

**Report for:** Cabinet Member Signing, scheduled 28<sup>th</sup> May 2024

**Item number:** TBC

**Title:** Branch Library Transformation Programme – Muswell Hill Library – Award of Construction Works Contract

**Report authorised by:** Jess Crowe, Director of Culture, Strategy & Engagement

**Lead Officer:** Claire Barnes, Major Projects Delivery Manager

**Ward affected:** Muswell Hill

**Report for Key/  
Non-Key Decision:** Key Decision

**1. Describe the issue under consideration.**

- 1.1 This report seeks approval to award a contract to Niblock (Builders) Ltd pursuant to Contract Standing Orders 9.07.1 (d), 10.01.1 (a) and 10.01.2. (dii) for urgent condition works at Muswell Hill Library.
- 1.2 Pursuant to Contract Standing Order (CSO) 9.07.3 to approve the issuance of a letter of intent in the value of £118,983,42.
- 1.3 To request approval to increase the project and programme budget as set out in part B.

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

For Cabinet Member Culture, Committees and Leisure pursuant to Contract Standing Order (CSO) 16.02 to:

- 3.1 Award a contract to Niblock (Builders) Ltd, pursuant to Contract Standing Orders 9.07.1 (d), 10.01.1 (a) and 10.01.2 (dii) based on their tender value of £1,189,834.20 for urgent condition works at Muswell Hill Library.
- 3.2 Approve a client construction contingency as set out in Part B of this report which will be strictly managed under change control governance arrangements. This is in addition to the award value noted in 3.1, refer to Part B section 3 for the contingency value and total award value.

3.3 Approve the issuance of a Letter of Intent up to the value of £118,983.42 as allowed under Contract Standing Order 9.07.3.

3.4 To approve an increase to the project and programme budget as set out in Part B.

#### **4. Reasons for decision**

4.1 On the 8<sup>th</sup> January 2024 Diamond Build Plc notified the council that they had placed themselves in voluntary liquidation. Formal notification of this was advised in the public domain on 19<sup>th</sup> January. As a result, there is a need to procure a new contractor to complete outstanding works.

4.2 Niblock (Builders) Ltd originally tendered for the Muswell Hill Library Works in 2023 and recently competitively tendered, awarded and successfully completed Highgate Library. A positive relationship has been formed with Niblock (Builders) Ltd built on quality of work, collaborative approach to site challenges, trust and respect. A comprehensive procurement options appraisal was discussed in collaboration with Strategic Procurement, Legal and the Project Sponsor and agreed that a direct award would demonstrate best value for Haringey Council providing the most expedient route to re-starting works and returning the library to operational use (closed in July 2023).

4.3 During initial soft market testing, Niblock (Builders) Ltd indicated interest in the project and willingness to engage and complete a site visit for initial review. They also indicated availability of resources aligning with the projected programme.

4.4 Refer to 6.2 which summarise the scope of works intended for the library.

#### **5. Alternative Options Considered**

5.1 Do nothing – With 26% of the works completed prior to voluntary liquidation, which includes a complete strip out of existing services - this option would leave the Council with a partially completed building which would be unsafe and unusable in its current state. This would also increase the risk of unauthorised access and would result in failure by the Council to make the necessary transformation and accessible improvements to the library and restoring a valuable resource to this part of the borough.

5.2 Value engineering and or De-scoping Options - consideration was given during the original construction contract with Diamond Build Plc and has been further undertaken during the tender clarification process with Niblock (Builders) Ltd.

5.2.1 As summarised in 6.2 of this report, the project includes a new extension incorporating an accessible lift and staircase improving accessibility to the ground floor (currently stepped) and 1<sup>st</sup> floor. Transforming the Library offer by improving accessibility enhances opportunities to generate increased income from letting, future proofing use in a variety of ways and continues to achieve the transformation of local libraries by shaping vibrant, culturally rich landscapes, of which the Library Service have recently

received nationwide recognition for. Omitting this from the scope of work would be detrimental to the services offered now and in the future and bear no resemblance to rationale for the project.

5.2.2 Consideration is presently being given to the possibility of value engineering the lighting system (refer to Part B section 6 for further information).

5.2.3 Refer to Part B section 6 for further information.

5.2 Novation – discounted on time and contractual negotiations to source a suitable contractor willing to accept the cost and programme risks this would offer for works partly completed.

