services. This contract was awarded following a single tender exercise, but also included the internal audit service for Homes for Haringey. The contract was approved by the Cabinet Procurement Committee at its meeting on 13 February 2007 and runs from 1st April 2007 to 31st March 2012. The total cost of this contract over the five year period is estimated to be £1.6m.

5.2 The contract price was based on the delivery of approximately 1000 – 1100 audit days per annum. The small in-house team (two staff) undertook reactive fraud investigation work, plus a range of other audit and grant certification work as well as managing the Deloitte contract. In 2011/12, the agreement with Deloitte was to deliver 1000 internal audit days. During 2011/12, Audit and Risk Management has been re-organised and it now includes the Housing Benefit Fraud Investigation Team and resources to support the in-house team and create a corporate anti-fraud team undertaking pro-active counter-fraud work.

5.3 The Director of Corporate Resources, as the s151 Officer, has a statutory duty to ensure that the Council has an adequate and effective internal audit service. CIPFA benchmarking data for 2011 suggests that the number of internal audit days (compared to the Council spend) is lower than average when compared to Councils across London. However, this is mitigated by having a counter-fraud and investigation team within Audit and Risk Management. In carrying out reactive and pro-active fraud investigations, this team contributes to the identification and rectification of system weaknesses across the Council and within schools.

5.4 The current economic climate and significant organisational change which is ongoing across the Council would suggest that a reduction in



Haringey Council

the number of internal audit days would not be prudent. It is therefore proposed that there is no reduction in the number of internal audit days purchased for 2012/13. The future contract will be flexible to allow for a review of days purchased depending on the risk and control environment over the next few years.

5.5 Since the current Deloitte contract was awarded by Haringey, the London Borough of Croydon has entered into a separate framework agreement with Deloitte and has offered to provide up to 15,000 audit days to other local authorities via this framework agreement (the Croydon Framework). This has been available from 1st April 2008 and is due to expire on 31st March 2015, although Croydon does have an option to extend it by a further 3 years until 31st March 2018. Authorities wishing to join this arrangement would contract directly with the London Borough of Croydon although internal audit services would effectively be delivered by Deloitte staff and managed by the procuring authority.

6. Comments of the Chief Financial Officer and Financial Implications

6.1 The Council's Contract Standing Orders state that a contract for supplies and services exceeding £500k is a key decision which should be included in the Council's Forward Plan and approved by the Council's Cabinet Procurement Committee.

6.2 The budget for the contract is within the Audit and Risk Management revenue budget. Entering into the Croydon contract will allow the current level of service to be maintained, reducing the risks to the Council and ensure that costs are contained within current budget constraints.

6.3 If the current contract rate differential between the Council and the Croydon framework were to be maintained, and the same numbers of days (1000) were to be purchased for 2012/13, the Council would save approximately £10k on current contract costs.

6.4 Budget for the current contract in 2011/12 is £292k. Costs of the current contract, which were agreed in 2007, are approximately £330k. The budget shortfall is being managed within the Audit and Risk Management service as a whole. This will be resolved for 2012/13 and the new contract as the budgets within Audit and Risk Management will be reviewed and realigned.

7. Head of Legal Services and Legal Implications

7.1 The estimated value of this contract over its lifetime is in excess of the current EU threshold for Services and the nature of these services means they fall within Part A of Schedule 3 of the Public Contracts Regulations 2006 (the EU Regulations). The tendering of the internal audit services is therefore governed in full by the EU Regulations



Haringey Council

7.2 The Council's Internal Audit section has confirmed that Croydon Council has tendered for a Framework Agreement for internal audit services pursuant to Reg 19 of the EU Regulations. Pursuant to this tender Deloitte and Touche has been appointed to a single supplier framework agreement. It is proposed that the Council enters into a contract with Croydon Council for the delivery of the services under the Framework Agreement, and that Deloitte and Touche is a sub-contractor to LB Croydon.

7.3 As the estimated value of the contract is in excess of £500k, the procurement and award of the contract is classed as a 'key' decision and it is therefore necessary that it is included in the Forward Plan.

