



Haringey Council

Agenda item:

[No.]

**PROCUREMENT COMMITTEE**

On 28th April 2009

Report Title.

**Programme Management Consultant to the Building Schools for the Future Programme**

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

Signed : 

Contact Officer :

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Wards(s) affected: **N/A**

Report for: **Key Decision**

**1. Purpose of the report**

- 1.1. To seek approval to "call-off" a contract with the supplier detailed in Appendix 1 of this report at section 16.1 to provide programme management delivery and support in the BSF and Primary Capital and related programmes until October 2010, under the terms of the OGC Consultancy Services Framework agreement.
- 1.2. To note, in respect of the transfer of functions occupied by consultants to Council staff that CEMB are looking at programme management across the Council and how this is supported within the Directorates. It is assumed that an ongoing programme support function smaller than the present one will be required within the CYPS department to support other capital and change programmes and as such these posts should be filled by the recruitment of permanent staff. This would require the transition of up to three posts currently filled by contractor and consultant resource

to convert to permanent positions. The need for additional temporary resource providing programme support during the BSF works would drop away by the second half of 2010. The scope of this requirement will be defined in discussions with the Director of CYPS and the Chief Executive as sponsor of the BSF programme

## **2. Introduction by Cabinet Member (if necessary)**

- 2.1. We are at a critical stage of the BSF programme and continuity of good quality programme support is essential. I believe that these recommendations are the best way of achieving that support.
- 2.2. It is important to note that the scope of the arrangement is to be kept under review in the light of the requirements at later stages of the programme.

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

- 3.1. The BSF Programme seeks to work with Council Priorities and strategies when letting construction contracts for projects at Haringey secondary schools and in implementing, for instance, the sustainability and community focus aspects of its work
- 3.2. Resources VFM - The proposal uses discounted rates recently negotiated by the Head of Corporate Procurement which are reported in his report on this agenda
- 3.3. Risk Management – Risks within the BSF programme are managed through comprehensive programme management arrangements previously reported to the Committee and involving monthly highlight reports to the BSF Board.
- 3.4. Management of the risks within the operation of the supplier arrangement (detailed in Appendix, Section 16.1) will be managed under the governance arrangements negotiations by the Head of Corporate Procurement. These include six weekly meetings with the Programme Director and quarterly meetings with the Head of Corporate Procurement and Deputy Director of CYPS

The main risks are:

- Exceeding the authorised spending limit. This will be monitored in the above meetings
- The present proposal is base on deploying resources to manage current planned and assumed requirements. Ensuring that the scope to be delivered is able to flex to respond to the challenges thrown up by a large Capital Programme whilst sustaining the substantial continuous routines involved in managing and reporting will be a continuing risk. This will also be monitored in the above meetings and on a day to day basis by the Programme Director.
- Not achieving the hand over to staff would involve a considerable performance and budget risk to the Council. This is a two way process and will present a challenge to Council management to overcome the availability of appropriate staff on time

#### **4. Recommendations**

- 4.1. To approve the continued use of the supplier (detailed in Appendix 1, Section 16.1) for the provision of programme management support to the BSF, Primary and other CYPS Capital programmes, on the terms of OGC Consulting Services Framework Agreement. To approve the proposed arrangement under which the transfer to staff on the remaining of the programme support function will be defined and completed during the second half of 2010. (paragraph 1.2 refers)
- 4.2. To note that to protect the continuity of work on the programme, the use of the present programme support staff be continued from April 2009 until October 2010.

#### **5. Reason for recommendation(s)**

##### 5.1. Previous reports have:

- Outlined the reasons for using project management consultants
- Reported on progress on transferring the function to council staff
- Reported that the current contract was due to expire at 31<sup>st</sup> March 2009
- Described the advantage gained by using the BSF Programme Support Office to help manage the Capital Programme

5.2. In line with the newly agreed framework arrangements a proposal has been sought from the supplier (detailed in Appendix 1, Section 16.1), whose scope is to provide the following programme support to BSF and other CYPS Capital Programmes, including the running of the Programme Support Office and the transitioning of that function

5.3. The resources required and overall projected cost are summarised in the table presented in Appendix 1, Section 16.1 of this report.

5.4. Health and Safety implications. Not applicable

#### **6. Other options considered**

6.1. An open market procurement exercise was considered but then discounted since the OGC have established competitively priced pre-negotiated framework call-off arrangements that are accessible by any public sector body. It is therefore not necessary in this case for the Council to manage a procurement exercise

6.2. The OGC framework contains a list of consultancy firms, which were evaluated and from which the supplier (detailed in Section 16.1) were selected, for major project and programme management

6.3. The programmes mentioned are key to the borough of Haringey and it would not be in the Council's interest, especially at this critical stage of BSF to consider using an alternative firm of consultants

## **7. Summary**

- 7.1. This report recommends the means of programme managing the Capital Programme in CYPS, which during the currency of the work with the future FM and life cycle maintenance of those schools and other Capital Programmes. It also proposes how the function should be transitioned to staff.

