

NOTICE OF MEETING

Cabinet Member Signing

TUESDAY, 30TH JUNE, 2015 at 12.00pm HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillor Jason Arthur, Cabinet Member for Resources and Culture

AGENDA

1. FILMING AT MEETINGS

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. URGENT BUSINESS

The Leader/Cabinet Member will advise of any items they have decided to take as urgent business.

3. AMENDMENT TO THE AWARD OF 2 LOTS ONLY FOR THE LONDON CONSTRUCTION PROGRAMME MAJOR WORKS FRAMEWORK AGREEMENT [LCP W1-MW14] (PAGES 1 - 10)

Report will seek agreement to amending the names of successful tenderers for Lot 1 and Lot 7 caused by an transposition error.

4. EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under Paragraph 3, and Paragraph 5, Part 1, Schedule 12A of the Local Government Act 1972.

5. AMENDMENT TO THE AWARD OF 2 LOTS ONLY FOR THE LONDON CONSTRUCTION PROGRAMME MAJOR WORKS FRAMEWORK AGREEMENT [LCP W1-MW14] (PAGES 11 - 16)

6. EXEMPT ITEMS OF URGENT BUSINESS

As per item 2

Bernie Ryan
Assistant Director – Corporate Governance
and Monitoring Officer
5th Floor
River Park House
225 High Road
Wood Green
London N22 8HQ

Philip Slawther
Principal Committee Co-ordinator
Tel: 020-8489 2957
Fax: 020-8489 2660
Email: philip.slawther@haringey.gov.uk

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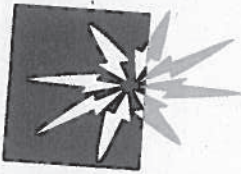
Report for:	Cabinet Member Signing	Item Number:	
Title:	Amendment to the award of 2 lots only for the London Construction Programme Major Works Framework Agreement [LCP W1 – MW14]		
Report Authorised by:	Tracie Evans - Chief Operating Officer <i>Tracie Evans</i>		
Lead Officer:	Hugh Sharkey/David Mulford		
Ward(s) affected: All	Report for Key/Non Key Decisions:		
	Key		

1. Describe the issue under consideration
 - 1.1 The report of 30th March 2015 for the London Construction Programme Major Works Framework Agreement that was presented for signing requires amendments to be made to its recommendations.
 - 1.2 The amendments are required for Lot 1 North London - Housing and Lot 7 East London – Housing respectively, both of which address the value band of £100,000 to £999,999 of the Framework Agreement. The amendments will result in the addition of a contractor to each lot.
 - 1.3 Following the end of the call-in period for the report of 30th March 2015, written notifications to all contractors that had participated in the competition for the Framework Agreement were made. These notifications are required under the Public Contracts Regulations 2006 to confirm whether a tenderer was successful in being appointed to the Framework Agreement, and for particular lots.
 - 1.4 The information issued to the tenderers included the results of the evaluation exercises. One of the tenderers on reviewing their evaluation results sought clarification from the Authority because they believed there was an error in the information issued.



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- 1.5 The Authority has reviewed the evaluation calculations where clarification was sought and confirms that there has been an transposition error. The consequences of this clarification have been investigated and it will be necessary to amend the results of the competitions for Lot 1 and Lot 7. The authority stopped the Alcatel period for Lot 7 while the required evaluation checks were made and the amendment to the report of 30th March 2015 are presented in this report.
 - 1.6 The clarification required that an additional contractor is appointed to Lot 1. Lot 1 is subject to leaseholder consultation and therefore the results of Lot 1 are provisional. Tenderers that have been successful and are to be appointed to the Framework for Lots 1, 2 and 3 will not be informed until leaseholder consultation completes.
 - 1.7 The outcome from this clarification affects Lots 1 and 7 only and has enabled an additional Small to Medium Enterprise to be appointed.
 - 1.8 The award for Lot 7 is subject to the standstill period and this will be re-run as a consequence of the additional contractor to be appointed to Lot 7.
2. Cabinet Member introduction Draft
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- 2.1 The Major Works Framework Agreement which was awarded on 30th March 2015 will help to deliver key construction projects in both Haringey and for Commissioning Organisations across London and it is noted that this report is to amend the names of successful tenderers for Lot 1 and Lot 7 caused by an transposition error.
3. Recommendations
- 3.1 That the award is amended for the following lots as framework agreements for four years to those Contractors identified as follows in:-
 - a. Lot 1 North London - Housing, value band £100,000 to £999,999. Please refer to Appendix A Table 1 for the names of the successful tenderers. This is subject to 3.2 below.
 - b. Lot 7 East London – Housing value band £100,000 to £999,999. Please refer to Appendix A Table 7 for the names of the successful tenderers.
 - 3.2 The original awards for Lot 1 is provisional. Within 7 days of the end of the period for the making of statutory observations by leaseholders, the Lead Officer is to prepare an addendum report to be presented for signing summarising any observations, together with the Council's responses, whereupon a decision will be made whether to confirm the award.