7.4. See further Head of Legal Services comments in the exempt part of the report

8. Equalities and Community Cohesion Comments

8.1 The aim is to ensure that good, services or works provided on behalf of the Council not only meet the fit-for-purpose and value-for-money criteria but also meet the needs of Haringey service users in all their diversity. This requirement applies in essence to services with outwards focus to the community and less so to services supporting internal Council processes such as an audit service. This requirement is not applicable in this contract.

9. Head of Procurement Comments

9.1 The proposed arrangement requires Haringey Council to enter into a contract with the London Borough of Croydon in accordance with their shared service offer for Internal Audit services.

9.2 London Borough of Croydon would then sub-contract Haringey's requirements to their single supplier framework agreement provider, currently Deloitte and Touche, as tendered through OJEU in December 2007.

9.3 This relationship would principally hold LB Croydon accountable for any contract issues.

9.4 Contract performance monitoring arrangements are in place.

10. Policy Implications

10.1 There are no direct implications for the Council's existing policies, priorities and strategies.

11. Use of Appendices



Haringey Council
11.1 N/A

12. Local Government (Access to Information) Act 1985
12.1 N/A



Haringey Council

Report for:	Cabinet Procurement Committee – 12 th January 2012	Item number	
Title:	Semi Supported Housing Tender		
Report authorised by :	 Libby Blake Director - Children and Young People's Service		
Lead Officer:	Janet Siman Position: Senior Procurement Officer Tel: 020 8489 1950 Janet.siman@haringey.gov.uk		
Ward(s) affected:	Report for Key/Non Key Decision:		
ALL	Key.		

1. Describe the issue under consideration

To obtain the approval of members for the extension for the Semi Supported Housing contracts for six months to conclude the North East London Consortium(NELC) tendering exercise. This extension is in line with CSO's 10.02(b).

2. Cabinet Member Introduction

I am satisfied that the appropriate procedures have been followed. I agree that the administrative cost of using spot purchasing for the remaining period is not good value for money. I am concerned however at the number of times these contracts have been extended and would urge that the tendering process is completed as a matter of urgency.



Haringey Council

3. Recommendations

3.1 It is recommended to extend the current provision with the suppliers for six months from 1st Jan. 2012 until 30th June 2012 in order to complete the tendering exercise with the NELC.

- Christopher House, TA Limelight Properties
- Allison Lodge (Formally MG Supported Housing)
- Atlas Properties
- Phoenix Community Care
- Andrew Stevens
- Atlantic Lodge

See Part B Exempt information.

4. Other options considered

4.1 The service considered if making spot purchases in the interim would be an option. However spot purchases made will be at the current market price which is often much higher than the costs secured through the last tender process. In addition, if spot purchases are made as an interim provision we will have to set up individual spot purchase agreements for all existing placements. This would cause extreme pressures on the budget due to spot purchase costs and officer's time.

As a result, this option was discarded.

5. Background information

5.1 In 2009 the service took the decision that on cessation of the contract Haringey would move over to a contract drawn up by Pan London. Semi Independent accommodation is not currently governed by any official body such as Ofsted or CSCi. The responsibility for undertaking monitoring of placements is the sole responsibility of the Local Authority and at a London wide meeting all the boroughs requested that there be one central list for all types of semi independent provision.

5.2 After consulting Pan London with regards to how those on the list are selected (see further on this para. 1, Part B of this Report - Exempt Information), it was agreed that the risk to young people and the council would be too great and that the move across to the Pan London contract would not go ahead.

5.3 The Council's Semi Independent contracts will expire on 31st December 2011. The contract was originally let for three years and extended for a further two years. It was further extended for 18 months on 1st July 2010 through Procurement Committee to enable a tendering



Haringey Council

process to be carried out. This now requires permission from Procurement Committee to extend the contracts further for six months in order to complete the process.

5.4 This provision is currently in the tendering process. The Invitation to Tender went out on 8th November 2011. The process has taken considerably longer than anticipated (previous extension was not long enough to cover the procurement process) due to 6 Boroughs joining the consortium. The Boroughs involved in this process are Barking and Dagenham, Barnet, Havering, Redbridge and Waltham Forest. The award of this framework is envisaged to go for approval to Procurement Committee in May 2012.