5.3 Competitive Tender – this was initially discounted based on ability to attract bidders for this type of work, additional tender period as would be based on both a cost and quality assessment and more likely to incur a higher risk cost by bidders.

5.4 Direct Award – Major Works Framework – discounted based on a review of bidders likely to be interested in this type of work and with a number of capital projects effected by Diamond Build's Voluntary Liquidation this option was being explored for two other capital projects which could impact on resourcing and timely delivery if too many contracts were awarded via this route. Niblock (Builders) Ltd are not a contractor on the Councils Major Works Framework.

## **6. Background Information**

6.1 The projects aim for the refurbishment, decoration, and internal remodelling of the library is to deliver the following benefits:

- Give a modern, accessible library space with a lift installed that meets needs of customers with fresh furniture, books, and decoration.
- Look and feel to be clearly identifiable with LBH and have the capacity to be adapted to suit the needs of the local communities and the building.
- The space available and flexibility of that space, meets the needs of residents and partners.
- The library space has increased opportunity for working with partners and other service providers.
- Working with Libraries IT project to install new computing equipment and self-service technologies and provide containment and access routes for any equipment to be installed.
- Innovation and modern technologies relating to libraries will be used as an enabler for service provision, including improved self-service.
- Updated CCTV provisions to all libraries to improve security and safeguarding.
- Interior design of library spaces to modernise and better facilitate library floor walking and self-service technology. Partial removal of existing loose and fixed furniture, new furniture to be installed.

- Internal refurbishment including new partitions, screens/ doors partial new floor coverings, new signage & redecoration.
  - Mechanical & Electrical works in support of interior layout and fire safety, CCTV, intruder alarms & IT installations.
  - Improved accessibility.
- 6.2 A separate package of external condition work had been undertaken by the Corporate Landlord. The award of contract to Diamond Build Plc therefore focused on internal works only to include:
- Condition and compliance works including rewire, fire alarm, intruder alarm and heating repairs.
  - A new extension - accessible lift and staircase.
  - Internal redecoration.
  - New furniture.
  - Upgraded ICT including enhanced WiFi system, additional PC's and workstations, and new self-serve facilities.
  - New signage.
  - Extended CCTV system
- 6.3 Following a competitive tender exercise, an award of contract was supported by Cabinet Member on 7<sup>th</sup> June 2023 to Diamond Build Group PLC for a tender value of £1,044,428.64, client construction contingency of £104,442.86 offering a total contract award value up to £1,148,871.50. A letter of intent was issued to Diamond Build Group Plc and works commenced on site in late July 2023. This report acknowledges a correction in company name. The form of tender was returned in the name of Diamond Build Plc which was replicated in the formal construction contract. Reference to 'Group' in the letter of intent was an oversight.
- 6.4 On the 8<sup>th</sup> January 2024, Diamond Build Plc placed themselves into voluntary liquidation. London Borough of Haringey issued a default notice on 12<sup>th</sup> January and termination letter on 29<sup>th</sup> February 2024. As at the 8<sup>th</sup> January 2024, progress on site was reported by the contractor to be 8 weeks behind programme with a projected completion of mid-April 2024 (contracted completion date 16<sup>th</sup> February 2024). The volume of works completed in that time is reported to have been 26% complete, and on this basis a further delay was expected. A replacement contractor is required to complete the remaining works at Muswell Hill Library.
- 6.5 Building Control approval was granted; provision has been made for the discharge of any conditions within the tender and will not require any amendments resulting from the change in appointed contractor. No adjustments are required to planning approval.
- 6.6 The defects liability period (rectification period) is 12 months.
- 6.7 Niblock (Builders) Ltd were instructed to undertake an enabling works package for site safety works, awarded under delegated authority up to £24,000 (not included in this award value).

- 6.8 A tender pack was issued to Niblock (Builders) Ltd via the Haringey Procurement and Contract System (HPCS) on 5<sup>th</sup> March 2024. from Niblock (Builders) Ltd.
- 6.9 The procurement route for Niblock (Builders) Ltd is based on a traditional (full design) form of contract – JCT Standard Building Contract without Quantities 2016 edition with Contractor's Design Portion (SBC/XQ 2016). The contract is to be awarded on a fixed price basis.
- 6.10 Niblock (Builders) Ltd tender offers a construction period of 30 weeks (28+2 weeks over Christmas).
- 6.11 All works have been specified and measured by independent design and cost consultants to ensure the price returned by Niblock (Builders) Ltd could be adequately assessed to ensure value for money for the Council.
- 6.12 A Pre-tender estimate of construction costs for this project was prepared following an assessment of works completed by Diamond Build Plc to date and works remaining. Details of this are included in Part B section 6.

