

Agenda item:

[No.]

Procurement Committee

On 24 March 2011

Report Title. Broadwater Farm Inclusive Learning Campus – Furniture Fittings & Equipment (F,F&E)

Report of : Peter Lewis, Director of Children & Young People’s Service

Signed :

Contact Officer : **Laura Bridges, Senior Project Manager, Children & Young People’s Service**

Wards(s) affected: **West Green**

Report for: **Key**

1. Purpose of the report

- 1.1. To seek approval to the proposed strategy for the procurement of Furniture, Fittings and Equipment (F,F&E) for the new Broadwater Farm Inclusive Learning Campus (BWF ILC).
- 1.2. To provide Committee Members with sufficient project information to authorise delegated authority to the Director for Children & Young People’s Service for the orders for furniture, fittings and equipment to be placed as the total forecasted projected spend exceeds £250,000

2. Introduction by Cabinet Member

2.1 I am satisfied that the appropriate procedures have been followed and am pleased that there has been extensive consultation with the key stakeholders. I am happy to recommend approval of the report.

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

The proposed Procurement Strategy will contribute to the practical achievement of the 5 Council priorities in the following ways:

Council Priorities –

Priority 1 - Making Haringey one of London's greenest boroughs

The selection of FF&E for the Broadwater Farm Inclusive Learning Campus includes a selection of items which offer a number of sustainability features, including Certified Timber:-Chain of Custody. The Eastern Shires Purchasing Organisation (ESPO) catalogue also offers a Sustainable Products Catalogue and a selection of recycled products.

Priority 2 - Creating a Better Haringey: cleaner, greener and safer

Engaging with a furniture framework supplier offers a 'one stop shop' provision for the majority of the F,F&E to be procured. This engagement offers the opportunity to decrease the volume of vehicles required for delivery of FF&E to the Campus, allows for easy management of deliveries considering volumes and most economic traffic routes.

There is also the opportunity to more easily control and agree the method for recycling and disposal of any packaging when dealing with a main framework furniture supplier.

Completion of an audit of existing legacy equipment has offered the opportunity for reuse of F,F&E where appropriate in the campus and where not, has offered up the option for reuse in other schools/organisations within the Borough.

Priority 3 Encouraging lifetime well-being, at home, work, play and learning

The BWF ILC project 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. The F,F&E selected for the campus has born this objective in mind.

The new Campus will improve access to extended services in and around Broadwater Farm and contribute to improving community cohesion. Examples include access to ICT, sports and the arts. This project is proposing a series of large shared spaces including a Hall, ICT suite, Activity Studio which could potentially be used for community use out of school hours.

Priority 4 - Promoting independent living while supporting adults and children when needed

The F,F&E selected for the new campus is in consideration of opportunities to support the learning environment for the local community via extended services. The Inclusive Learning Campus will meet local need for extended, youth and community services and the vision is to provide an extended service, including childcare, to the children and their families as well as services for the wider community contribute to improving community cohesion.

Priority 5 Delivering excellent, customer focused, cost effective services.

Key to the success of the new Inclusive Learning Campus is to improve standards of education for the pupils at the Campus. The appropriate selection of F,F&E is conclusive to supporting and creating an environment to support the right learning and attitude. To illustrate how F,F&E can support this, an example is that 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.

Council Strategies -

The BWF ILC project has the following links to Council Strategies:

The Children & Young People's Plan

The successful completion of this project will be instrumental in Haringey achieving the aims and objectives of the Children and Young People's Plan 2009 – 2020 which are aligned with those in the national strategic Children's Plan 2009 – 2020.

The project will help deliver the Every Child Matters agenda and provide an opportunity to transform education in Haringey by delivering a school that our young people, our teachers and our local communities deserve.

The inclusive learning campus will meet local need for extended, youth and community services by providing an extended service, including childcare, to the children and their families as well as services for the wider community

The Primary Strategy for Change

The planned design and construction programme for the new campus will support and contribute towards the following five principles of Haringey's Primary Strategy for Change:

- **Principle 1:** We want all children to be able to enjoy their learning and to make good progress;
- **Principle 2:** We want to promote learning through access to greater opportunities for all within the community;
- **Principle 3:** We want to secure the health and well-being of our children and young people and safeguard their welfare, especially the more vulnerable;
- **Principle 4:** We want to further develop the leadership capacity in our schools;
- **Principle 5:** We want to integrate ICT throughout as part of the transformation of learning experiences for children, young people and the community.

Use of Resources

Value for Money

Overall value for money will be sought through the procurement strategy and methodology.

