



Haringey Council

Agenda item:

[No.]

**Procurement Committee**

**On 28<sup>th</sup> October 2008**

Report Title: **Building Schools for the Future (BSF): Correction of the Award Amount on the Pre-construction Agreement Report for Park View Academy**

Forward Plan reference number: N/A

Report of: **Director of the Children & Young People's Service**

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

Report for: **Non Key Decision**

**1. Purpose**

1.1 To seek Procurement Committee approval to award a greater value contract sum, to the BSF Constructor Partner (CP), than the sum in the pre-construction agreement report for Park View Academy, presented to Procurement Committee on the 12<sup>th</sup> June 2008.

**2. Introduction by Cabinet Member**

2.1 The project team recognised an error; made due to miscommunication. The team have introduced a new stage in the process which will prevent such an error occurring again.

**3. Recommendations**

3.1 The Procurement Committee agree to increase the award to the Constructor Partner for the Park View Academy School's pre-construction agreement, approved by Procurement Committee on the 12<sup>th</sup> June 2008.

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#### **4. Chief Financial Officer Comments**

4.1 The Chief Financial Officer has been consulted on this report and has no further comments to make.

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

5.1 This report is seeking an amendment to the contract price in respect of a contract awarded by Procurement Committee on 12<sup>th</sup> June 2008, on the basis that the contract price presented to Procurement Committee at the meeting of 12<sup>th</sup> June 2008 was erroneous, the mistake being due a communication error.

5.2 Provided that applying the amended contract price, the outcome of the evaluation procedure followed in selecting the contractor would still remain the same, there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of this report.

#### **6. Head of Procurement Comments**

6.1 The Head of Procurement notes the identification of the error.

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

7.1 The following background documents were used in the production of this report:

- Haringey Council's BSF Construction Framework documentation.
- The Council's Standing Orders

7.2 This report contains exempt and non-exempt information. Exempt information is contained in the appendices and is not for publication.

7.3 The exempt information is under the following categories:

- 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 or services.
- Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.
- The identity of any person offering any particular tender for a contract for the supply of goods or services.



## **8. Background**

- 8.1 Park View Academy's report for the pre-construction agreement award, submitted to the Procurement Committee on the 12<sup>th</sup> June 2008, recommended Balfour Beatty Construction Ltd. Procurement Committee approved the recommendation with Balfour Beatty being awarded the pre-construction stage for a sum of £57,971.
- 8.2 Initial communication of the award, from the Cost Manager (Potter Raper Partnership) to the Project Manager (Mace), portrayed an amount that was an element of the full pre-construction amount. The PM inserted this amount in the Procurement Committee report.
- 8.4 Subsequently PRP sent an e-mail with a document that included the full pre-construction amount. The PM was not aware that the document contained information that differed from the initial communication.
- 8.5 Permission is sought from the Procurement Committee to increase the pre-construction award amount by £4,426.

## **9. Conclusion**

- 9.1 A communication error was identified as the factor behind the mistake. Explanation of the framework agreement and its parts has been disseminated by PRP. All relevant parties are aware of supporting document structure and the figure to be awarded to the successful contractor. As a contingency measure PRP will request sight of the Procurement Committee report during circulation and double check the amount of the award is correct.

## **10. Financial Implications**

- 10.1 The additional pre construction cost outlined in this report forms part of the overall project cash limited budget of £12,052,000. The pre-construction element of this project forms an integral part of the overall project budget, and therefore allows for the main contract to be let in due course.

## **11. Legal Implications**

- 11.1 Please refer to Paragraph 5.

## **12. Recommendation**

- 12.1 The Procurement Committee agree to increase the award to Balfour Beatty, for the Park View Academy School's pre-construction agreement by £4,426, from £57,971 to £62,397