

ALEXANDRA PALACE & PARK BOARD On 7th June 2010

Report Title: **Integrated Facilities Management Contract – Open part one**

Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust**

1. Purpose

- 1.1 To update the Board on the current progress on the award of a single contract to provide Security and Facilities Management services.
- 1.2 To seek the Board approval to extend the existing contracts for one month.

2. Recommendations

- 2.1 The Board is asked to note the progress reported on the procurement of a single contract for the provision of Security and Facilities Management services.
- 2.2 The Board is asked to approve, in accordance with Contract Standing Order (CSO) 13.02, the extension of the existing Mechanical Services contract with Integral UK Ltd until the end of October 2010.
- 2.3 The Board is asked to note that the Interim General Manager will approve, in accordance with CSO 13.01(a)(ii), the extension of the existing Security contract with Europa Workspace Solutions Ltd until the end of October 2010.

Report Authorised by: **Andrew Gill, Interim General Manager**



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3. Executive Summary

- 3.1 The delivery of the Integrated Facilities Management contract is proceeding to programme.
- 3.2 The contract will be tendered over the period 10th June to the 19th July 2010 and following tender evaluation will be ready for Board approval at the end of August. A Special Board meeting has therefore been scheduled for 6.30pm on the 6th September 2010 to review the tender evaluations and approve the award of contract.
- 3.3 Following the 'Alcatel period', the award of contract is programmed for the 27th September 2010. This will require the existing contracts with Europa and Integral to be extended past the 31st August 2010 for a period of 2 months (i.e. allowing 25 days for mobilisation of the new contract).
- 3.4 The proposed extension has been agreed in principle with both Europa and Integral

4. Reasons for any change in policy or for new policy development (if applicable)

- 4.1 The Interim General Manager has the same authority as a Director under Contract Standing Orders, therefore can extend the Europa contract for a single extension period under CSO 13.01(a)(ii).
- 4.2 The reason for referring approval of the Integral extension to the Board is set out in Appendix A to the report.

5. Local Government (Access to Information) Act 1985

- 5.1 No specific background papers were used in compiling this report.
- 5.2 This report contains exempt and non-exempt information. The exempt information is contained in Appendix A of this report and is not for publication. The exempt information is exempt under the following category (identified in the amended Schedule 12A of the Local Government Act 1972), s. (3):
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Category 3).

Description

- 6.1 Alexandra Palace currently has two term contracts delivering facilities management services across the site. The contracts are:-
- a. Site Security provided by Europa Workspace Solutions**
This contract was novated to Europa in 2009 when the incumbent supplier went into administration. The contract was placed until the 31st August 2010 and can be terminated at will following this date
 - b. M&E services provided by Integral UK.**
This was awarded on the basis of a 5 year contract with the ability to extend for a further two periods of one year. The extension options have now been taken and the contract terminates on the 31st August 2010.
- 6.2 The above contracts do not provide full coverage of the required FM services to the site and various other minor works contracts have to be sourced in addition to the above.
- 6.3 The award of an Integrated Facilities Management contract would deliver improved value for money by the following;
- a. Providing cost savings from the improved economies of scale
 - b. Reducing the management costs within the contracts

- c. Providing a tendered scope of works which will fully define the FM requirements and have performance monitoring.
 - d. Reduce the internal work load of specifying, tendering and awarding contracts for minor works.
 - e. Adopting a principle of measured works using the National Schedule of Rates.
- 6.4 A process for procuring a new integrated Facilities Management Contract has therefore been proceeding under EU procurement rules since September 2009.
- 6.5 A professional team has been mobilised for the project comprising the Haringey Council Construction Procurement and Legal Team members together with expertise from within Haringey Council's Consultants Framework agreement and key APPCT & APTL staff. This project team meets on a regular basis to formally review the project against the milestone plan.
- 6.6 The project has now reached the Pre-qualification Stage (PQQ) and 16 contractors have submitted their responses. The draft tender specification has been compiled and it is programmed for the contract to be tendered over the period 10th June to the 19th July 2010.
- 6.7 Tender evaluations are programmed for completion at the end of August 2010. A Board meeting has therefore been scheduled for 6.30pm on the 6th September 2010 to review the tender evaluations and approve the award of contract
- 6.8 Assuming that there will be no challenges at the Alcatel stage of the project, the new contract can be awarded on the 27th September 2010. With mobilisation taking place over the following 5 weeks.
- 6.9 The exacting requirements of the EU procurement process do not provide any flexibility to accelerate this programme, therefore the incumbent term contractors' contracts (Europa & Integral) need to be extended to the end of October 2010.
- 6.10 Preliminary discussions have already taken place with both Europa and Integral on this basis and approval in principal agreed
- 7. Consultation**
- 7.1 The development of the Integrated Facilities Management contract has been taking place with full consultation of APTL senior management.
- 8. Legal and Financial Comments**
- 8.1 There are no negative impacts on the R&M budget of this proposal.
- 8.2 The costs of the project team have been accounted for within the 2010/11 budget plan.
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- 8.3 Haringey Council's Chief Financial officer notes the report. The trust will need to ensure that if any additional costs occur, as a result of the contract extension and re-tendering, then they will need to be contained within the existing and agreed budgets.
- 8.4 The Trust's solicitor has no comment to make on this report.
- 8.5 Haringey Council's Legal Services have also been consulted on the report and have no comment to add.

9. Equalities Implications

- 9.1 There are no perceived equalities implications in this report.

10. Use of Appendices / Tables / Photographs

Appendix A – Exempt Item