Eastern Shires Purchasing Organisation (ESPO) is a local authority purchasing and distribution consortium, formed in early 1981 by the County Councils of Leicestershire and Lincolnshire. Under OJEU procurement regulations the London Borough of Haringey is a Framework permissible user of the ESPO consortium.

The ESPO framework already demands value for money from its suppliers which is demonstrated via ESPO's objectives which are:

- To achieve overall cost savings for the customer.
- To improve the procurement performance of our customers through the provision of a comprehensive, professional purchasing and supply service.
- To provide customers with a simple, time saving and effective system for the supply of goods and services whilst preserving full public accountability, including compliance with EU Directives.
- To assist customers in meeting key corporate objectives.

Where items of F,F&E are to be procured outside of the ESPO framework value for money will be sought through seeking comparative quotes and or benchmarking prices against other products.

Engagement of the Community

Teachers and school representatives have been involved in the furniture selection process. Please refer to Section 12 for more details.

Risk Management

Risks are managed within the governance of the Primary Capital programme. This includes Stream Lead meetings and reporting to the Programme Board. The project is managed within Prince 2 methodology and Managing Successful Programmes. All proposed procurements are managed to European Legislation and advice is taken from legal advisers to ensure compliance.

4. Recommendations

The Procurement Committee is recommended:

The Procurement Committee is recommended:

- 4.1. to endorse the proposed Procurement Strategy for F,F&E for the Broadwater Farm Inclusive Learning Campus;
- 4.2. to agree in principle to the purchase of F,F & E from the ESPO framework agreement

4.3. to delegate authority to the Director of Children & Young People's Services in accordance with section 15 of the Local Government Act 2000, to grant approval for the placement of orders and award of a contract with the Eastern Shires Purchasing Organisation (ESPO) for the supply of the majority of F,F&E for the new Campus.

5. Reason for recommendation(s)

- 5.1. On the advice of Procurement and Legal Council Officers, a strategy for the procurement of F,F&E has been formalised.
- 5.2. The Procurement Strategy proposes procurement of the bulk of F,F&E for the Campus via the Eastern Shires Purchasing Organisation (ESPO). ESPO has been selected, on the advice of Procurement and Legal, as a furniture supplier that is compliant with OJEU purchasing regulations and offers a range of F,F&E that is suitable and matches the majority of F,F&E requirements for the new campus.
- 5.3. The strategy also proposes that where specialist items of F,F&E are required (such as sensory equipment for SEN classrooms) that are not available via ESPO the necessary waiver procedure under Contract Standing Orders will be followed to obtain Director approval or (where values necessitate Cabinet Member involvement) the approval will be sought from a Cabinet Member in conjunction with the Director to procure items directly from specialist suppliers. In most circumstances where items are to be procured via a specialist supplier, quotations will be benchmarked or sought from more than one supplier (wherever possible) to ensure value for money. Any such waivers will be reported back to Committee at a later stage.
- 5.4. Following extensive external consultation (see Section 12) the F,F&E layouts for the campus have been finalised and signed off by the schools. This has provided a schedule of F,F&E to be ordered for phase 1 and phase 2 of the campus (see Appendix B & C).
- 5.5. Delivery and installation of the F,F&E for phase 1 is to be organised for August 2011 to ensure the campus is ready for occupation from September 2011. An order therefore needs to be placed in Spring 2011. It is intended that this order also will include the F,F&E for phase 2 but the details of which will be re-confirmed in Spring 2012.
- 5.6. The F,F&E Schedule (see Appendix C) produced from the room layouts which lists the bulk of the equipment to be procured has been priced by NPS Property Consultants Ltd using ESPO Catalogue prices. The total spend has then been added to the other categories listed in Appendix B to give an indicative forecast budget spend for F,F&E. Where items are not yet fully specified by the schools, not available via ESPO or are a specialist item, these have generally been added as a separate category in Appendix B.
- 5.7. The next steps are for this schedule to be priced by ESPO in order to confirm the total forecast projected spend and for further quotations to be sought for specialist items. At this stage Director (and if required Cabinet Member) Approval will then be sought to place an order and award a contract for the supply of F,F&E to

ESPO and any other specialist suppliers at the confirmed values within the budget spend stated in Part B Appendix A & B of this report.

- 5.8. Due to the timescales for orders to be placed in Spring 2011, endorsement of the Procurement Strategy and agreement to grant delegated authority for the placement of F,F&E orders is needed from Committee Members so as not to delay the programme for delivery and installation of F,F&E. The alternative option to return to Committee when the prices for the F,F&E are firmed up would delay the placement of orders and jeopardise the timing for delivery and installation.