5.5 The Council has a statutory duty to provide housing and support for all our young people between the ages of 16 – 18 and young people awaiting permanent council housing up to 21. At present there are six providers who remain on our framework

5.6 The accommodation provided within semi independent provisions are shared accommodations, studios and 1 bedroom flats that are situated within the community. The current providers supply an individual Key working support package to each young person as part of the young person's Pathway Plan/Care Plan to enable the resident to prepare for independent living.

5.7 The tendering process key stages are outlined below:

Stage	Date(s)
Invitation to Tender	Closing date 20 th December 2011
Evaluations, site visits, e-auction	20 th December 2011 – 20 th February 2012
Framework approval award	May 2012
Anticipated start date of framework	July 2012

The approval of this extension is therefore requested to complete the above process to reduce the risk of contracting without a contract in place.

5.8 Contract monitoring is carried out on the current providers for the semi-supported housing provision and will continue during the proposed extension.



Haringey Council

6. Comments of the Chief Financial Officer and Financial Implications

Semi independent placements accounts for around 10% of the external placements budget and so is a key area for ensuring the efficient provision of services.

Market testing of the service indicates that the current contract represents good value for money for Haringey. Compared to the 5 other Boroughs in the consortium Haringey is 9% lower than the average for the group for shared accommodation, 18% lower than the average for the group for studio accommodation and 25% lower than the average for the group for 1 bedroom accommodation.

The original contract provided for an annual inflationary uplift in line with the Retail Price Index, but since the 18 month extension prices paid to our preferred suppliers have actually been re-negotiated such that they are now 2.44% below the 2010/11 price; again representing good value for money for Haringey.

The report makes it clear that spot purchasing arrangements are considered to be significantly more expensive than those acquired under the current contract arrangements so it is of concern that around 35% of the current spend is through spot purchasing arrangements. The service should ensure that all steps are taken to ensure that the most economically advantageous service is obtained during the contract extension period; this will need to include working with the existing providers to encourage them to make available additional provision under the terms of the contracts and reduce the use of spot purchasing.

7. Head of Legal Services and Legal Implications

- 7.1 CSO 10.02.2 provides that the Cabinet Procurement Committee may vary or extend a contract provided that to do so is consistent with the Public Contract Regulations 2006 ("PCR 2006") and the Council's Financial Regulations.
- 7.2 As the contracts are for provision of Part B services, the PCR are not applicable to their extension.
- 7.3 The value of these extension s exceeds £250,000. Therefore they may only be approved by the Cabinet Procurement Committee.



Haringey Council

7.4 As this is a key decision, it must be and has been included in the Forward Plan.

7.5 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 3 of the report.

8. Equalities and Community Cohesion Comments

8.1 Equality comments are not relevant at this stage as the Equalities Impact Assessment is being carried out during the re-tendering process on each stage of the process.

9. Head of Procurement Comments

9.1 The recommendation is in line with the Procurement Code of Practise

9.2 The recommendation represents Value for money to the Council as the alternative of spot contracting will increase costs.

9.3 Regular contract monitoring is in place to ensure continued contract compliance through the extension period.

10. Policy Implications

10.1 This service is linked to the Children and Young People Service Business Plan. This service is linked with the following Council Plan Priorities.

- A Safer Haringey
- A Healthy, Caring Haringey
- Delivering High Quality, Efficient Services.

11. Use of Appendices

11.1 See Part B for exempt information.

12. Local Government (Access to Information) Act 1985

12.1 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is not for publication. The information is exempt under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):



Haringey Council

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



Haringey Council

Report for:	Cabinet Procurement Committee Meeting 12 January 2012	Item number	TBA
--------------------	--	------------------------	-----

Title:	Northumberland Park Community School - swimming pool hall mechanical and electrical improvement works
---------------	--

Report authorised by :	Jon McGrath, Director, Capital Programme Team, Place & Sustainability.
-----------------------------------	---

Lead Officer:	Joe Toohey, Project Manager, Capital Programme Team, Place & Sustainability. 0208 489 3669 Joe.toohey@haringey.gov.uk
----------------------	--

Ward(s) affected: Northumberland Park	Report for Non Key Decision:
--	-------------------------------------

1. Describe the issue under consideration

1.1. Haringey Council, Place and Sustainability, is seeking to procure a contractor to refurbish and replace parts of the existing Mechanical & Electrical plant within the school pool hall at Northumberland Park Community School.

