



Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee

On 24th March 2011

Report Title. **Consultants for Construction Works – Extension of Framework Agreement**

Report of **Director of Corporate Resources**

Signed :

Henry Bath for DCOR

10/3/11

Contact Officer : David Mulford, 020 8489 1037

Wards(s) affected: **All**

Report for: **Key Decision**

1 Purpose of the report

- 1.1 To seek Cabinet Procurement Committee approval to extend the Consultants for construction works framework agreement for a further period of 1 year.

2 Introduction by Cabinet Member

- 2.1 I concur with the recommendations set out in this report.

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

- 3.1 The procurement of long term agreements for construction consultancy fits in with the Council's Category Management strategy.

4 Recommendations

- 4.1 In accordance with CSO 13.02 that the Consultants for construction works

- framework agreement be extended for NPS Property Consultants Ltd.
- 4.2 That the framework agreement be extended for a further period of 1 year (as allowed within the framework agreement) with an estimated total value of £1million.

5 Reason for recommendation(s)

- 5.1 The extension of the existing framework agreement will enable the Construction Procurement Group to conduct a procurement exercise for the subsequent arrangements to be put in place for the provision of construction consulting.
- 5.2 The Construction Procurement Group is leading on a collaborative procurement exercise involving the London Borough of Barnet and Enfield Council. The procurement process is currently underway and is due to be finished by November 2011.

6 Other options considered

- 6.1 The Construction Procurement Group examined the option of using other public sector arrangements for the provision of construction consulting. There are public sector framework agreements in place that may be used for the provision of construction consulting, whereby the user can select consultants through a tender mini-competition. However, the current framework agreement provides the opportunity for consultant performance to be monitored closely through regular programme review meetings with the single service provider. The single service provider has been trained in the Council's internal processes and procedures, so the use of the in-house framework also provides efficiency savings in terms of the time officers would otherwise spend training new consultants.
- 6.2 It should be noted that the Council is not obliged to use the extended framework agreement for construction consultancy and that where appropriate the Council may decide to use externally procured framework agreements if these offer better value or access to available resources

7 Summary

- 7.1 The Consultants for construction works (CfCW) framework agreement was awarded in March 2008 for a period of 2 years, with the option to extend for up to a further 2 years subject to satisfactory performance. Agreement was granted by Cabinet Procurement Committee to extend the framework agreement by 1 year in April 2010. The current framework agreement expires on 27th April 2011 following the previous extension of 1 year.
- 7.2 The framework agreement provides a one-stop-shop service for the provision of project management, architecture, building surveying, mechanical, electrical, civil and structural engineering and quantity surveying.
- 7.3 Separate framework agreements were awarded to run concurrently with the CfCW framework agreement to provide cost, quality and health & safety assurance to the

work carried out by the one-stop-shop service provider.

- 7.4 The performance of the single service provider has been satisfactory throughout the initial term of the framework agreement and the subsequent extension period.
- 7.5 The use of this framework agreement provides a robust contract management process, with key performance indicators used to monitor performance.

8 Chief Financial Officer Comments

- 8.1 This report seeks the Committee's approval to the extension of the existing framework agreement for consultancy work on construction projects. It is estimated that up to £1million of work could be awarded in 2011-12 under this contract.
- 8.2 This would be the second and final extension of the contract. It is being recommended on the grounds that the rates within the contract represent value for money and that within the next twelve months a new framework contract will be put in place which will cover a consortia of three local authorities including the London Borough of Haringey.

9 Head of Legal Services Comments

- 9.1 The Consultants for Construction Works framework agreement was tendered in the EU in accordance with the Public Contracts Regulations 2006.
- 9.2 The framework agreement has already been extended for one year in accordance with the contract terms. The Council's Construction Procurement Team now wishes to extend the framework agreement for a further year.
- 9.3 Because of the value of the proposed extension approval needs to be obtained from the Procurement Committee in accordance with CSO 13.02.
- 9.4 This is a key decision and the Construction Procurement Team has confirmed that it has been included on the Forward Plan.
- 9.5 The Head of Legal Services confirms there are no legal reasons preventing Members from approving the recommendations in this report.

10 Head of Procurement Comments

- 10.1 The current framework for Consultants for Construction works (CfCW) was procured following an advert in the Official Journal of the European Union and subsequent award by Cabinet Procurement Committee in March 2008.
- 10.2 The framework allows for extending for up to one further year subject to satisfactory performance.

10.3 The framework is monitored through a number of meetings including a core group of key directorates.

10.4 The Head of Procurement therefore supports the extension of this framework for a further year.

11 Equalities & Community Cohesion Comments

11.1 NPS were evaluated in terms of equality and diversity in the original procurement process used to select them to the framework agreement.

11.2 The framework agreement will benefit all wards within the borough.

12 Consultation

12.1 The Construction Procurement Group has consulted with key client groups from all directorates in order to shape the contract mechanism for the arrangements that will be procured to replace this framework agreement, detailed in the report to Cabinet Procurement Committee (Strategy for the implementation of Construction Related Consultants Services 2011 frameworks (CRCS 2011)) of 25th November 2010.

12.2 Clients regularly provide feedback on the service provided by NPS and are involved in regular progress meetings held between the Construction Procurement Group and NPS.

13 Service Financial Comments

13.1 The costs involved in the use of the framework agreement for future minor construction works may come from external funding, revenue or capital budgets for the directorates for which work is being carried out.

13.2 The framework agreement was awarded against a schedule of rates based on percentage rates against construction cost. Hourly rates can be adjusted in line with the average Retail Price Index (RPIX) figure from 1st April 2010 to 31st March 2011 by request.

13.3 From the inception of the framework agreement in April 2008 to February 2011 NPS has been awarded work worth £7.90million. Based on the anticipated workload for NPS over the subsequent year the fees for this period are estimated at £1m.

13.4 The rates tendered by NPS Property Consultants Ltd are competitive and compare favourably against those companies procured under the Buying Solutions Project Management and Full Design Team Services framework agreement.

14 Use of appendices /Tables and photographs

14.1 Appendix 1 of this report contains information exempt from public viewing.

15 Local Government (Access to Information) Act 1985

15.1 N/A

