

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
TUESDAY, 25 NOVEMBER 2008**

Councillors: *Adje (Chair), *Bevan, *Meehan and *Santry.

*Present

| MINUTE NO. | SUBJECT/DECISION | ACTION BY |
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| PROC66. | <p>MINUTES (Agenda Item 4)</p> <p>RESOLVED:</p> <p>That the minutes of the meetings held on 16 and 28 October 2008 be approved and signed.</p> | HLDMS |
| PROC67. | <p>DRUG INTERVENTIONS PROGRAMME: CONTRACT AWARD 2009 – 2010 (Report of the Assistant Chief Executive (Policy, Performance, Partnerships and Communications) - Agenda Item 6)</p> <p>We noted that the Drug Interventions Programme contract had first been awarded to Crime Reduction Initiatives (CRI) in June 2006 and in considering the award for the period up to 31 March 2010 we asked that officers ensure that a further procurement exercise be undertaken for the purpose of the contract award after that period had expired.</p> <p>We also noted that the Home Office grant for the Drug Interventions Programme 2009/10 budgets had not yet been set and we asked that officers prepare a letter for signature by the Leader of the Council to Ministers requesting early notification of the grant available to the Drug Action Team.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.03 and subject to confirmation of the continuation of funding from the Home Office, approval be granted to the award of the contract for the Drugs Intervention Programme to Crime Reductions Initiatives (CRI) for the period 1 April 2009 – 31 March 2010.</p> | ACE-PPPC ACE-PPPC ACE-PPPC |
| PROC68. | <p>SOCIAL CARE SPOT CONTRACTS (1ST APRIL 2007 - 31ST MARCH 2008) (Report of the Director of Adult, Culture and Community Services - Agenda Item 7)</p> <p>We noted that while efforts were being made to maximise the use of block and framework contracts where this represented best value for the Council, officers were currently preparing to implement the Government's Personalisation Agenda by the required date of March 2011 which would have a direct impact on the Adult, Culture and Community Services Directorate's Commissioning Strategy and the use of block and spot contracts.</p> | |

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| | <p>We also noted that a like for like comparison was not possible for volume/cost of spot contracts for 2006/07 and 2007/08 because of a change in the way services were recorded on the electronic social care record (framework-i) in November 2007 but that similar services had been grouped together in the report for the purposes of comparison.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the report be noted and that a further update be provided to the Committee meeting on 28 April 2009.</p> | DACCS |
| PROC69. | <p>PREPARATION FOR PERSONALISATION - EXTENSION OF CONTRACTS (Report of the Director of Adult, Culture and Community Services - Agenda Item 8)</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the Government's Personalisation Agenda would involve the implementation of self-directed support and personal/individual budgets which would require a significant change to the way the Council currently provided Social Care Services to residents. A complex tendering exercise would be needed which would take at least 18 months to complete and for the purpose of the intervening period approval was sought to the provision of a framework which would allow the extension of those current care contracts deemed appropriate for extension for varying times, up to not later than 31 March 2011.</p> <p>With regard to the request that authority to extend some contracts be delegated to the Director of Adult, Culture and Community Services in consultation with the appropriate Cabinet Member we were of the view that details of the framework proposed should be agreed first by our Committee in order to ensure that in determining whether an extension to each contract should be offered consideration should be given to whether the existing contract provided a value for money service, and whether negotiations with providers could lead to cost efficiencies during the extended term.</p> <p>It having been pointed out that the contract with Twinglobe Care for the provision of Nursing & Dementia Care (Aspray House) was due to expire on 31 December 2008 we</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That authority to extend the contract with Twinglobe Care be delegated the Director of Adult, Culture and Community Services, in consultation with our Chair on consideration of a further report. 2. That, subject to 1 above, consideration of the extension of the | <p>DACCS</p> <p>DACCS</p> |