## **7. Contribution to Strategic Outcomes**

- 7.1 Aligned with the Council's 2022-24 Corporate Delivery Plan, the project aims to foster an inclusive library environment. This will be achieved through physical enhancements, improved upper floor accessibility, and establishing a platform for local creativity, heritage, and a range of cultural activities in areas such as music, art, spoken word and creative writing. The project objective is to transform the library into a community hub that promotes inclusivity, lifelong learning, and engagement, catering to the needs of the local people.
- 7.2 The relevant Borough Outcome for this project is: Culturally rich borough - Our vision is for Haringey to be a place where arts, culture and heritage is celebrated, inspiring our residents and visitors and connecting them to our place and each other.

## **8. Carbon and Climate Change**

- 8.1 The project includes installation of new LED lighting throughout with controls to improve sustainability within the building. A new efficient boiler has been installed, along with fully lagged pipework and a mix of refurbished and new radiators. The overheating model was reviewed and the final glazing specification for the side extension reduces overheating risk.

## **9. Statutory Officers comments (Chief Finance Officer, Procurement, Corporate Governance, and Equalities).**

### **9.1 Finance**

- 9.1.1 The recommendation of the report is to award a contract to Niblock (Builders) Ltd, for £1.189m (exclusive of a contingency as set out in part B) for urgent condition works at Muswell Hill Library.
- 9.1.2 There is also a recommendation that £0.68m is vired from the Asset Management of Council Buildings and there is sufficient budget in the Asset Management of Council Buildings budget to support the virement.

## **9.2 Procurement**

- 9.2.1 Strategic Procurement (SP) note that this report relates to the approval to award a contract to Niblock (Builders) Ltd to undertake urgent condition works at Muswell Hill Library.
- 9.2.2 This contract was initially awarded to Diamond Build Plc; however, the company has now declared voluntary liquidation.
- 9.2.3 Due to the urgent need for this requirement a replacement supplier had to be sourced immediately to continue with the works.
- 9.2.4 A competitive tender process in accordance with CSO 9.01.1 has been waived off to expedite the appointment to maintain continuity of service.
- 9.2.5 SP support the approval to award a contract to Niblock (Builders) Ltd to undertake urgent condition works at Muswell Hill Library under CSO 10.01.01(a), 10.01.2 (d) (ii), 9.07.01 (d), and 16.02.

## **9.3 Legal**

- 9.3.1 The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 9.3.2 Contract Standing Order ('CSO') 10.1.1.a allows the Cabinet to waive CSO's where the value of the contract is £500,000 or more and the waiver is in the Council's overall interest (CSO 10.01.2.d.ii).
- 9.3.3 CSO 9.07.3 allows the issuance of a Letter of Intent pending the issuance and execution of a formal contract in a sum not exceeding £100,000 or 10% of the total contract price, whichever is higher.
- 9.3.4 CSO 16.02 states that decisions reserved to Members under CSO's will ordinarily be taken at a Cabinet meeting. Notwithstanding this, the Leader may take any such decision between meetings of the Cabinet, including decisions that have become urgent, and the Leader may also allocate any such decision whether urgent or not to the Cabinet Member having the relevant portfolio responsibilities.

- 9.3.5 The Assistant Director of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member of Culture, Committees and Leisure from approving the recommendations made in this report.

## **9.4 Equality**

- 9.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

- 9.4.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey treats socioeconomic status as a locally protected characteristic.

- 9.4.3 The proposed decision is to approve the award of a contract for delivery of works at Muswell Hill Library as part of the Branch Library Transformation Programme. The objective of the project is to ensure that the library interior is fit for future use. This includes ensuring accessibility for people with limited mobility. As such, the decision represents a measure to meet the needs of disabled people and is anticipated to have a positive impact.

- 9.4.4 As an organisation carrying out a public function on behalf of a public authority, the contractor will be obliged to have due regard for the need to achieve the three aims of the public sector equality duty, noted above.

## **9 Use of Appendices**

- 10.1 Appendix A – Part B.

## **11 Background papers**

- 11.1 This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).

- 11.2 Diamond Build Contract Award report and minutes have been published here: <https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MID=10718>



