



Agenda item:

[No.]

Cabinet Procurement Committee

On 28 April 2009

Report Title. Accommodation Strategy – Office Refurbishment

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: Key decision

1. Purpose of the report

1.1. To seek Member approval for the award of the contract for the refurbishment of the former tenants' floors of River Park House.

2. Introduction by Cabinet Member

2.1. Award of this contract will enable the continuation of the SMART working programme and complies with Council's call-off framework arrangements.

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

3.1. The SMART working project is part of the Haringey Forward initiative. The refurbishment of these floors will maximise their occupation leading to the disposal of other buildings as agreed under the SMART working accommodation strategy.

4. Recommendations

4.1. That Members agree to award the contract at the agreed maximum price for the refurbishment of the former tenants' floors at River Park House in accordance with Contract Standing Order 11.03 to the contractor named in Appendix A.

5. Reason for recommendation(s)

- 5.1. The tender submitted under the call-off arrangement from the Council's Framework Arrangement for major construction work has been assessed as giving value for money.

Background

- 5.2. The refurbishment of the floors will provide flexible work spaces that will both increase occupancy and improve working conditions. It will involve the replacement of the suspended ceiling and integral lighting to meet current regulations, connection to the Council's IT network, provision of refreshment making facilities and the removal of partitioning and general decoration. The layout will closely match the floors previously refurbished in River Park House taking into account improvements to the original specification.
- 5.3. The Construction Procurement Group has in place a number of Framework Agreements available for the appointment of contractors. A list of suitable contractors was identified from this Framework within the band £250,000 to £999,999.
- 5.4. In line with the management arrangements for the Framework Agreements, a panel is required to jointly consider the appointment of any contractor from the framework. The project panel met in November 2008 and a single contractor was selected under the call-off arrangement with the panel consisting of the Project Manager (Corporate Resources) and Construction Procurement Group (CPG).
- 5.5. The Construction Procurement Group has developed a rigorous selection process for the selection of contractors from the Framework. This process has been agreed by audit. It includes such factors as price and quality, health and safety performance, financial status, ranking under the original framework agreement evaluation process and the client's essential project criteria.
- 5.6. The selected contractor was requested to tender for the works. The tender documentation was returned to the CPG offices on Friday 13th February 2009.

Sustainability

- 5.7. The resultant increased occupancy will contribute to the disposal of buildings agreed under the accommodation plan to reduce operating costs and the carbon footprint of the office accommodation portfolio.

- 5.8. The life cycle costing exercise has been completed and is currently under review.
- 5.9. The use of part re-cycled (60%) carpeting is being considered for the first time in the office portfolio. Disposal of materials will be carried out in line with regulations (e.g. WEEE) and good practice.

6. Other options considered

- 6.1. The re-use of the space without refurbishment was considered. However the areas have been specifically designed and constructed by the former tenants with public reception facilities and partitioning of the floor neither of which are required by the council. The SMART working initiative includes the improvement of the working environment and the adoption of open plan work areas to maximise occupancy. Not to refurbish the floors would therefore limit occupancy and not provide an improved working environment and is therefore not considered to be in the best interest of the council.

7. Summary

- 7.1. The work to refurbish the former tenants' floors at River Park House has been specified and tendered using the contractor framework call-off procedure. The tender has been assessed by the council's consultant surveyors and recommended for acceptance at the agreed maximum price.
- 7.2. The contract will be performance managed by the council's consultant surveyors.

8. Chief Financial Officer Comments

- 8.1. The Chief Financial Officer confirms that the proposed tender price is in line with the overall budget projections for this part of the Accommodation Strategy. Award of this contract will enable the on-going delivery of the smart working programme and facilitate release of planned efficiency savings.

9. Head of Legal Services Comments

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for the refurbishment of the former tenants' floors at River Park House in accordance with Contract Standing Order 11.03 to the contractor named in Appendix A
- 9.2 The Framework Agreement for Major Construction Works- Value £250,000-£999,999 was previously agreed by Procurement Committee
- 9.3 The contractor named in 2.1 of Appendix A to this report was appointed to the

Framework Agreement.

9.4 The Report (at paragraph 5) confirms that the selection of the proposed contractor was carried out in accordance with the process agreed by Audit for selection of Contractors from the Framework.

9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Cabinet, in accordance with CSO 11.3.

9.7 As the value of the contract is above the Council's Key Decision threshold of £500,000, details of this contract have to be included in the Forward Plan in accordance with CSO 11.04

9.8 The Head of Legal Services confirms that, there are no legal reasons preventing Members from approving the recommendation as to the award, as set out in Paragraph 4 of this report.

10. Head of Procurement Comments

10.1 The selection of the contractor for these works has been undertaken from the Major Contractors frameworks as a call off for works between £250,000 and £999,999 contractor framework to enable early engagement of the contractor to work with the Client for the works. The Contractor has also carried out similar works in Alexandra House.

10.2 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed within the framework agreement.

10.3 Whole Life Costs have been considered within the project and the calculations are currently under review.

10.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

11. Equalities & Community Cohesion Comments

11.1 The Council's Equal Opportunity policies have been embedded into the tender specification and contractor's policies and procedures have been reviewed during the pre-qualification stages for compliance with Haringey's standards.

11.2 An assessment of any impact on equalities has been carried out and amendments to the design of the floor compared to previously completed floors has been incorporated. This includes the provision of more accessible common facilities for those with disabilities.

12. Consultation

- 12.1. The council's trade union representatives were consulted on the original design for the River Park House floors and have been consulted recently on the generic design being rolled out across all buildings which this floor design reflects.

13. Service Financial Comments

- 13.1. The budget for this work is held within the Accommodation Strategy budget agreed by Cabinet on 14th October 2008.

14. Use of appendices /Tables and photographs

- 14.1. Appendix A – Exempt items.

15. Local Government (Access to Information) Act 1985

- 15.1. Framework Agreement for construction works, January 2006.
- 15.2. This report contains exempt and non-exempt information. Exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972). S(3) Information relating to financial or business affairs of any particular person (including the authority holding that information). Exempt information is, however, held in the appendix to this report (Appendix A).