



Haringey Council

Agenda item:

PROCUREMENT COMMITTEE MEETING ON 25 NOVEMBER 2008

Report Title: Fire insurance works to Units 5 and 6 Leaside Industrial Estate, Garman Road, Tottenham, N17 0QU - Award of Contract.

Report of: Head of Corporate Property Services.

Wards(s) affected: Northumberland Park

Report for: Cabinet Procurement Committee

1. Purpose

1.1 To seek Members agreement to award the contract for repair works to Units 5 and 6 Leaside Industrial Estate, Garman Road, Tottenham, N17 0QU following fire damage to these properties on 24th December 2006.

2. Introduction by Cabinet Member (if necessary)

2.1 I concur with the recommendations of this report as set out in paragraph 3 and taking into account the comments of the CFO in paragraph 4 of the report. I also note the tender process in the attached appendix 1.

3. Recommendations

3.1 That Members agree to award the contract for the above project as allowed under Contract Standing Order [CSO] 11.03 to the contractor identified in Appendix 1 [1] of the report who submitted the lowest tender which is considered to provide the most benefit to the Council.

Report Authorised by: Director of Corporate Resources.

J. Parker 13/11/08.

Contact Officer: Oluyinka Awofisayo – Commercial Property Manager, 020 8489 3571

4. Chief Financial Officer Comments

The Chief Financial officer has been consulted on the contents of this report and confirms after discussion with the insurance team that the full cost of the reinstatement and refurbishment should be reimbursed to the Council following completion of the works. The estimated time that contractors will be on site to reinstate and refurbish the buildings is 16 weeks after which the units will be re-marketed. Based on current average rentals per m2 for this type of unit the expected annual rental income will be in the order of £57,000. Clearly the sooner the contract is in place and work commences, the sooner Property Services can begin to market the units.

5. Head of Legal Services Comments

- 5.1 In accordance with CSO 8.03 [e] tenders have been invited from contractors on the Council's Major Works Construction Framework Agreement which has been established in compliance with European procurement legislation.
- 5.2 It is recommended that the contract be awarded to the contract named in paragraph 1 of Appendix 1 on the basis of the lowest price which is considered to represent the Best value for money.
- 5.3 Under CSO 11.01[a] contracts can be awarded on the basis of the lowest price.
- 5.4 As the value of the contract is over £250,000 it may only be awarded by the Cabinet Procurement Committee.
- 5.5 The Head of legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in paragraph 3.1 of the report.

6. Head of Procurements Comments.

- 6.1 The selection of the contractors to complete using mini competition has been carried in accordance with the Major Works Framework Agreements for contractors.
- 6.2 The mini competition was undertaken with those contractors who are suitable to carry out the works based on lowest price.
- 6.3 The Head of Procurement therefore states that the recommendations in this report will result in overall best value for the Council.

7. Local Government (Access to Information) Act 1985

- 7.1 This report contains exempt and non-exempt information. The exempt information is contained in Appendix 1 of the report and in NOT FOR PUBLICATION.

7.2 Reason for exemption:

The exempt information is under the following category [identified in the amended Schedule 12A of the Local Government Act 1972].

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

8. Strategic Implications

8.1 The repair and refurbishment of the both the properties will provide employment for light industrial / warehouse use within the Borough.

9. Financial Implications

9.1 The funding for this project is available as result of insurance claim for the damage to the building. The Insurers will reimburse their contribution of the repairs subject to receipt of the final account and invoice.

10. Legal Implications

10.1 Please see Head of Legal Services comments at paragraph 5 above.

11. Equalities Implications

11.1 The companies invited to tender met the Council's criteria for Equalities in the tender process for the framework agreement from which they were selected.

11.2 The works have been procured under the framework agreement. The equalities Implications were assessed as part of the pre-qualifications process for the framework agreement.

12. Consultation

12.1 Consultation has taken place with all relevant parties including Construction Procurement Group, Legal Services, Chief Financial Officer and Insurance and Risk Management Section.

13. Background

13.1 The properties are situated on the Leaside Industrial Estate close to A 406 [North Circular Road]. There are 8 units on this estate. The site is a brown field site and is classed by the Environment Agency as a Zone 2 area, and therefore only at

risk of flooding in extreme situations.

13.2 The properties were fire damaged on 24th December 2006.

13.3 At the time of the fire unit 5 was let to Evin Limited, who had a lease of 8 years from 9th October 2001 and Unit 6 was vacant.

13.4 Contaminated materials were required to be removed. Environmental Applications are asbestos contractor appointed to remove the asbestos materials from the site along with all of the contaminated materials after the fire at the properties. This was undertaken in a controlled manner and sent to an authorised disposal station. The remaining asbestos removal will also be undertaken in a controlled manner and disposed of in accordance with the current Asbestos Regulations.

13.5 The planning application for the replacement of Unit 5 which is destroyed by fire and refurbishment of Unit 6 which is damaged by fire have been approved on 17th September 2008.

13.6 The detailed tender process is described in Appendix 1.

14. Conclusion

14.1 This report seeks the approval of Cabinet Procurement Committee for the award of the contract to the contractor named in Appendix 1 [point 1] for the price named in Appendix 1 [point 2].

15. Use of Appendices / Tables / Photographs

15.1 Appendix 1 – Exempt Information.