## **8. Chief Financial Officer Comments**

- 8.1. The two related reports before the Procurement Committee today firstly seek to continue the 'call-off' arrangements for QEDIS under the OGC framework agreement and then (in this report) seeks approval to an extension specifically in respect of the BSF programme at an estimated cost of £994,000.
- 8.2. Section 12 of this reports sets out the various reports that have been considered and approved by the Cabinet Procurement Committee in respect of extensions to the contract with QEDIS. Together with this further extension the total sum approved on project management services amounts to around £2.8m.
- 8.3. Because of the nature of the Haringey BSF programme, i.e. the fact that it is not being delivered by way of a Local Education Partnership (LEP) it is difficult to establish whether this is comparable with other BSF projects. However, the BSF team has confirmed that Partnership for Schools (PfS) the government appointed body overseeing the delivery of BSF projects have not raised concerns in respect of the sums being spent in this area and, as the report states, the overall costs of the programme of £212m covering both works and fees, it is affordable within the approved budget provision.
- 8.4. The continued use of QEDIS for programme management consultancy services at this stage of the BSF programme is supported considering the potential delivery risks at this stage and the Head of Procurement confirms that it continues to provide value for money within the prescribed procurement framework.

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

- 9.1. The Director of Children and Young People's Services seeks approval for a call-off arrangement under the Office of Government Commerce Buying Solutions (OGCBS) Framework Agreement.
- 9.2. The OGCBS Framework Agreement has been tendered in Europe in accordance with the Public Contracts Regulations 2006.
- 9.3. The value of the contract is over £500,000 and therefore is a "key decision". There is a requirement under CSO 11.04 to include details of key decisions in the Forward Plan. The Director has confirmed that this has taken place.
- 9.4. The Procurement Committee has power under CSO 11.03 to approve the call-off

arrangement.

9.5. The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations at paragraph 4 of this report.

#### **10. Head of Procurement Comments**

10.1. Tribal/Qedis have effectively provided programme management consultancy services to Haringey Council, in support of the very demanding and complex BSF Programme.

10.2. The initial contract stage with Tribal/ Qedis was to March 2009, and this was approved by Members. This arrangement has now been reviewed for continued value for money and tested against other consultancy rates.

10.3. The Head of Procurement confirms that a renewed contract with Tribal/Qedis is in the Council's overall best interests and offers continued value for money to the CYPS Capital Programme (which includes BSF).

#### **11. Equalities & Community Cohesion Comments**

11.1. OGCbs places a strong emphasis on ensuring equalities as part of the assessment of suppliers onto its frameworks. This includes compliance with the OGCbs Equalities Scheme and Social Issues in Purchasing policy. Additionally, the BSF programme has used the Council's agreed procurement processes to in appointing contractors to each part of the programme – including how equalities issues are managed in their respective businesses.

#### **12. Consultation**

12.1. Cabinet Procurement Committee had, at its meeting of 17<sup>th</sup> May 2007 approved the appointment of the Tribal Group ("Tribal") for the provision of Consultancy services to the BSF Programme, subject to the value of the contract with Tribal not exceeding £1,319,625.

12.2. Cabinet Procurement Committee had, at its meeting of 30<sup>th</sup> Sep 2008 considered the existing contract with the Tribal Group for the provision of consultancy services and agreed it be extended by a total of £499,200 (made up of two tranches: £328,200 for September to December 2008, and £171,000 for January to March 2009) enabling provision of services to continue support for the BSF Programme and transfer skills to council staff

12.3. BSF presented an information report to Cabinet Procurement Committee, at its meeting of 3<sup>rd</sup> Mar 2009 following the extension of the contract, approved by the Lead Member for Children & Young People's Service (CYPS), the Chief Executive and the Director of Corporate Resources, acting under authority given to them by the Procurement Committee on 30<sup>th</sup> September 2008.

### **13. Service Financial Comments**

13.1. Section 16.1.3 details the sum budgeted for the integrated the Primary and BSF Capital programme teams. Review of the overall cost of resources required indicates that the proposed cost detailed in Section 16.1.3 can be accommodated within the budget.

13.2. In the unlikely circumstances that funding streams supporting the BSF and Primary Capital programmes should be withdrawn, the requirement for programme resources would need to be reviewed to ensure that costs and funding were balanced. At this time, BSF has achieved financial close on its funding streams subject to delivery of projects within agreed cost, scope and quality, and Primary Capital Funding has received outline approval for funding in 2009/10 and 2010/11

13.3. The proposal in this report is therefore fully funded at this time, subject to the ongoing requirement for costs to be adjusted in the unlikely circumstances that overall funding streams do reduce for any reason

### **14. Use of appendices /Tables and photographs**

14.1. Not Applicable

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

15.1. **The following documents were used in the compilation of this report:**

- The Council's Standing Orders As previous report, plus:
- Consulting Services Framework Agreement
- Supplier proposal for support to BSF and Primary Programme