


PROCUREMENT COMMITTEE		On 28 th July 2009
<p>Report Title.</p> <p>Building Schools for the Future: Award of Contract for Furniture Fixtures and Equipment</p>		
<p>Report authorised by Director of the Children & Young People's Service</p> <p>Signed: </p>		
<p>Contact Officer :</p> <p>David Bray</p> <p>020 8489 1824</p> <p>david.bray@haringey.gov.uk</p>		
Wards(s) affected: Various	Report for: Key Decision	
<p>1. Purpose of the report</p> <p>1.1 To seek Procurement Committee approval to award Building Schools for the Future contracts for Furniture Fixtures and Equipment</p>		
<p>2. Introduction by Cabinet Member</p> <p>2.1 All the BSF schools will need a range of new furniture, fixtures and equipment to complement the modernising works of the BSF programme.</p> <p>2.2 Obtaining good value for money is extremely important to all schools and I believe this procurement approach will enable us to do this. I am satisfied that all the proper procedures have been followed and happy to support the recommendations.</p>		
<p>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</p> <p>3.1 Council Priorities</p> <p>3.1.1 Making Haringey one of London's Greenest Boroughs</p> <p>3.1.1.1. The Furniture Fixtures and Equipment (FFE) Project exhibits a number of sustainability features, including Certified Timber:-Chain of Custody.</p>		

3.1.2 Creating a Better Haringey: Cleaner, Greener and Safer

3.1.2.1. Engaging the least possible number of manufacturers decreases the volume of vehicles required for delivery of FFE to schools in the Borough, allows for easy management of deliveries considering volumes and most economic traffic routes.

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 Delivering Excellent, Customer Focussed, Cost Effective Services

3.1.4.1. Key to the success of the BSF programme is to improve standards in schools. The appropriate FFE is conclusive to the right learning and attitude. To illustrate how FFE can support this, improved posture and attention spans are a consequence of procuring appropriate pupil chairs and desks, and increased school leadership and management efficiency will be supported by procurement of appropriate storage equipment.

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. Buying Solutions set up a furniture framework following an 18 month procurement exercise. This framework already demands value for money from its suppliers. The Haringey mini competition served to drive prices even lower.

3.2.2.2. The procurement process allowed tenderers to bid for, and be evaluated on each furniture grade (Economy, Bronze, Silver, and Gold) as well as across the spectrum. This allowed tenderers to provide the best prices in their market place without cross subsidy.

3.2.2.3. Each of the selected bidders' have offered the Council an option to buy FFE post completion at the same rates as those for the BSF programme adjusted against the RPI index and for a period up to 5 years after the last delivery for the BSF Programme.

3.2.3 Engagement of the Community

3.2.3.1. Teachers and school representatives have been involved in the furniture evaluation process. School representatives have viewed a range of FFE, and fed comments into officers managing this process.

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'.

4. Recommendations

4.1 That the Procurement Committee awards the Furniture Fixtures and Equipment contracts, with values set out in Appendix 16.2, for the duration of the Building Schools for the Future programme.

5. Reason for recommendation(s)

5.1 Following a mini competition drawing from the Buying Solution's framework, a FFE consultant was approved by the Procurement Committee on the 29th July 2008. The consultant worked with Project Managers, Education Advisors and school representatives to produce space plans and itineraries.

5.2 Whilst the consultant's work was underway Haringey procurement staff consulted with Buying Solutions staff, to identify a framework of furniture manufacturers that could serve the programme of twelve schools through a second procurement exercise. First of all a Capability Assessment was issued to suppliers on the Buying Solutions furniture framework. All six suppliers on the framework confirmed their ability to provide furniture for the schools across the programme.

5.3 The progress of the consultation work was presented to the framework suppliers at a suppliers day at Haringey's Civic Centre on the 30th Jan 2009, with presentations from BSF staff and the consultant, followed by open forum discussion.

5.4 A follow up meeting with Suppliers was held at the Civic Centre on the 24th March

2009. The main item tabled and agreed, was the ability for suppliers to bring their solutions to the fore.'

5.5 The FFE design Consultant handed over school space plans and itineraries on 7th April 2009 to the Lead Project Managers and Transformation Co-ordinators.

