


PROCUREMENT COMMITTEE		On 28th July 2009
Report Title.		
Building Schools for the Future: Award of Contract for Clerk of Works		
Report authorised by : Director of the Children & Young People's Service		
Signature : 		
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Wards(s) affected: Various	Report for: Key Decision	
1. Purpose of the report		
1.1 To seek Procurement Committee approval to award the Building Schools for the Future contract for Clerk of Works on the first seven schools and a separate Clerk of Works Contract for the final five schools.		
2. Introduction by Cabinet Member		
2.1 It is essential that we have an identified Clerk of Works for each school within the programme. Although there was a misunderstanding about the need for Committee approval before the commissioning of Homes for Haringey I am satisfied that the relevant procurement procedures have now been followed and am happy to support the recommendations.		
3. State link(s) with Council Plan Priorities and actions and /or other Strategies:		
3.1 Council Priorities		
3.1.1 Making Haringey one of London's Greenest Boroughs		
3.1.1.1. The Clerk of Works services will support the Building Schools for the future programme which exhibits a number of sustainability features. The Clerk Of Works will ensure that the appointed Construction Partners are working in accordance with the Council's policies and the Councils Requirements for each individual project. This		

will ensure the projects achieve their BREEAM and renewables targets.

3.1.2 Creating a Better Haringey: Cleaner, Greener and Safer

3.1.2.1. The Clerk of Works will identify areas for improvement in the Construction Partners method of working so that work is conducted in a sustainable manner.

3.1.3 Encouraging Lifetime Well Being, at Home, Work, Play and Learning

3.1.3.1. The BSF programme will contribute to the transformation in outcomes for young people in Haringey by improving the learning environment, providing anywhere/anytime access to ICT, increasing inclusion and providing a wider range of pathways of study.

3.1.3.2. The BSF programme will improve access to extended services in and around schools and contribute to improving community cohesion. Examples include access to out of hours study support for children and families, sports and the arts. This project is proposing a new hall which could potentially be used for community use out of hours.

3.1.4 Promoting independent living while supporting adults and children when needed

3.1.4.1. The BSF Construction Partners have undertaken to implement, wherever possible, the Council's policies in respect of employing local labour, and creating apprenticeships for local people.

3.1.5 Delivering Excellent, Customer Focussed, Cost Effective Services

3.1.5.1. Key to the success of the BSF programme is high quality finished school spaces to improve standards within schools. The Clerk of Works role will ensure that work carried out by the Construction Partners is consistent with the standards expected by the Council.

3.2 Council Strategies

3.2.1 Safer for All

3.2.1.1. In all our work we will pay particular attention to:

- Young people and crime
- Mental health issues
- Support for victims and witnesses of crime
- Working with and through communities (Community Engagement)

Resources

3.2.2 Value for Money

3.2.2.1. Overall Value for money is achieved by the procurement methodology to prove the economy, efficiency and effectiveness of each tender. Two bids were received for the role of the Clerk of Works, one from the Consultants for Construction Works Framework and the other an internal team of the Council. It is recommended within this report that the most economically advantageous bid is approved for

appointment by Procurement Committee.

3.2.2.2. The procurement process allowed the bidders to bid for, and be evaluated on the Clerk of Works role for the construction work of all 12 of the school projects within the BSF Programme.

3.2.3 Engagement of the Community

3.2.3.1. The designs of the projects have been made available prior to the construction stage. These initiatives will continue through the construction period.

3.2.4 Risk Management

3.2.4.1. Risks are managed within the governance of the BSF programme. This includes Stream Lead meetings and reporting to the Programme Board. The projects are managed within Prince 2 methodology and Managing Successful Programmes. Procurements are managed to European Legislation and advice is taken from legal advisers to ensure compliance. A BSF Project Management Assurance Audit (undertaken by Deloitte & Touche Public Sector Internal Audit Limited) was completed in January 2009 and gave an overall programme rating of 'Substantial Assurance'.

3.2.4.2. The Clerk of Works' are members of the Institute of Clerk of Works, which is a professional body that supports quality construction through inspection and has an approved code of conduct.

4. Recommendations

4.1 That the Procurement Committee awards a Clerk of Works contract, with a value set out in Appendix 16.1 for the duration of the Building Schools for the Future programme, for the first seven BSF schools.

4.2 That the Procurement Committee awards a Clerk of Works contract, with a value set out in Appendix 16.1 for the duration of the Building Schools for the Future programme, for the last five BSF schools.

5. Reason for recommendation(s)

5.1 The Building Schools for the Future (BSF) Programme requires that a Clerk of Works role is undertaken to ensure that the quality of construction work on each of the twelve sites is monitored regularly.

5.2 The budget for the Clerk of Works is held at programme level and an original programme budget was set aside for the COW role.

5.3 Quotes were requested from the one consultant on Haringey's Clerk of Works framework (EU compliant) and an internal organisation, to provide costs for undertaking the Clerk of Works role across the 12 schools in the programme.

5.4 The quotes received were above the identified programme budget. Having regard to the programme and the scope of works the bid was split into two lots: Lot 1 being

the first seven schools on the programme and Lot 2 being the other five schools. The lots were apportioned considering the contractor start on site dates for the schools in the programme.

5.5 It was agreed at programme level that the full Clerk of Works role would be needed to ensure the service was of value.

5.6 This report is asking for retrospective approval for two reasons:

- It was assumed by the BSF Programme that Procurement Committee approval, should Lot 1 be won by an internal team, would not be required, but Corporate Procurement have advised that in this instance, both lots should be reported to Committee for transparency as a whole.
- Establishing whether the quotes for the COWs could be reduced to match the budget allocated at programme level and the subsequent approval of an increased budget took longer than anticipated.

