



**Haringey Council**

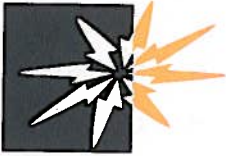
<b>Report for:</b>	Cabinet Meeting of 18 March 2014	<b>Item Number:</b>	
<b>Title:</b>	Holcombe Market Project – Main Contractor Appointment		
<b>Report Authorised by:</b>	Lyn Garner, Director of Regeneration, Planning and Development		
<b>Lead Officer:</b>	Brendan Bannister, Senior Project Manager – Property & Capital Projects		
<b>Ward affected: Tottenham Hale</b>	<b>Report for: Key Decision</b>		

**1. Describe the issue under consideration**

- 1.1 To seek approval from the Cabinet to appoint the recommended contractor (Quinn London Ltd.) to deliver the Holcombe Market redevelopment in the sum of £376,505 which is funded by the Greater London Authority (GLA) via the Mayor's Regeneration Fund (MRF).
- 1.2 To seek approval from the Cabinet to issue a letter of intent prior to the formal contract signature for 10% of the contract value.

**2. Cabinet Member introduction**

- 2.1 The GotHR programme of regeneration works is part of the wider Tottenham Regeneration Programme and is made up of 4 projects: Heritage shop front renewal, Bruce Grove public realm, Tottenham Green and the subject of this report - the Holcombe Market. This Market redevelopment will upgrade the infrastructure, improve the road works to the rear of the Market and replace the existing poorly sited and run down stalls with realigned and modern units, The scheme seeks to improve the look and feel of the environment and infrastructure of the Market which in turn will facilitate economic improvements and growth to the High Road.
- 2.2 This report focuses on the Market redevelopment scheme only. This award of contract has been subject to a competitive tender process and we are content that the decision made offers best value for Haringey and the GLA.



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### 3. Recommendations

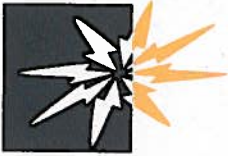
- 3.1 Request approval from the Cabinet to award a contract to the recommended contractor (Quinn London Ltd.) for the sum of £376,505 which is fully funded by the GLA.
- 3.2 Request approval from the Cabinet to issue a letter of intent prior to formal contract signature for 10% of the contract value.

### 4 Background Information

- 4.1 The Market redevelopment works comprise the demolition of the existing stalls, installation of new trading stalls, renewal of the Holcombe Road to the rear of the market and improved access to the adjoining properties.
- 4.2 The process to develop this project from concept to final design has had input and support of the key stakeholders. These include GLA, Transport for London (TfL), and London Borough Haringey (LBH).
- 4.3 The scheme will be delivered so as to provide continuity of trading for the stall leaseholder. A temporary trading stall will be set up whilst the new stall is developed and both will be fitted out and funded within the total project budget. The lease is currently being secured under the execution of a legal agreement prepared and issued by LBH. Clearly this lease needs to be in place prior to award of Contract.
- 4.4 Planning permission has been received for the Market development.
- 4.5 The GLA funding is agreed on the basis that the works are completed within the current financial year, i.e. by the end of March 2014. However, due to an extended stakeholder process the GLA have acknowledged that for a justifiable reason such as this, slippage of funds into the financial year 2014/2015 is likely to be granted. The GLA's formal decision on this is not expected before March 2014 and proposed contract commencement is April 2014 and therefore commencement will be preceded by GLA's approval of the re-profiled expenditure. The approved GLA funding for both the Public Realm and Market totals £785,000 and the current projection remains the same. However, specific Public Realm works has been re-allocated to the Market project and this aspect will also be part of GLA's formal decision in April 2014.
- 4.6 The capital programme includes provision for the Holcombe Market Re-development project totalling £515,000. The budget is as set out in the grant agreement with the Greater London Authority (GLA).

### 5 Procurement Process

- 5.1 Competitive tenders were invited from eight contractors from the Framework Agreement for the Major Building Construction Works band a £250,000 to £1,000,000.