5.6 As the construction programmes evolved it was noted that the early phases of six schools would need to have furniture delivered earlier than expected. These schools, (Gladesmore, Park View Academy, The John Loughborough School, Northumberland Park School, Hornsey and Highgate Wood School) had separate tenders issued (in parallel with the main tender). The values of these tenders are shown in appendix 16.5. The authority to proceed with these early requirements was agreed by the CYPS Director on the 2nd July 2009.

5.7 Agreement that the consultant's work and the procurement methodology would meet the needs of the schools was endorsed by the Schools' Head Teacher representative on the 1st May 2009.

5.8 The framework brings advantages to the programme including; fixed price; warranties, sustainable sources, certainty of design, space planning, delivery and installation.

5.9 The tender period was subsequently extended from the original return date of the 26th May to the 5th June as the Council amended the evaluation criteria to best serve the schools.

5.10 Five out of the six tenderers returned their bids.

5.11 As the procurement is by means of a framework and catalogues it offers the opportunity to stakeholders to choose from a multitude of items, using multiple suppliers, at various price points to fit their needs and budgets.

5.12 The project managers will be responsible for ensuring that the overall FFE budget is not exceeded. This will mean managing between the early phases of the six schools, vocational budgets, virement and this main tender.

5.13 In the extraordinary event that the framework does not meet the needs of schools, for certain items, other suppliers may need to be considered from outside this framework. This would be dealt with as a separate procurement.

5.14 BSF will report back to Members the progress of this FFE programme at agreed interval as the programme evolves.

5.15 Review

5.15.1 The output of the consultant was approved by Project Managers, Education Advisors and school representatives.

5.16 Final Tender

5.16.1 The tenders were submitted and opened on the 5th June 2009. One tenderer declined the offer to submit. With the return of tenders was requested the following information:

- Form of Tender
- Programme

- Qualitative proposal
- Draft Catalogues

5.16.2 Tenders were assessed based on a matrix across the various categories Gold, Silver, Bronze and Economy for each item of furniture, against the following criteria :

- Price 60%
- Qualitative Proposal 20%
- Performance of Products 10%
- Suitability of Products 10%

5.16.3 A minimum score for each of the above sections was set and these are listed below:

- Price – a minimum of 30% out of the allocated 60%
- Qualitative Proposal & Performance of products – a minimum of 24% out of the overall allocated 30%
- Suitability – a minimum of 6% out of the allocated 10%

5.16.4 Price was assessed by PRP on the following basis:

- The Contractor that achieves the lowest price will score 100 points. All other Tenders, adjusted similarly, will score 100 points less one point for every percentage that their adjusted bid exceeds the lowest adjusted bid.

5.16.5 Performance was assessed by PRP and points were given out of 10 for the overall warranty given per banding.

5.16.6 For Qualitative Assessment the points were allocated against the suppliers being able to demonstrate their capabilities to perform to such a large project. This was assessed based on management structures, C.V.'s of personnel involved and previous experience.

5.16.7 For suitability this was assessed by transformation managers and school representatives and the assessment was under the following categories:

- Practicality
- Comfort
- Tamper Proof Characteristics
- Functionality

5.17 Health and Safety Implications

5.17.1 The project managers will ensure the site rules and all health and safety agreements for a working site with pupils and members of the public are complied with.

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 and alleviation of multiple contracts and their management for multiple providers at individual sites.

7.2 Savings are made by prices being held for the duration of the BSF programme and with an offer to buy further items if necessary post completion.

8. Chief Financial Officer Comments

8.1 This report proposes agreement to a 'schedule of rates' determined through a competitive process, and encompassing 4 differing quality measures to demonstrate Value for Money. Once approval has been obtained to the contractors and their rates project managers in conjunction with school staff and the transformational leads will determine their precise FF & E requirements up to the budgeted value set out in Section 16.5.

9. Head of Legal Services Comments

9.1 This report is requesting that the Procurement Committee approve the recommendations to award contracts under a framework to the suppliers detailed in paragraph 16.2 of this report for the initial supply arrangements and to further enable continued use of the framework on an ongoing basis.

