

**REPORT TEMPLATE:
PROCUREMENT COMMITTEE**

HARINGEY COUNCIL

Agenda item: **[No.]**

Procurement Committee

On 13/02/07

Report Title: **Construction Related Consultancy Services (Part A): Award of contract**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Head of Procurement**

Ward(s) affected: **All**

Report for: **Non-Key Decision /
Procurement Committee**

1. Purpose

1.1 To seek Member agreement to extend the contract for Construction Related Consultancy Services for a period of one year. This Framework Agreement provides a contractual mechanism for all Council Directorates to select construction related consultancy services and advice without the need for further competition. It should be noted that the appointment of companies under this arrangement does not provide a binding commitment to award work.

2. Introduction by Executive Member

2.1 I recommend that the committee extend the contract for Construction Related Consultancy Services for a further year while the Construction Procurement Group considers the market and proposes the most suitable model for future years. I expect to see the recommendations for the future agreement within the next year.

3. Recommendations

3.1 That Members agree to extend the contract for the above project, as allowed under Contract Standing Order (CSO) 13.02, in accordance with the recommendations in paragraph 14 of this report.

3.2 That the contract be extended for a further 1 year period.

Report Authorised by: **[Director of Finance (Include signature here)]**

Contact Officer: **David Mulford, Construction Procurement Group Manager
(Tel. 020 8489 1037)**

4. Executive Summary

- 4.1 The CRCS framework agreement was set up by the Construction Procurement Group in April 2004 to provide construction consultancy for projects across all directorates.
- 4.2 The report seeks the approval from the Leader in consultation with Executive Member for Finance to extend all contracts for the CRCS framework agreement.

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

- 5.1 N/A

6. Local Government (Access to Information) Act 1985

- 6.1 List of background documents:

Construction Related Consultant Report January 2000. Report on Technical Services Design Fees.

7. Background

7.1 The procurement for Construction Related Consultancy Services (CRCS) was carried out by the Construction Procurement Group (CPG) on behalf of all clients across the Council who commission construction design services. This was advertised within the Official Journal of the European Union (OJEU) in 2003. Subsequently after an evaluation and tender process 19 consultants were appointed to provide consultancy services for 6 fields of construction expertise.

7.2 These fields are:

- Design Led Consultancy Services
- Multi Discipline Consultancy Services
- Quantity Surveying Services
- Structural Engineering Consultancy Services
- Project Management Services
- Planning Supervisor

8. Budget

8.1 The budget allocated to each capital project or revenue funded project should include an allocation for professional fees for construction works by the client.

8.1 There is no budgetary implication of extending the term of contract for the framework agreement by one year.

9. Description of Procurement Process

The selection process previously completed for the consultants on the framework agreement is detailed below.

9.1 Pre-Qualification for submissions of tender

9.1.1 In accordance with the Public Services Contracts Regulations 1993, advertisements were placed in the Official Journal of the European Union (OJEU) on 21/05/03 and in Building Magazine on 13/06/03. All interested contractors were required to complete a pre-qualification questionnaire

9.1.2 Following the evaluation of returned pre-qualification questionnaires 38 companies were invited to tender of which 27 provided responses by the due date of 26/01/04.

9.2 Tender Evaluation

9.2.1 The bids submitted were subjected to a detailed evaluation under the Council's agreed criteria and in compliance with Council standing orders. The evaluation process consisted of the following stages:

- Quality (70% of overall score)
- Pricing (30% of overall score)

9.2.2 The Quality evaluation consisted of the following areas:

- Practice or Company
- Project Organisation
- Key Project Personnel
- Project Execution

9.2.3 The Pricing evaluation was based on pricing matrices submitted by the tenderers, which included three elements. These were:

- Fee percentages
- Lump sums
- Hourly rates

9.3 The framework agreement was let on a 3-year term with the option to extend for up to three further 1 year periods. The intention of the report is to extend the contract for 1 year in order to allow sufficient time to assess the requirements of the Council, in line with market conditions.

10 Consultation *(if applicable)*

10.1 All directorates across the Council were originally consulted during the preparation of the CRCS contract. The contract is continuously used by all directorates for construction consultants.

11 Key Benefits and Risks

11.1 Key Benefits: The key benefit of the framework agreement is that the consultant can be appointed to a project expeditiously at agreed rates.

- 11.2 Risks: The key risks are that the consultants' fees have not been competitively benchmarked against the industry as it currently stands although fee scales for urban regeneration works have recently been received.
- 11.3 Risks: The high input to administer the current number of consultants will continue until a review is undertaken during the forthcoming year, before the replacement CRCS contract is in place.

12 Contract and Performance Management

- 12.1 Overall contract and performance management is overseen by the Construction Procurement Group, although it is the direct project responsibility of the client project officer to monitor the progress of each project.

13 Summary and Conclusions

- 13.1 This report seeks to obtain Member approval to extend the CRCS 2004 framework agreement contract to allow the planned extended use of all companies thereon. This will allow time for further consideration of the market, and allow the Construction Procurement Group to propose the most suitable model for the next framework agreement.

14 Recommendations

- 14.1 That Members agree to extend the contract for the Construction Related Consultancy Services 2004 framework agreement to the Companies on the agreement for a period of 1 year, commencing 1st April 2007.

15 Equalities Implications

- 15.1 The response to the pre-qualification questionnaires regarding the companies' Equalities policies were evaluated by the Council Equalities Advisor and the companies invited to Tender met the Councils criteria for Equalities. Equalities questions were further examined within the method statements submitted by the companies and within the interviews.
- 15.2 Equalities surveys of the consultants are required on a yearly basis.

16 Health and Safety Implications

- 16.1 The response to the pre-qualification questionnaires regarding the companies Health & Safety policies were evaluated by the Council Health & Safety Advisor and the companies invited to Tender met the Councils criteria for Health & Safety.
- 16.2 Health & Safety questions were further examined within the method statements submitted by the companies and within the interviews
- 16.3 The consultants have responsibility for the compliance with CDM regulations in their designs.

17 Sustainability Implications

- 17.1 The consultants on the CRCS framework agreement are requested to consider, on an ongoing basis, sustainable solutions within their designs wherever they are practically an economically possible.

18 Financial Implications

- 18.1 The budget allocated to each capital project or revenue funded project should include an allocation for professional fees for construction works by the client.

19 Comments of the Director of Finance

- 19.1 The Director of Finance believes that it is beneficial to the Council to extend the current contract for Construction Related consultancy Services for a further year as this will allow time for the development of the most suitable model for the next framework agreement.

20 Comments of the Head of Legal Services

- 20.1 The Construction Related Consultancy Services framework agreement was advertised in the Official Journal of the EU in 2003, in accordance with the Public Services Regulations 1993, using the restricted procedure.
- 20.2 The advertisement referred to the possibility of an extension of the term of the framework agreement, for a further period of up to three years.
- 20.3 This report is seeking an extension of the original three-year term of the framework agreement, for a further one year period.
- 20.4 The Procurement Committee has the power under CSO 13(2) to approve the proposed extension.
- 20.5 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations in Paragraphs 3 and 14 of this report.

21 Comments of the Head of Procurement

- 21.1 The Head of Procurement supports the request to extend the CRCS 2004 framework agreement for one year from April 2007.
- 21.2 This will allow for full market testing to be undertaken, which will, in turn, permit the best approach to the market. This will mean that the Construction procurement Group is able to ensure that it secures the best supply arrangement for the Council for the future.

22 Use of Appendices / Tables / Photographs

- 22.1 N/A