



Haringey Council

Agenda item:

INo 1

Cabinet Procurement Committee

On 30th March 2010

Report Title: **Highways and Street Lighting contracts –novation of contracts**

Report authorised by: **Niall Bolger / Director of Urban Environment**

Niall Bolger. 18th March 2010

Contact Officer: Demos Kettenis , Highways Asset Group Manager

0208 489 1704

Wards(s) affected: **ALL**

Report for: **Non-Key Decision**

1. Purpose of the report

1.1 To seek approval to novate the Highways and Street Lighting Contracts to Volker Highways Limited.

2. Introduction by Cabinet Member

2.1 N/A

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

3.1 N/A

4. Recommendations

4.1 That Members agree the novation of the Highways (Lot 1) and Street Lighting (Lot 2) contracts from VolkerHighways Crowley Limited to VolkerHighways Limited.

5. Reason for recommendation(s)

5.1 The Cabinet Procurement Committee resolved at the meeting held on 28 April 2009 to award the Highways contract (Lot 1) and the Street Lighting contract (Lot 2) to VolkerHighways Crowley Limited.

5.2 VolkerHighways Crowley Limited was part of the VolkerWessels UK Group. In June 2009 the trade and assets of VolkerHighways Crowley Limited along with the two other Highways maintenance companies in the Volker group have been consolidated into VolkerHighways Limited.

5.3 In order to further streamline and consolidate their operations VolkerHighways Crowley Limited wish to novate the Haringey Highways and Street Lighting contracts to VolkerHighways Limited.

6. Other options considered

6.1 N/A

7. Summary

7.1 VolkerWessels UK Group historically had four separate entities involved in the UK Highways Maintenance sector. These comprised the main business activities of three companies. One of these companies was VolkerHighways Crowley Limited. With effect from the 29th June 2009 the trade and assets of the Highways maintenance companies in the VolkerWessels Group were consolidated into VolkerHighways Limited.

7.2 The purpose of this consolidation is to offer to clients the combined skills and service of a larger organisation.

7.3 It is in the Council's best interests to novate the Highways and Street Lighting contracts from a company that now has only minimal assets to a company within the same group that has a large asset base.

8. Chief Financial Officer Comments

8.1 There is no change from the comments in the Procurement Cabinet report.

9. Head of Legal Services Comments

9.1 At the meeting of the Cabinet Procurement Committee held on 28th April 2009 Members resolved to award the Highways contract (Lot 1) and the Street Lighting contract (Lot 2) to VolkerHighways Crowley Limited.

9.2 For the reasons set out in paragraph 5 of the report Members are asked to approve the recommendation to novate the Highways and Street Lighting contracts from VolkerHighways Crowley Limited to VolkerHighways Limited.

9.3 The novation of these contracts should not cause any difficulties with respect to complying with procurement legislation as VolkerHighways Crowley Limited and VolkerHighways Limited are part of the same group.

9.4 As the value of each of these contracts is above £250,000 they may only be awarded by the Cabinet Procurement Committee in accordance with CSOs 11.03 and 14.01.

9.5 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4.1 of the report.

10. Head of Procurement Comments

10.1 The scope of the services; the duration of the contract and the value remain the same..

10.2 There are therefore no procurement issues with this proposed novation.

11. Equalities and Community Cohesion Comments

11.1 N/A

12. Consultation

12.1 Due to the confined nature of this request there is no need for consultation to take place.

13. Service Financial Comments

13.1 N/A

14. Use of appendices /Tables and photographs

14.1 N/A

15. Local Government (Access to Information) Act 1985

15.1 Refer to previous procurement award.

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Please note - if a section of the report is not applicable for completion (i.e. there are no appendices to attach) then please type "not applicable"