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 OGC, an Executive Agency of the Office of Government Commerce (OGC) in the Treasury, has concluded a number of framework agreements tendered in the EU and established in compliance with the Public Contracts Regulations 2006. These were concluded and are available for use by contracting authorities, which includes local authorities including the London Borough of Haringey.

9.4 Where a framework agreement is concluded with more than one economic operator and more than one economic operator under that framework agreement is capable of performing or providing those services, a specific contract may be awarded following written consultation with all those economic operators capable of performing those services (a mini-competition) to the operators which have submitted the best tender on the basis of the award criteria specified in the framework agreement as more precisely formulated under the mini-competition.

9.5 The Suppliers detailed in Paragraph 16.2 have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Public Contracts Regulations.

9.6 The Buying Solutions Framework was concluded with six Suppliers with an effective date of 01/10/2008 expiring on the 30/09/2012.

9.7 Paragraphs 9.8 to 9.11 are contained in the exempt information.

9.12 As the total estimated value of the contracts to be awarded under the framework agreement is likely to exceed £250,000, the proposed award must be approved by Members pursuant to CSO 11.03 which provides that Procurement Committee must award all contracts valued over £250,000.

9.13 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's BSF Programme Team, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.

9.14 This report is recommending award of the contracts under the framework agreement to the selected suppliers as detailed in Paragraph 16.2.

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 The suppliers for this framework agreement were selected from a framework agreement set up by the Buying Solutions following an invitation to quote to all the suppliers on the framework.

10.2 Tenders were invited from this framework against four different categories of quality of furniture.

10.3 The tenders received were based on quality/price 40%/60% and the quality/price evaluations were led by PRP (price), Mace and the transformation co-ordinators for the suitability and quality of furniture.

10.4 The framework gives a number of benefits as stated in paragraph 5.8 and gives volume discounts.

10.5 The Head of Procurement therefore acknowledges the recommendations to award the framework to the suppliers as detailed in 16.2.

11. Equalities and Community Cohesion Comments

11.1 Equalities imperatives have driven all aspects of the Haringey BSF process, from initial visioning through to the detail of design and FFE prescriptions. The overall spend on school projects was weighted towards schools with a significantly higher proportion of deprivation, which is closely matched with levels of special educational need, and where minority ethnic groups were achieving standards significantly below

overall national norms.

11.2 Stakeholders have been actively engaged in this process, with school Heads and governors (including community representatives) drafting the individual school visions, which then led the development of BSF proposals, including FFE. Detailed Equalities Impact Assessments have been, and continue to be developed for each school project at the appropriate point in each school's design and build process, with rigorous identification of underachievement, and identification of how the BSF project will mitigate some of the causes. In all EIAs to date, we have been able to demonstrate how the project will not have any negative impact, and will, in fact, contribute actively to identify equalities.

12. Consultation

12.1 Buying Solutions staff have been engaged from the outset and used for guidance through the process.

12.2 JOT Design was engaged as consultants to the programme. Their role involved meeting with schools' representatives, Education Advisors and Project Managers.

12.3 On Buyers' day, schools' representatives, Education Advisors, Transformation Managers and Project Managers met the suppliers and looked at samples of furniture typically supplied to schools

12.4 Suitability was part of the quality evaluations. Education Advisors, supported by School representatives marked this section. They attended sessions in River Park House where manufacturers displayed selected products.

13. Service Financial Comments

13.1 Appendix 1 presents the Tender Cost Schedule. This table confirms that the suppliers identified in section 16.1 are recommended to be appointed to supply FF&E to the BSF programme. All cost elements associated with the award of contracts has been confirmed by the Mace Project Manager. The table at section 16.5 presents the available FF&E budgets forming a part of each of the BSF Project Final Project Maximum Budgets – these include costs already incurred on FF&E consultants and approvals already achieved through Delegated Authority proposals.

13.2 Section 16.2 confirms that the budget provision available for this cost item is equivalent to the approval to spend with the successful tenderers, so it is confirmed that budget provision exists for the award of contracts set out in this report.

13.3 DCSF issued a revised promissory letter on Monday 24th November 08 confirming the BSF programme FBC 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 Agreed Maximum Price Summary (16.1)
- 14.2 Provisional sum schedule (16.2)
- 14.3 Programme Milestones (16.3)
- 14.4 Construction awards to date (16.4)

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).*