- 5.2 Following the issue of amendments to the procurement route for the project, all contractors except one who had specifically stated the project was not suitable to them, were provided the opportunity to express interest to the revised project parameters. All remaining contractors declined to tender except for 3 contractors. Subsequently 2 withdrew on the basis of not having resource availability.
- 5.3 A Quality Assessment was conducted by an Evaluation Panel, comprising of the Lead Design Consultant, the Quantity Surveyor and Haringey Council Project Manager. A pre agreed list of questions relevant to this project was included as part of the Qualitative Delivery Proposals (QDP). Quality issues addressed through the clarification process with the contractor have been satisfied.
- 5.4 The recommended tender bid is within the budget allowances.
- 5.5 The recommended tender submission is considered to offer good value for money. The tender submission is in accordance with the employers' requirements as defined in the tender documents.
- 5.6 A summary of the tender submissions evaluation matrix is illustrated in the tabled immediately below:

Tenderer	Financial Score (Maximum 40%)	Quality Score (maximum 60%)	Total Score
Quinn London Ltd.	40	40.62	80.62%

- 5.7 The defects liability period (rectification period) is 12 months.
- 5.8 The contract is to be awarded on a fixed price basis.
- 5.9 The procurement route for the construction resource is single stage competitive tender JCT Design & Build.
- 5.10 Tenders include all construction costs, site establishment and management costs, contractors design costs, overhead and profit.
- 5.11 A letter of intent is intended to be issued for 10% of the contract value to enable works to start, which equates to £37,650.
- 5.12 The contractor needs to be appointed as soon as possible in order to complete the works by the end of July 2014 and avoid the risk of the traders losing valuable income.
- 5.13 The London Housing Consortium (LHC) Network offers a selection of products, services and contractors through pre-tendered framework arrangements. A review of the LHC framework arrangements has been carried out and goods and services, where applicable, have been applied.



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5.14 Capital and Major Projects team will continue to project manage the works through to completion and final accounts.

5.15 An extensive public consultation has been carried out with the local traders, residents associations and the general public with widespread unanimous support.

5.16 A legal agreement has been drafted for the trader benefiting from this scheme that will be required to be entered into prior to any works being undertaken. This agreement provides for a 'fit out' contribution to the trader.

## **6 Comments of the Chief Finance Officer (CFO) and financial implications**

The CFO confirms that a budget of £515,000 to cover the total costs of this project including this contract is in the approved 13/14 capital programme, and that the budget is fully funded from the GLA Mayor's Regeneration Fund under the Growth on the High Road Grant Agreement.

As stated in para 4.5 above, the GLA have informally indicated that approval to carry forward funds in to 14/15 is likely to be forthcoming, but will not be fully determined until after the end of the financial year. There is a low risk therefore that the GLA may not give approval for the carry forward of funds, in which case the Council would have the option not to proceed with the contract.

## **7 Assistant Director of Corporate Governance Comments and legal implications**

7.1 The Assistant Director of Corporate Governance notes the contents of this report.

7.2 The Council conducted a mini-competition amongst contractors on its Framework Agreement for Major Building Works (the "Framework Agreement"). The Framework Agreement was advertised in Europe in accordance with the Public Contracts Regulations 2006.

7.3 This is a key decision and the Directorate have confirmed that it has been included on the Forward Plan.

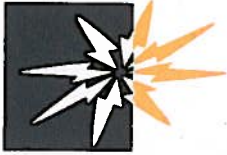
7.4 In accordance with CSO 9.07.1(d) as the value of the contract exceeds £250,000 it may only be awarded by Cabinet.

7.5 The Assistant Director of Corporate Governance confirms there are no legal reasons preventing Cabinet from approving the recommendations in the report.

## **8 Equalities and Community Cohesion Comments**

8.1 Policy and Equalities Team have been consulted in the preparation of this report and have commented as follows:





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- 8.2 This award of contract has been subject to a competitive tender process and is in line with the Council's procurement strategy and procedures which are informed by the Council's Equal Opportunities Policy and have equal opportunities considerations at all their key stages.

## **9 Head of Procurement Comments**

- 9.1 The contractors invited to tender have been selected from the Council's Framework Agreement for Major Building Construction Works 2010, banding value £250,000 to £999,999.
- 9.2. The tender has been prepared and tendered on a quality/price basis of 60% quality and 40% price.
- 9.3 The Quantity Surveyor in evaluating this tender has commented in their tender report that the tender represents good value for money based on current market rates and the pre tender estimate.

## **10 Policy Implication**

- 10.1 This contract supports the Council's commitment to deliver the project in accordance with the grant agreement with the Greater London Authority (GLA.)

## **11 Reasons for Decision**

- 11.1 To complete the Market redevelopment scheme in accordance with the grant agreement with the GLA.
- 11.2 To enhance the immediate environment of the High Road and ultimately encourage new businesses and employment to the area.

## **12 Use of Appendices**

- 12.1 None.

## **13 Local Government (Access to Information) Act 1985**

List of background documents:

- 13.1 Framework Agreement for Major Works 2011
- 13.2 This report contains exempt and non-exempt information. Exempt information is under the following category (identified in amended Schedule 12A of the Local Government Act 1972). S (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