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| | <p>contracts/agreements listed in the Appendix to the interleaved report be deferred to enable officers to report further to a meeting of our Committee to be arranged in January 2009 on the proposed framework.</p> | |
| <p>PROC70.</p> | <p>NUISANCE VEHICLE CONTRACT (Report of the Director of Urban Environment – Agenda Item 9)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because there was a need to ensure adequate compliance with the Cabinet Member for Environment’s initial reservations was being actively pursued and reflected in the contents of the reports. The report was too urgent to await the next meeting because the existing contractual arrangements ended on 31 March 2009 and the next Procurement Committee meeting not scheduled until February 2009.</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>Concern was expressed that only one bid had been submitted and that the contract had been tendered for five years. Further, that although the proposed contractor intended to use the existing pound site in the Haringey Heartlands redevelopment area and their landlord was prepared to extend their lease, there was a possibility that the site might be required for development in three years time.</p> <p>We noted that the contract had been tendered for five years to ensure that it would be financially viable for the successful contractor to be able to recover the initial set-up costs. The value of the tender meant that it was subject to full EU rules and Public Contract Regulations. Although three contractors had initially expressed an interest only one bid had been submitted by the closing date. It was considered that the poor return had been due mainly to the requirement that the contractor provide a suitable pound within the Borough. We were informed that there was a general lack of suitable pound sites across London and that it was a fundamental requirement that the pound site was accessible and within close proximity of public transport facilities.</p> <p>Reference was made to the recent Benefits and Local Taxation (BLT) Bill Printing contract award when the initial duration of the contract had been changed after the advertisement had closed. Clarification having been sought of whether a similar approach could be adopted in respect of this contract, officers advised that whereas the BLT Bill Printing contract had involved the use of an OGC Framework this contract had not been progressed on that basis and any variation in its duration would need to be negotiated with the successful bidder.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.03 | |

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| | <p>approval be granted to the award of a contract to Ontime for the removal and disposal of nuisance vehicles, including the provision of a vehicle pound, pound management services and the provision of operators and drivers for the Mobile CCTV Smart Cars on the terms and conditions set out in the Appendix to the interleaved report.</p> <p>2. That, with regard to the duration of the contract and having regard to the concerns expressed, officers negotiate with Ontime on the basis of a three year contract with an extension for a further two years with strengthened break clauses relating to satisfactory performance and the continuing availability of an appropriate pound site.</p> <p>3. That Members of the Committee be advised of the outcome of the contract drafting / agreement referred to in 2 above.</p> | <p>DUE</p> <p>DUE</p> <p>DUE</p> |
| <p>PROC71.</p> | <p>HORNSEY TOWN HALL - PROCUREMENT OF DESIGN TEAM AND PLANNING WORK (Report of the Director of Corporate Resources - Agenda Item 10)</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the project contained a number of inherent risks due to the two elements of refurbishment and development the greatest relating to the funding of the project as the property market was falling away. The project was dependent on finding a developer partner in 2009 with a view to having a development agreement in place by the end of 2009 with an initial capital receipt forecast in 2010. The timing of capital receipts would depend on the development agreement with a development partner the details of which would be influenced by the state of the property market. A contractual commitment for the full extent of the construction works would not be made until the contract for the sale of the land had been exchanged and/or there was a degree of certainty over the amount of receipts available from the development agreement.</p> <p>We also noted that in order to mitigate this risk it was proposed to review the project and appointment at RIBA Stage D in the process by which time there should be sufficient information and clarity on the elements relating to the funding and timing issues. In addition, the contract with Capita Symonds would include the option to stop the project at any time.</p> <p>RESOLVED:</p> <p>1. That in accordance with Contract Standing Order 11.03 approval be granted to the appointment of Capita Symonds as project manager and design team lead for the Hornsey Town Hall project up to RIBA Stage L on the terms and conditions set out in the</p> | <p>DCS</p> |