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3.3 The award for Lot 7 is subject to the standstill period and this will be re-run as a consequence of the additional contractor to be appointed to Lot 7.

4. Alternative options considered

4.1 No other options were considered as the contractor recommended for inclusion in Lots 1 and 7 is entitled to a place on the framework for these lots.

5. Background information

5.1 The LCP was established in 2012 by Haringey Council. The LCP was encouraged and supported by London Councils, to develop a pan-London strategy to improve construction procurement. Haringey are currently leading the LCP as the Lead Authority in London.

5.2 LCP is a virtual partnership of various buying organisations offering procurement solutions to deliver construction projects more efficiently and effectively.

5.3 The various buying organisations which comprise the LCP board are currently: Haringey Council, Crown Commercial Service (CCS) (formerly Government Procurement Service (GPS)), LHC, Supply Chain Management Group (SCMG), and Hampshire County Council. These organisations have agreed a pipeline of various frameworks for London.

5.4 Following various discussions with the LCP board members and an Advisory Panel of interested Commissioning Organisations across London it was agreed as part of the pipeline of the frameworks for the LCP, that Haringey should procure a major works framework (LCP MW14) on behalf of London. The LCP MW14 framework is comprised of the following value bands:

a) £100,000 to £999,999

b) £1m to £4,999,999

c) above £5m.

The Framework has been designed for 2 areas, a) Housing projects and b) Education and other sectors including Transposition, Social Services, Leisure etc and in five sub-regions of London.

5.5 The previous major works framework for Haringey Council expired on 27th May 2014 and until the new major works framework is operational the Council has been and will use Constructionline.

5.6 The LCP MW14 Framework Agreement will be flexible in procurement methods but will also align to the Government Construction Strategy 2025 around two-stage tendering.



5.8 Lots 1 and 7 relate to Housing

Housing works comprises (but is not limited to) the following works to existing buildings: external and internal works; repairs and maintenance of existing buildings; redecoration works; also including Mechanical and Electrical works; works to windows doors, kitchens and bathrooms, refurbishment, extensions, roofs and landscaping works etc and new build housing works including associated landscaping including working in listed buildings and buildings in conservation areas;

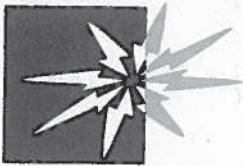
- Repair, maintenance and upgrading of the structure, external fabric of individual buildings and communal areas;
- Planned maintenance - capital and revenue projects;
- Internal works including kitchens and bathrooms;
- Mechanical and Electrical works;
- Replacement of roofs, doors and windows and associated works;
- Fire prevention works (including fire doors);
- Energy efficiency measures;
- Retrofit;
- Redecoration of the outsides of buildings and communal areas;
- Works to estate areas, such as landscaping, replacement of paths, provision of fencing etc.;
- New Build Housing and development¹ (Predominantly Housing see list below);
- Conversion of existing buildings for residential or other use including heritage buildings;
- Including design where applicable.

5.9 10 contractors were originally to be appointed to the Value Band £100,000 to £999,999. The amendment to the results will permit 11 contractors to be appointed, this is due to 2 tenderers achieving equal scoring following the clarification of the transposition error.