2. Cabinet Member Introduction

2.1. I am satisfied that the appropriate procedures have been followed and am happy to support the recommendations. The pool is a valuable facility for both the school and the wider community and it is therefore important that it is kept well maintained and fully operational.

3. Recommendations

3.1. To approve a waiver of the requirements set out in CSO 9.01 to enable a tender process to take place without advertising by inviting tenders from a selection of contractors from Constructionline (a government managed UK register of pre-qualified construction services) for the works.



Haringey Council

3.2. To agree to award the contract for the above project in accordance with CSO 9.07.1(d) to the contractor named in the exempt information Appendix A Paragraph 1.5.

3.3. It is further recommended that Members agree to the issue of a Letter of Intent at 10% of the contract value as allowed under CSO 9.08.3.

4. Other options considered

4.1. A total of 5 contractors selected from Constructionline were invited to tender for the works. Constructionline was used rather than the existing Framework Agreement for the provision of Major Works Construction Services, as the work to be carried out is specialist in nature and contractors outside of this framework have the necessary skills to undertake the work. One contractor declined during the tender period. Details of this are contained in the tender report Appendix A.

5. Background information

5.1. Introduction

5.1.1. The existing mechanical services plant and distribution of the Northumberland Park Community Pool appears to be around 20 – 25 years old and is in poor condition as evidenced in the initial survey completed by NPS (London) Ltd and is therefore reaching the end of its operational life.

5.1.2. The main school building has recently undergone a major refurbishment programme as part of the Building Schools for the Future programme, however, the pool building itself was provided with some supplementary heating works although limited to two areas: a secondary heating system for the pool plant serviced from a solar panel system and a new secondary space heating zone.

5.1.3. The systems associated to the pool building include the following:

- The central Boiler Plant and distribution
- The ventilation to pool hall and associated areas
- Supplementary heating zones to main pool hall
- Heating to the pool water heat exchanger unit
- Automatic controls and Motor Control Panels

5.1.4. The existing boiler plant comprises of a two module boiler, with the hot water distributed by a single twin pump set with no secondary pumping zones. The building is serviced by three ventilation plants which do not have any cooling or humidity control facilities which can cause severe overheating in summer. The system is independent of the main heating system with no control interface between the two systems.



Haringey Council

5.1.5. The facility has reached the end of its operational life, is inefficient in its use of energy and there are now potential issues that may cause the system to fail. Therefore there is the need to replace these boilers as soon as possible with more efficient boilers.

5.2. Procurement

5.2.1. The design consultants were commissioned from Haringey's Consultants for Construction Works Framework Agreement.

5.2.2. A tender was issued to contractors selected by the Construction Procurement Group (CPG) from Constructionline (a government managed UK register of pre-qualified construction services database) on the 21st October 2011.

5.2.3. The work that is envisaged in the tender is:-

- Isolation and strip out of existing Air Handling Supply and Extract Plant, Low Pressure Hot Water (LPHW) Distribution, Control Panel and Associated Power and Control Wiring, Pool Lighting and Gymnasium Grilles. (Existing boilers and pressure unit to be retained)
- Supply and installation of Air Handling Supply and Extract Plant.
- Supply and installation of New Heat Pumps and distribution pipework
- Supply and installation of New Pool Heat Exchangers and associated pipework
- Supply and installation of LPHW Distribution to include buffer tanks, pressurisation units valves etc.
- Supply and installation of Control Panels and Associated Power and Control Wiring, environmental controls, Building Management System (BMS) and energy metering
- Supply and installation of Pool Low Energy Lighting.
- Supply and installation of Gymnasium Grilles.
- Testing/remedial works to existing Fire Alarm System.
- Supply and installation of all associated earthing and bonding.
- Undertake all necessary testing and commissioning of new installations.
- Associated builders work

5.2.4. The Contractor's Design elements of the Scope of Works are:

- Sub-mains and sub-circuit cable sizing, containment and fixings.
- Co-ordination and development of the Consultant's design intent into a fully working installation.