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| | <p>Appendix to the interleaved report.</p> <p>2. That the appointment of John McAslan & Partners as architect by Capita Symonds be noted.</p> | |
| PROC72. | <p>FIRE INSURANCE WORKS TO UNITS 5 AND 6 LEESIDE INDUSTRIAL ESTATE GARMAN ROAD N17 - AWARD OF CONTRACT (Report of the Director of Corporate Resources - Agenda Item 11)</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>RESOLVED:</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for repair works following fire damage to Units 5 and 6 of Leaside Industrial Estate, Garman Road N17 to Hutton Construction on the terms and conditions set out in the Appendix to the interleaved report.</p> | DCS |
| PROC73. | <p>STRATEGY FOR THE PROCUREMENT OF CONSTRUCTION CONTRACTORS FOR COUNCIL CONSTRUCTION PROJECTS (Report of the Director of Corporate Resources - Agenda Item 12)</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the Strategy proposed supported the Council's Sustainable Community Strategy by aiming to provide opportunities for apprenticeships through the arrangements with larger contractors and that a clause would be included to this effect for major projects. We also noted that it was the aim to put into place arrangements to attract and appoint small minority ethnic businesses. We asked that these proposals be included in a briefing note to be supplied to Members of the Committee before the revised limits to the Framework Agreement were advertised.</p> <p>RESOLVED:</p> <p>That the strategy for the procurement of construction contractors for Council construction projects as detailed in the interleaved report be agreed.</p> | DCR |
| PROC74. | <p>REVIEW OF CONTRACT STANDING ORDERS (Report of the Director of Corporate Resources - Agenda Item 13)</p> <p>Concern was expressed that paragraph 7 of the Statement of Principles</p> | |

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| | <p>that 'Directors shall ensure that the Cabinet, Cabinet Procurement Committee or appropriate Member of the Cabinet or Cabinet Procurement Committee is consulted on any procurement activity of a controversial nature' called for a subjective judgement on the part of officers and needed to be clarified. Early discussion with the Cabinet portfolio holder to check for any sensitivity would be advisable.</p> <p>Proposed Contract Standing Order 3.01 and 3.01n) needed to be strengthened further so as to make it clear that at the point at which any contract was awarded the Director responsible was identified and this was recorded in the Contracts Register.</p> <p>Concern was also expressed that the proposed wording of paragraph f) in Contract Standing Order 8.04 viz - 'single tender where the product and/or support is for a proprietary product, software or service which, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular contractor. Where applicable, this must be compliant with the Public Contract Regulations 2006. Where this procedure is used, an advertisement is not required' needed to be strengthened to avoid giving the impression that Directors had authority to purchase IT services and software without having first consulted the Council's Corporate IT Service.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, subject to the forgoing alterations, approval be granted to the proposed amendments of the Council's Contract Standing Orders as set out in the Appendix to the interleaved report. 2. That the Constitution Working Group be requested to recommend the Council to adopt the proposed amendments. | DCR |
| PROC75. | <p>WOOD GREEN DECENT HOMES PROGRAMME 2008/09 - PHASE WG6 - 20-108 PARKLANDS N22 (Report of the Director of Urban Environment – Agenda Item 14)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because there was a need to ensure adequate compliance with the Cabinet Member for Housing's initial reservations was being actively pursued and reflected in the contents of the reports. The report was too urgent to await the next meeting because the proposed contract award was programmed to go on site in early January, whereas the next Procurement Committee meeting was not scheduled until early February 2009. Inability to secure requisite approval for this contract might expose the Council to additional expense due to delayed works, as the respective contractors were already on site pursuant to the overall decent homes programme delivery.</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular</p> | |