Leaseholder Implications and consultation (Lot 1)

5.10 Under the terms of their leases, leaseholders are required to make a contribution towards the cost of repairing and maintaining in good condition the main structure, the common parts and common services of the building. They may also be liable for costs towards works to their wider estates. Such contributions are recovered by the Council through their service charge accounts.

5.11 In respect of Lot 1 the Council is therefore obliged to consult leaseholders in accordance with the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003 ("the Regulations"). In the



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instant case, the Regulations require the Council to send three notices to leaseholders before 'qualifying works' are undertaken.

- 5.12 In accordance with the Regulations, the first consultation notice, a Notice of Intention, was issued in November 2013. This was before the OJEU advertisement was published. Notifications of Proposals ('second consultation Notices') are about to be issued to leaseholders by the Homes for Haringey Home Ownership Team.
- 5.13 The second consultation Notice will inform leaseholders that the Council is proposing to enter into the Framework Agreements (being Qualifying Long Term Agreements) and invite them to inspect the Proposals and make observations. The Council is required to have regard to those observations and provide written responses to the people who made them. Although the Regulations do not expressly so provide, it is prudent to assume that this regard is to be had before final decisions are made to enter into the Framework Agreements.
- 5.14 It has not proved possible for this stage of the consultation process to be completed as at the date of this report, and the previous recommendation in relation to Lots 1, 2 and 3 is therefore to make provisional awards only. This report relates to the amended award for Lot 1. Within 7 days of the end of the period for the making of observations, an addendum report will be prepared, summarising any observations, together with the Council's responses. A decision may then be taken whether to confirm the award(s) for Lots 1, 2 and 3.
- 5.15 The third Notice required by Schedule 3 of the Regulations will be issued on the completion of design, when the costs are known for the works to individual blocks as described in their lease. These Notices will be served over the life of the Framework Agreements. That Notice will provide the leaseholder with 30 days to make observations about the works or their estimated costs. Homes for Haringey will have regard to the comments received and respond before the contractors are awarded the works.
- 5.16 The charges to new or recent leaseholders are limited to the estimates contained in their Offer Notices, and in all cases by the terms of the individual leases. Invoices for these works are included within the annual Certificate of Actual Services Charge that 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 or the amount paid to the contractor. The invoice will be payable interest free over a period of up to six years, depending on the amount invoiced and whether the leaseholder lives in the property. For longer periods interest is chargeable, currently at 7.46%.
6. Comments of the Chief Finance Officer and financial implications



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- 6.1 The Chief Financial Officer confirms that award of contract does not commit Haringey or any of the participating local authorities to any minimum level of work over the proposed 4 year period.
- 6.2 A schedule of rates has been received as part of the tenders generated to allow direct call off where applicable. Mini competitions will predominately 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 The Framework is subject to a levy process which comprises an immediate subscription fee and approximately 0.25% of each project value which will be used to help to cover the cost of monitoring by the central team in Haringey Council. These monies depend upon the throughput of work in London and will help to cover Haringey Council's operational costs of the LCP Framework Agreement, including personnel and software costs. 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
- 6.4 The recommendations in paragraph 3 are not expected to have any significant financial implications not already outlined in paragraphs 6.1 – 6.3.
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7. Assistant Director of Corporate Governance Comments and legal implications
- 7.1 The LCP Framework which this report relates to has been procured using the Restricted Procedure, a procedure under the Public Contracts Regulations 2006 (as amended).
- 7.2 This is a Key Decision and the Service has confirmed that it has been included on the Forward Plan.
- 7.3 The value of the call-off contracts under the Framework which this report relates to will exceed £500,000 therefore the recommendations in this report may only be awarded by the Cabinet or in between Cabinet meetings by the Leader of the Council pursuant to CSO 16.02.
- 7.4 Please see additional legal comments in the exempt part of the Report.
8. Equalities and Community Cohesion Comments
- 8.1 The overall strategic aims of the Framework Agreement are to improve value for money, reduce inefficiency and increase the social value of local construction schemes. Key objectives within the Framework Agreement have been developed in consultation with construction procurers and commissioners to reflect areas of need. These include setting standards for reduced environmental impact and



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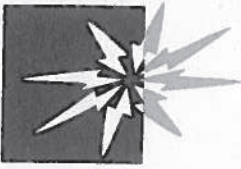
requirements for employment and skills development. These objectives should have a positive benefit for all local communities including those from protected groups.