6. Other options considered

- 6.1. Legal and Procurement advice has been sought and followed as to the options for procurement and the ESPO framework has been proposed as the most suitable supplier.
- 6.2. As described in section 5 and 12 extensive internal and external consultation has been conducted to ensure the Procurement Strategy and selection of F,F&E offers value for money but is also durable, affordable to replace, and sourced/made from sustainable products wherever possible.

7. Summary

7.1. Background

Haringey Council C&YPS is seeking to bring together the three schools, Broadwater Farm Primary and Special Educational Needs schools William C Harvey and Moselle to establish a fully inclusive Learning Campus (ILC). The ILC will continue to offer 2 form of entry for mainstream and increase Special Educational Needs (SEN) provision from 80 to 100 pupil places, for 3-11 year old children.

The purpose of the BWF ILC project is to provide a new inclusive modern building with facilities to meet the current educational needs and standards and facilitate inclusive learning for mainstream and SEN pupils together. The project will combine the requirements of the primary provision of all three schools into an Inclusive Learning Campus on the existing site.

Following a successful tender exercise the main contract was awarded to Mullalley & Co Ltd and construction of the building started in July 2010. Construction of phase one of the building is anticipated to complete in July 2011 with occupation and full service delivery from September 2011. Phase two of the building is anticipated to complete and be ready for full service delivery a year later (September 2012) with some landscaping and external works continuing until December 2012.

To ensure the building is ready for occupation and service delivery a substantial amount of new furniture and equipment is required to adequately resource the needs of the pupils, teachers, and the community. This requirement has been ascertained in consideration of an audit of existing legacy F,F & E equipment.

7.2. Summary of Recommendations made in the Report

The BWF ILC project will benefit from the Procurement Strategy proposed. Use of an OJEU compliant framework furniture supplier ensures value for money and offers reliability of service. The quantities and size of F,F&E order to be placed with ESPO will ensure that economies of scale can be achieved.

Granting of delegated authority to place the orders for F,F&E in due course enables the project programme to continue without delay and without jeopardising the successful occupation and operation of the new campus from September 2011.

8. Chief Financial Officer Comments

8.1. The full costs of the Broadwater Farm ILC project to which this report on FF&E procurement relates have been approved within the Council's 11/12 capital programme. The CFO confirms that funding is available to finance the project through to completion at the approved Cash Limit Budget of £16.925m. and that adequate contingency is held within the project and at CYPs capital programme level to cover current known risks

9. Head of Legal Services Comments

9.1. The Head of Legal Services notes the contents of the report.

9.2. The Council has the power to enter into contracts for the supply of furniture, fittings and equipment ("the Supplies") under section 1 of the Local Government (Contracts) Act 1997 on the basis that such supplies are properly required for the discharge of the Council's duties.

9.3. It is anticipated that the estimated value of the Supplies will be in excess of the threshold for application of the Public Contracts Regulations 2006 (PCR), currently £156,442.00 and therefore subject to the full application of the PCR. However, the report recommends that the Council procures the majority of the Supplies via an existing framework agreement established by the Eastern Shires Purchasing Organisation (ESPO), which will counter the requirement to conduct a full procurement exercise.

9.4. The proposal to procure the Supplies via the ESPO framework agreement is EU compliant, as it is our understanding that the framework agreement has been established in accordance with the PCR. The Supplies will be procured by way of call-off from the framework agreement in accordance with Regulation 19.7(a) of the PCR.

9.5. Under CSO 6.09(b), the Council's Contract Standing Orders shall not apply in the effect of requiring that a formal tender exercise is conducted, where the Council procures goods by selecting one or more contractors from a framework agreement established by a public sector body in accordance with the PCR.

9.6. The Cabinet Procurement Committee has power to approve the report recommendations under CSO11.03 and award contracts with values in excess of £250,000.00.

9.7. It is noted that as a consequence of the tight procurement timeframe, the report recommends delegation to the Service Director of the authority to award contracts and place orders under the ESPO framework agreement in relation to the Supplies. Under section 15 of the Local Government Act 2000, Cabinet has power to make such a delegation.

9.8. It is also noted that this contract will be a 'key decision' and, as such, must be included within the Council's Forward Plan. The Report Author has confirmed that this has taken place.

9.9. The Head of Legal Services advises that, in deciding whether to approve the recommendations in paragraph 4 of this report, Members should have due regard to the Legal Services considerations set out in Part B (the exempt part of the report).

10. Head of Procurement Comments

10.1. The procurement for furniture, fittings and equipment for Broadwater Farm Inclusive learning Campus will need to be procured in compliance with the Public Contracts Regulations 2006.

10.2. Eastern Shires Purchasing Organisation (ESPO) has been selected, following discussions with Corporate Procurement Unit and Legal, as a furniture supplier that is suitably compliant with the OJEU purchasing regulations. (Please refer to Legal comments).