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| | <p>person.</p> <p>In response to a question about the lifecycle costings it was confirmed that a 35 year costing cycle for roofs was not an unusual period to make reasonable assumptions regarding maintenance and inflation.</p> <p>We were informed that there was a British Standard on Standardised Method of Life Cycle Costing and also a Sustainability Procurement Manager in post and we asked that sustainability comments in all future Decent Homes Programme reports including on the question of flat/pitched roofs be endorsed by that Manager.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the Phase 6 of the Wood Green Decent Homes Programme (20 – 108 even Parklands Road N22) to Mulalley & Company Ltd. on the terms and conditions set out in the Appendix to the interleaved report.</p> | DUE |
| <p>PROC76.</p> | <p>SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2008/09 - PHASE ST12 (Report of the Director of Urban Environment – Agenda Item 15)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because there was a need to ensure adequate compliance with the Cabinet Member for Housing’s initial reservations was being actively pursued and reflected in the contents of the reports. The report was too urgent to await the next meeting because the proposed contract award was programmed to go on site in early January, whereas the next Procurement Committee meeting was not scheduled until early February 2009. Inability to secure requisite approval for this contract might expose the Council to additional expense due to delayed works, as the respective contractors were already on site pursuant to the overall decent homes programme delivery.</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the Phase 12 of the South Tottenham Decent Homes Programme (2 – 48 and 31 – 61 odd Templeton Road N15) to Apollo Group Ltd. on the terms and conditions set out in the Appendix to the interleaved report.</p> | DUE |
| <p>PROC77.</p> | <p>BUILDING SCHOOLS FOR THE FUTURE (BSF); AWARD OF CONTRACT FOR HEARTLANDS HIGH SCHOOL (Agenda Item 16)</p> | |

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| | <p>We noted that this item had been withdrawn.</p> | |
| <p>PROC78.</p> | <p>BUILDING SCHOOLS FOR THE FUTURE (BSF); AWARD OF CONTRACT FOR NORTHUMBERLAND PARK AND THE VALE SCHOOL (Report of the Director of the Children and Young People's Service – Agenda Item 17)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of the need to confirm funding certainty. The report was too urgent to await the next meeting because approval of the recommendations contained in the report was necessary to ensure completion of the main design and build works by the programme date of 30 April 2009.</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We were informed that the Building Schools for the Future (BSF) Programme team had recently met with our Chair and had outlined a proposed approach regarding BSF Project Contingency. Our Chair had asked for certain points to be clarified and we were advised that in summary, Members of our Procurement Committee could have confidence that the proposed approach to the allocation of contingency within the programme and at a project level was considered to be good practice including by the Council's Legal Service and Internal Audit Service both of whom had been consulted and supported the proposals. We asked that the protocol be included in an exempt Appendix to future BSF contract awards, as necessary.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to Agreed Maximum Price specified in the Appendix to the interleaved report and to the award of the contract for the main works and design build to Apollo London Ltd. on the terms and conditions set out in that Appendix.</p> | <p>DCYPS</p> |
| <p>PROC79.</p> | <p>PROVISION OF CONSULTANCY SERVICES FOR BSF - PROGRAMME DIRECTOR (Report of the Director of the Children and Young People's Service – Agenda Item 18)</p> <p>The Appendices to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that since the submission of the report there had been further discussions and it was now proposed to amend the recommendation 3.2. In order to comply fully with procurement rules, it was proposed to commence a tender process applicable to a post of this value compliant</p> | |

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| | <p>with the Public Contract Regulations 2006, which would seek the appointment to deliver Programme Director services.</p> <p>We also noted that the number of candidates available to manage such a complex programme was at any time extremely limited as evidenced by the two rounds of recruitment which had failed to produce a suitable appointee for a permanent Programme Director for BSF and for other Children and Young People Services capital programmes and that in the meantime the current Programme Director had agreed to continue in post and to take on the extended responsibilities. It was now proposed to retain the services of the existing Programme Director while this further tender process was conducted and it was considered to be in the best interests of the Council to simultaneously begin negotiations about the possible extension of his contract through to the commencement of the main construction phase, up to the end of May 2009.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That a tendering process, compliant with the Public Contract Regulations 2006, be conducted to seek the appointment of a Programme Director for BSF and other Children and Young People Services capital programmes. 2. That, pending the outcome of the tendering process in 1 above and subject to clarification of the legal advice, approval be granted to a waiver of Contract Standing Order 6.05 (Requirement to Tender) in order to enable negotiations to be commenced regarding the extension of the contract of the current Programme Director of the BSF and Capital Programme (Gordon Smith Tailor Made Solutions Ltd.) up to the end of May 2009 on the terms and conditions set out in the Appendix to the interleaved report. | <p>DCYPS</p> <p>DCYPS</p> |
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CHARLES ADJE
Chair