

**REPORT TEMPLATE:  
PROCUREMENT COMMITTEE**

**HARINGEY COUNCIL**

Agenda item: **[No.]**

Procurement Committee

On 21<sup>st</sup> March 2006

Report Title: **Alexandra House refurbishment (Part A): Award of contract**

Forward Plan reference number (if applicable):

Report of: Director of Finance

Ward(s) affected: Woodside

Report for: *Key decision*

**1. Purpose**

1.1 To seek Member agreement to the award the contract for the refurbishment of Alexandra House, 10 Station Road, N22.

**2. Introduction by Executive Member**

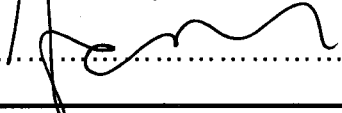
2.1 After an extensive and thorough tendering process I recommend that the tender submitted by the recommended contractor is accepted. I believe the recommended contractor's bid represents value for money, furthermore I believe they will be able to complete the refurbishment to a high standard.

I therefore have no hesitation in endorsing the proposals outlined in this report.

**3. Recommendation**

3.1 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 14.1 of this report subject to satisfactory resolution between the Council and the landlord with respect to the lease terms.

Report Authorised by: Director of Finance

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Contact Officer: Martin Cable, Team Leader – Accommodation Projects.  
Telephone 020 8489 2625.

#### **4. Executive Summary**

4.1 Following an exhaustive tendering process this report recommends the award of contract for internal refurbishment works to Alexandra House.

#### **5. Reasons for any change in policy or for new policy development (if applicable)**

5.1 None.

#### **6. Local Government (Access to Information) Act 1985**

6.1 List of background documents:

Accommodation Strategy report to the Executive on 15<sup>th</sup> May 2003

6.2 See Part B for exempt information.

#### **7. Background**

7.1 Alexandra House in Station Road, Wood Green, is a 10 storey office block accommodating some 500 Council staff. The building was leased in 1986 on a 20 year full-repairing lease. Very little internal refurbishment has been undertaken during this period. The proposed refurbishment works comprise new flooring, lighting, ceilings, fire alarm, fixtures and fittings, mechanical and electrical services, IT data facilities and redecoration.

7.2 Negotiations are currently underway with the landlord of the building to renew the lease for a further 20 years. The refurbishment contract will only be let following a conclusion to the lease negotiations confirming a renewal period of at least 10 years.

7.3 Preparation of the scheme proposals and evaluation of the tenders received has been undertaken by the Council's Framework consultants Dearle and Henderson.

#### **8. Budget**

8.1 Funding for this work is held within the Accommodation Strategy fund.

#### **9. Description of Procurement Process**

9.1 Competitive tenders were invited from five contractors from the Council's approved list.

9.2 A number of minor errors and inconsistencies were found and these were discussed with the contractors.

9.3 Following the disqualification of one of the contractors at the first stage (due to the submission of a non-compliant tender), the remaining contractors were invited to post-tender interviews following which a scoring system was applied on a 50% Quality and 50% Cost basis.

9.4 It was necessary to extend the contract period in order to reduce the risk of delays during the fit-out between each floor and thereby delaying the main works contract. It was also decided to modify the specification to reflect operational need.

9.5 Following the post-tender interviews two of the most economically advantageous contractors were selected to proceed to the negotiation stage

9.6 Following the negotiations with the two contractors in para. 9.5 a further Price/Quality assessment was completed against the revised negotiated prices resulting in one contractor being recommended for the award of contract.

## **10 Consultation**

10.1 Consultation has been carried out with Business Units occupying the building.

## **11 Key Benefits and Risks**

11.1 These works both improve the working conditions in the building and increase the staff capacity in line with the Council's Accommodation Strategy.

## **12 Contract and Performance Management**

12.1 The contract will be managed by the named contact officer internally within the Council. Additionally, a project manager has been appointed from the Council's Construction Related Consultancy Services framework agreement, who will ensure (via project feedback Forms) that the project is managed in accordance with construction best practice generally, and the Council's own local requirements.

## **13 Summary and Conclusions**

13.1 An exhaustive tendering process has been carried out to determine the contractor who can best deliver a quality value-for-money product.

## **14 Recommendations**

14.1 That Members award the contract for the refurbishment of Alexandra House to the contractor and sum stated in Part B of this report.

## **15 Equalities Implications**

15.1 The refurbishment works include adaptations in line with the Disability Discrimination Act 1995.

## **16 Health and Safety Implications**

16.1 The works will be carried out under the provisions of the Construction, Design and Management (CDM) Regulations that control the Health and Safety elements of such works.

## **17 Sustainability Implications**

17.1 The Council's Sustainability officer has been involved during the project and her input has been included in the works and design specification of the contract.

## **18 Financial Implications**

- 18.1 Funding for this work is held within the Accommodation Strategy fund. This work will reduce the Council's dilapidation liability.

## **19 Comments of the Director of Finance**

- 19.1 The Director of Finance notes that a protracted delay in the re-negotiation of the lease on Alexandra House beyond the tender expiry date in May 2006 would result in a re-tendering (unless the contractor agrees to honour the original tender) and the risk of a price rise.

## **20 Comments of the Head of Legal Services**

20.1 The estimated value of the contract is below the threshold for tendering in the EU under the Public Contracts Regulations 2006. The threshold is £3,611,474.

12.2 Paragraph 9 of the report states that the Contract was tendered in accordance with Contract Standing Orders in that tenderers from the Council's Approved Lists were invited to tender in accordance with CSO 8,2 (d), the tenders were evaluated on the basis of the most economically advantageous tender .

12.3 Because the value of the contract as stated in the report is in excess of £250,000 any award must be approved by Members in accordance with CSO 11.3.

12.4 The recommendation in this report is to award the contract on the basis of most economically advantageous tender in accordance with Contract Standing Order 11.1 (b).

12.5 The Head of Legal Services confirms that no leaseholders will be obliged to contribute to the proposed works to Alexandra House

12.6 The Head of Legal Services confirms that there are no reasons preventing the Members from approving the recommendations in Paragraph 14.1 of this report.

## **21 Comments of the Head of Procurement**

- 21.1 The tender list of 5 contractors has been selected from the Construction Procurement Group's approved list of contractors.
- 21.2 Contractors are all capable to undertake the work to be carried out.
- 21.3 A full evaluation of the contractors has been undertaken, by an evaluation panel comprising Corporate Procurement, Construction Procurement, Accommodation Services, and a Framework Agreement consultant.
- 21.4 Compliant Tenders were received from only 4 of the five contractors. None of the original bid prices were within the available budget and all four compliant

contractors were asked to confirm their bid price and the preferred time period for the work to be undertaken.

21.5 The selection of the contractor (noted at Appendix B) represents best value; a thorough evaluation of both quality and price has been undertaken.

21.6 The Head of Procurement supports the recommendation to appoint the contractor to undertake the works as specified at para 5 of Appendix B.

## **22 Use of Appendices**

22.1 Part B of this report contains exempt information.