- 8.2 The tendering process for the Framework Agreement requires suppliers to demonstrate their compliance with equalities legislation. Suppliers are able to demonstrate compliance at pre-qualification stage, either through membership of Constructionline or through completion of appendix 7 of the documentation 'Equal Opportunity and Diversity Policy and Capability'. Through this process, suppliers must provide evidence of how they comply with relevant equalities legislation, including equal opportunities in employment, and what they do to ensure equalities is embedded across their organisation.
- 8.3 The Framework Agreement provides the terms and conditions under which contracts will be issued over the lifetime of the agreement but does not specify the detail of these contracts. Individual construction schemes brought forward over the lifetime of the agreement will be subject to separate EQIAs (subject to local requirements) which will ensure these schemes promote and recognise good practice in equality and diversity. Call-offs of contracts under the agreement will be required to meet the relevant EU Treaty provisions and principles including non-discrimination.
- 8.4 The procurement process for the Framework Agreement was undertaken to ensure openness and access to a diverse market so that that no type of supplier was disadvantaged. The Framework Agreement was advertised in the EU and through Constructionline online to ensure it reached a diverse market of suppliers. The procurement process mitigated against the potential for different sized firms to be disadvantaged through the incorporation of a range of turnover bands and the opportunity for suppliers to bid as consortia.
9. Head of Procurement Comments
- 9.1 The report addresses the necessary amendments to be made to the Leader report of 30 March 2015, arising from an investigation of an transposition error brought to the attention of the Council by a tenderer competing for appointment to the Framework Agreement.
- 9.2 The Framework Agreement has been established for possible use by all London Authorities and relates to works and the appointment of building contractors across two work areas and three value bands and five sub regions in London.
- 9.3 The Framework Agreement has been advertised in the Official Journal of the European Union (OJEU) and all lots are due to be awarded and made available for use from March 2015 (note that Lots 1 to 3 are subject to final leaseholder consultation). The Central Procurement Unit has worked closely with Legal services through this process.



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- 9.4 The Framework Agreement has been set up with various social value aspects included, addressing employment, skills and apprenticeships across Haringey and London. Sustainability standards such as the Council's timber policy and the Freight Operator recognition scheme will be expected to be adhered to where applicable in the value bands by contractors on this Framework Agreement.
- 9.4 Haringey Council's existing contractor's framework contract expired in June 2014 and this new Pan London Framework Agreement will provide the building contractors for various projects across Haringey and London within the Public sector. Construction activities since June 2014 have previously been covered by contractors on Constructionline and the South East and London Framework Agreements.
- 9.5 Further comments are provided as exempt information in Appendix A.
- 10 Policy Implication
- 10.1 Policy Implications
- 10.1.1 ~~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 Agreement was tendered in the open market, so a schedule of costs has been received as part of the tenders generated to allow direct call off where applicable. Mini competitions will predominantly be held between those successful for each of the various lots (within the Framework Agreement) for each project.
- 10.2.2 The Framework Agreement will be monitored through the four years of its existence
- 10.3 Property Assets
- 10.3.1 The Contractors appointed to this Framework Agreement will be carrying out construction works to enable construction projects to be delivered on site to meet the various capital and revue programmes.
- 11 Reasons for Decision
- 11.1 To enable a vehicle for building contractors to be procured for future projects without the need to further pre qualify.
- 12 Use of Appendices



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12.1 Appendix A exempt Information.

13 Local Government (Access to Information) Act 1985

13.1 This report contains exempt and non exempt information. Exempt information is under the following categories (identified in Part 1 of Schedule 12A of the Local Government Act 1972) paragraph (3) information relating to financial or business affairs of any particular person (including the authority holding that information) and paragraph 5 information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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