



Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee

On 28 April 2009

Report Title. Removal and Relocation of Office Furniture contract – Extension of contract

Report of **Julie Parker, Director of Corporate Services**

Signed : *J. Parker 15/4/09*

Contact Officer : Martin Cable, Accommodation Strategy manager, Tel. 0208 489 2625

Wards(s) affected: Not applicable

Report for: Non-key decision

1. Purpose of the report

1.1. To seek Member approval to extend the current contract (expires 2nd May 2009) by 12 months as allowed for within the contract.

2. Introduction by Cabinet Member (if necessary)

2.1. The current contract allows for two one year extensions and officers are satisfied with the current provider of this service and wish to renew/extend for a further year whilst procurement action is planned for the remaining year. I concur with this approach for a one year extension whilst re-tendering takes place.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. The Removal and Relocation of Office Furniture contract is an element of the SMART working implementation programme.

4. Recommendations

4.1. To extend the existing contract for Removal and Relocation of Office Furniture by 12 months.

5. Reason for recommendation(s)

5.1. The contractor's performance in undertaking the current contract has been assessed at two stages during the project. Users across Directorates responded to a feedback questionnaire regarding their performance.

The responses can be summarised in an overall assessment score as follows:

2006: Average of 4.6 out of 5 (92% satisfaction level)

2009: Average of 4.7 out of 5 (94% satisfaction level)

The contract will continue to be monitored through user feedback during the extension period.

5.2. The original cost rates from the 2004 contract will be extended to the extra year. A survey of rates from other contractors (Appendix A) shows that the rate is competitive, offering value for money.

5.3 The level of satisfaction provided by the contractor and the cost rates are considered to provide value for money and grounds for an extension of the contract by one year.

6. Other options considered

6.1. The contract could be re-tendered for the next year. This was not considered to be in the best interest of the Council due to the standard of performance achieved and the cost rates of the existing contractor.

7. Summary

7.1. The contract for Removal and Relocation of Office Furniture was set up with an option for a year's extension up to a maximum of two years. This report relates to an extension of the first year option.

7.2 Due to the level of satisfaction provided by the contractor and that the contract is considered to offer value for money, the report recommends that a one year extension is agreed.

7.3 It is planned to re-tender the contract for beyond this one year extension.

8. Chief Financial Officer Comments

8.1. The Chief Financial Officer has been consulted over the contents of this report and concurs with the recommendation.

9. Head of Legal Services Comments

- 9.1. The original contract was tendered in 2003 in the OJEC as it was above the threshold. Restricted tendering was used in compliance with Public Services Regulations 1993.
- 9.2. The said contract, and an option to extend it for a further two years, was approved by Members in 2004. This option to extend was included in the said contract with the Contractor. It is this extension, for one year, that the report recommends.
- 9.3. The value of the recommended extension exceeds £250, 000 and must therefore be approved by members in accordance with CSO 11.03 and 13.02.
- 9.4. The Head of Legal Services confirms that there is no legal reason preventing members from approving the recommendations under clause 4 of this report.

10. Head of Procurement Comments

- 10.1. The recommendation that the contract extension be agreed is in line with the Procurement Code of Practice
- 10.2. The market research that has been undertaken as shown in appendix A shows that the extension to the current contract still represents value for money to the Council
- 10.3. Ongoing customer feedback will ensure that any problems within the contract are identified and can be addressed.

11. Equalities & Community Cohesion Comments

- 11.1. No known implications.

12. Consultation

- 12.1. Users of the contract across Directorates have been consulted on the performance of the contractor during the period of the contract (see para. 5).

13. Service Financial Comments

- 13.1. Based on spend over the previous two years and projected work over the next year a spend in the region of £290,000 over the next year is estimated.
- 13.2. Services' use of this contract will depend on their budget availability at time of ordering.

14. Use of appendices /Tables and photographs

14.1. Appendix A – Exempt items.

15. Local Government (Access to Information) Act 1985

15.1. Report to Procurement Committee, 23rd March 2004 entitled, Award of Contracts for Removal & Storage of Resident's Possessions and the Removal and Relocation of Office Furniture.