Haringey Council

- Automatic controls and BMS
- Structural supports and brackets for new equipment

5.2.5. Tenders were received on the 18th November 2011. The bidders were asked to provide a qualitative submission together with prices for overheads and profit, design and management of the works. The tenders were assessed on both quality (60%) and price (40%). The combined scoring set out in Appendix A under the exempt information is considered to represent the best value for money and is considered to be satisfactory as the basis for a contract.

5.2.6. The procurement process is now complete and a fixed price tender has been obtained. The results of the tender are shown in Appendix A.

5.2.7. This report seeks approval for the appointment of the successful contractor to carry out the construction works under a contract with contractor's design portion.

5.2.8. A waiver of CSO 9.01 is sought on the basis that it is in the Council's overall interest. A fully advertised procurement process would not have allowed the principle objective of undertaking the works during agreed timelines to be met. Constructionline was used as a means of securing tenders from specialist, and suitably qualified contractors in an expedient manner.

5.3. Timescales

5.3.1. The following is the projected timetable based on current information

Award of Contract	13 th February 2012 (projected)
Commencement on Site	15 th February 2012 (projected)
Completion of Construction	13 th July 2012 (projected)
Occupation	27 th July 2012 (projected)

6. Comments of the Chief Financial Officer and financial Implications

6.1. The total cost of this project is £588k including fees. Corporate Finance confirms that a budget has been set aside for this project, which will be part funded from BSF contingency (£370k approved by BSF Board) and the balance to be funded from the secondary school lifecycle fund.

6.2. It is also recommended that the Capital Programme Director is authorised to negotiate a school contribution to the project, as the school will benefit in the future from continued lettings receipts and charges for use of the pool by other schools and members of the public.

7. Head of Legal Services and Legal Implications



Haringey Council

7.1. The works which this report relates to are below the EU threshold for works (currently £3,927,260). Therefore it has not been necessary to follow a EU tendering process.

7.2. The Place and Sustainability Directorate has invited tenders from 5 contractors on Constructionline's pre-qualified list.

7.3. The tender opportunity was not advertised and a selection was made of some and not all pre-qualified contractors on the Constructionline list. As a result, the process is not one of the tender procedures set out in CSO 9.01. Therefore the report seeks a waiver of CSO 9.01 on the basis that it is in the Council's overall interests as provided for under CSO 10.01.2(d).

7.4. Under CSO 10.01.1(a) as the value of the contract is over £250,000 the waiver may only be approved by the Procurement Committee.

7.5. Because of the value of the contract it may only be awarded by the Procurement Committee in accordance 9.07.1(d).

7.6. The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations set out in paragraph 3.

8. Equalities and Community Cohesion Comments

8.1. The refurbishment required as part of this contract have no equality implications, and therefore an Equality Impact Assessment is not needed. However the contractors are expected to take into account all considerations concerning disabled access, throughout the refurbishment.

9. Head of Procurement Comments

9.1. The contractors have been selected from Constructionline, (a government managed UK register of pre-qualified construction services database).

9.2. The tender has been prepared and tendered on a quality/price basis of 60%/40% and evaluated as the most economically advantageous tender for this award.

9.3. It is noted the need for a Letter of Intent to enable the project to proceed quickly, following award of contract.

9.4. The proposed works represent a significant opportunity to reduce carbon emissions and for this reason it is recommended that the Council's energy management team are fully involved in the final design specifications and to consider any additional ancillary opportunities to reduce carbon.



Haringey Council

9.5. The Head of Procurement recommends the award as stated in paragraph 1.5 in Appendix A which represents the most economically advantageous tender for the Council.

10. Policy Implications

10.1. Greenest Borough Strategy – the refurbishment and replacement of the mechanical plant will increase the efficiency of the heating system and improve the energy performance of the pool facility therefore reducing the carbon emissions of the school.

10.2. Securing the long term operational capacity of the pool facility will ensure the continued integration of school with the wider community, with further potential to increase the utilisation of the pool outside of school activities.

11. Use of Appendices

Appendix A: Exempt Information

12. Local Government (Access to Information) Act 1985

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank

Document is exempt

This page is intentionally left blank