5.7 Apologies are tendered by the BSF team that these events led to this report being retrospective.

5.8 For reasons of urgency and whilst ongoing fee and budget discussions were undertaken, works commenced on the earliest of the first seven schools in the programme with the bidder listed in Appendix 16.1.

5.9 The revised quotes which came within budget for the two Lots are provided at Appendix 1.

5.10 One of the bidders declined to submit a quote for the second lot (the Clerk of Works role on the later five schools in the programme), only one quote for the works has been received (from the Councils single framework supplier as listed in Appendix 16.1).

5.11 The first appointments (quoted as a flat fee) will resource the first seven of twelve BSF school projects.

5.12 The second appointment (from framework rates) will resource the final five BSF school projects including the new school.

5.13 The Clerk of Works role on the final five BSF schools in the programme will need to commence prior to this paper being reviewed at Committee.

6. Other options considered

6.1 Not Applicable

7. Summary

7.1 The BSF programme will benefit from the procurement route taken. Economies of scale are achieved by purchasing by volume across the programme (for two packages; one of seven schemes and the second of five schemes) and alleviation of multiple contracts and their management for multiple providers at individual sites.

8. Chief Financial Officer Comments

8.1 Paragraphs 5.6 and 5.10 respectively set out that the contracts for Clerk of Works services have already been let to the relevant named contractors and Members are, therefore, being asked for a retrospective approval of these contracts.

9. Head of Legal Services Comments

9.1 This report is requesting that the Procurement Committee (a) approve the recommendations to award the Clerk of Works Contract on the first 7 BSF schools to the supplier detailed in paragraph 16.2 of this report; and (b) approve the recommendations to award the Clerk of Works Contract to a contractor called off from an existing framework on the last 5 BSF schools to the supplier detailed in paragraph 16.2 of this report.

9.2 The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, allows contracting authorities to, using EU tendering procedures, enter into framework agreements with service providers, and to select service providers in respect of specific services/projects from amongst those providers with which it has concluded framework agreements.

9.3 The London Borough of Haringey has concluded a number of framework agreements tendered in the EU and established in compliance with the Public Contracts Regulations 2006. These frameworks include the CFCW Clerk of Works framework which may be used by the London Borough of Haringey. Securing this Clerk of Works support for the remaining phase of the BSF programme is vital to reducing the level of delivery risk associated with BSF projects.

9.4 Where such a framework agreement is concluded with only one economic operator, a specific contract may be awarded following written consultation with that economic operator performing those services on the basis of the submitted tender and the award criteria specified in the framework agreement.

9.5 The Supplier detailed in Paragraph 16.2 for the 5 BSF schools has been selected based on the criteria specified and the tender submitted, in accordance with Regulation 30 of the Public Contracts Regulations.

9.6 The Supplier detailed in Paragraph 16.2 for the 7 BSF schools has been selected based on the quote/ Tender] submitted.

9.7 Paragraphs 9.8 to 9.14 onwards are contained in the exempt information.

9.15 Subject to the comments contained in the exempt information, the Head of Legal Services confirms that there are no legal reasons preventing Members from accepting the recommendations contained in Paragraph 4 of this report.

10. Head of Procurement Comments

10.1 One of the suppliers referred to in paragraph 16.2 of this report - is the Councils selected supplier under the Councils framework agreement for Clerk of Works and is called off from this framework. This supplier is recommended for the last five schools in the table at paragraph 16.1 of Appendix 1.

10.2 The other supplier referenced in paragraph 16.2 has previously provided Clerk of Works services for a number of projects for the Council including schools. The reasons for inviting this provider are detailed in Paragraph 16 of Appendix 1. This supplier is recommended for the first seven schools in the table at paragraph 16.1 of Appendix 1.

10.3 Both suppliers have submitted bids that offer Value for Money and these are in paragraph 16.1 in Appendix 1.

10.4 The Head of Procurement acknowledges the recommendations in this report as representing best value for the Council.

11. Equalities and Community Cohesion Comments

11.1 Detailed Equalities Impact Assessments (EIAs) have been carried out for each of the BSF projects. Each has been approved by the Director of CYPS prior to procurement committee approval of contracts.

12. Consultation

12.1 Internal consultations have been undertaken to ensure that the necessary steps to procure a Clerk of Works role on the BSF Programme have been followed. Construction Procurement Group has stated a full Clerk of Works role should be procured to ensure the quality of construction works on site are fully monitored.

13. Service Financial Comments

13.1 Appendix 1 presents the costs of awarding Clerk of Works Contracts for the 12 BSF Projects. This table confirms all cost elements associated with the delivery of Clerk of Work's Services confirmed by Mace.

13.2 Section 16.1.1 confirms that the budget provision available for this cost item exceeds the projected costs, so it is confirmed that budget provision exists for the award of contracts to the two bidders set out in section 16.1.

13.3 DCSF issued a revised promissory letter on Monday 24th November 2008 confirming the BSF programme Final Business Case had successfully been signed

off, and the total grant funding payable to the council. As defined in the DCSF Funding Protocol, the date of this promissory letter defines the moment of financial close for funding purposes. This was confirmed by the discussion and minute of the 21st October BSF Programme Board.

14. Use of appendices /Tables and photographs

- 14.1 Tender return Price Schedule (16.1)
- 14.2 Summary of Tender Costs (16.2)
- 14.3 Construction Awards to date (16.3)

15. Local Government (Access to Information) Act 1985

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

15.2 The Council's Standing Orders

15.3 Appendix 1 of this report contains exempt information and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).