10.3. The ESPO framework agreement offers a range of F,F & E that is suitable and matches the majority of F,F & E requirements for the new campus at Broadwater Farm Inclusive Learning Campus.

10.4. It is noted that due to the timescales required to procure the items scheduled that delegated authority is required to meet the timescales.

10.5. Where items of F,F & E fall outside the ESPO framework, Children's and Young Peoples Services will be liaising with CPU and Legal to ascertain the most suitable procurement process required for these items and subsequent award.

11. Equalities & Community Cohesion Comments

11.1. An Equality Impact Assessment was carried out in April 2010 to assess the impact of the wider proposals of the project. The assessment concluded that the proposals had no adverse impact on the groups identified, and proved to have a positive impact as the proposals were creating an inclusive campus that all groups can benefit from. Therefore in relation to this phase of the project we need to ensure that, the furniture and layout of equipment is such that it places no

group of users at a disadvantaged and is accessible and able to be used by all.

12. Consultation

12.1. Internal Consultation

The Council's Construction Procurement Group (CPG) and Legal Team have been consulted with as to the strategy and the options for procurement of F,F&E. On their advice the Eastern Shires Purchasing Organisation has been deemed the most appropriate supplier for the BWF ILC project.

12.2. External Consultation

In addition to the consultation with Council department services Legal, Finance, Equalities, and Procurement there has been wider consultation to inform the recommendations put forward in this report. The scope of this consultation includes:

- a) Discussions with NPS Property Consultants Ltd who are the appointed consultant under the Framework Agreement for the provision for Consultants for Construction Works (CfCW) and have been appointed as the F,F&E Consultant for the project. NPS Property Consultants Ltd have experience in the procurement of F,F&E for primary schools and knowledge on the suitability, durability and variety of options for different items of F,F&E.
- b) Extensive meetings with three school representatives from each school due to be accommodated in the new campus; Broadwater Farm Primary, William C Harvey and Moselle. The school representatives have informed the layout of furniture required in classroom and other room settings and advised on the requirements for furniture selection in terms of suitability for pupils and staff, particularly considering the Special Educational Needs (SEN) requirements of the campus.
- c) Presentation of furniture layouts and options for selection of furniture/equipment to wider school staff, including two Furniture Fairs where the plans and samples of the equipment have been displayed as school Inset Days.
- d) Consideration with school representatives as to the availability and suitability of existing legacy F,F&E for reuse in the new campus.
- e) Visits to other local and national schools to obtain guidance on suitability of selection of F,F&E, test suitability of furniture layouts and use of spaces, and obtain commentary on lessons learned from other projects and the procurement of F,F&E.

13. Service Financial Comments

13.1. The Broadwater Farm ILC project is fully funded within the approved CYPS capital programme, including the budget for Fixtures, Furniture and Fittings which is the subject of this procurement report. The detail of this budget is provided in Part B of this report.

13.2. The overall cash flow projections and planned funding for the project over the project life, are as set out below.

Broadwater Farm Project Life								
28/02/2011								
	Cash Limit Budget	Actual 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Outturn forecast (all)
	£	£	£	£	£	£	£	£
Approved budget	16,925,491	111,818	1,059,010	3,071,000	6,470,000	5,437,000	776,663	16,925,491
Latest projection	16,925,491	111,818	1,059,010	2,447,327	7,664,742	5,431,994	210,600	16,925,491
Variation	0	0	0	-623,673	1,194,742	-5,006	-566,063	0
Funded by:								
PCP	16,751,491	111,818	1,059,010	2,360,327	7,664,742	5,431,994	123,600	16,751,491
School contributions	174,000			87,000			87,000	174,000
	16,925,491	111,818	1,059,010	2,447,327	7,664,742	5,431,994	210,600	16,925,491

13.3. The project will be financed from primary capital grant funding and capital contributions from private developers (S106 Education pool) which have already been secured, and there is no reliance on future borrowing in relation to this project.

13.4. The total contribution required from the schools included in this project is under review as the government funding for schools devolved capital has been significantly reduced in 2011/12. Should schools contributions not be achieved at the originally budgeted level, the balance will need to be made up from CYPS capital programme contingency.

14. Use of appendices /Tables and photographs

The following information forms Part B of this report

- 14.1. Appendix A - Summary of F,F&E Budget
- 14.2. Appendix B - Summary of F,F&E Forecast Spend
- 14.3. Appendix C - Detailed F,F&E Schedule

15. Local Government (Access to Information) Act 1985

The following documents were used in the compilation of this report:

15.1 The Council's Standing Orders

15.2 Part B, Appendix A, B & C 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).*