



**Haringey** Council

## APPENDIX A

### REPORT TEMPLATE

Agenda item:

**[No.]**

**Report to Cabinet Procurement Committee**

**On 24th July 2007**

Report Title: **St Ann's Library Hall Redevelopment ( Part A )**

Forward Plan reference number (if applicable): **NA**

Report of: **Director of Adult, Culture and Community Services**

Wards(s) affected: **St Ann's**

Report for: **Key Decision**

#### **1. Purpose**

1. This report seeks Members approval to enter into a construction contract for the Redevelopment of St Ann's Library Hall.

#### **2. Introduction by Cabinet Member**

2.1 St Ann's Library Hall is a popular and well used facility. The building needs complete modernisation and The Bridge New Deal for Communities have secured funding for the rebuilding of this important community facility that will provide a cultural focal point to the community, along with many other benefits to the St Ann's area.

2.2 I endorse the recommendation to award the contract for the construction works to the contractor named in Part B of this report and to reduce the overall cost during stage two through a Value Engineering process.

#### **3. Recommendations**

3.1 That the Cabinet Procurement Committee in principle agree to award a Design & Build construction contract to the recommended contractor at the sum detailed within part B in accordance with Standing Order CSO 11.03.

3.2 That Members agree to grant the Director of Adult, Culture and Community Services delegated authority to finalise the contract price with the recommended contractor named in Part B of this report in accordance with the terms of the Major Works Framework Agreement, the price not to exceed the Agreed Maximum Price as stated in Part B of this report.

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture and Community Services**

Contact Officer: **John Barnett (Corporate Landlord Manager) 0208 489 4498**

#### **4. Director of Finance Comments**

4.1 Funding of £950,000 is available for this project through the Bridge New Deal for Communities capital programme budget for 2007/08.

4.2 The funding must be spent by 31<sup>st</sup> March 2008.

#### **5. Acting Head of Legal Services Comments**

5.1 The estimated value of the Contract is below the EU threshold for tendering under the EU Public Contract Regulations 2006, the threshold for Public works is £3,611,319.

5.2 Regulation 19 of the Public Contracts Regulations 2006 permits the use of Framework arrangements in selecting contractors.

5.3 Adult, Culture and Community Services have advised that the evaluation is in accordance with the terms of the Council's Framework Agreement for Major Works.

5.4 As the contract value exceeds £250,000 the proposed award must be approved by Members pursuant to CSO 11.03.

5.4 Because the works need to be procured urgently so as to secure grant funding the report is seeking Members agreement to grant the authority to finalise the contract price prior to the contract being entered to the Director of Adult , Culture and Community Services.

5.5 The Procurement Committee has the power under Paragraph 1.02(a) in Part H.2 of the Constitution and section 15(7) of the Local Government Act 2000 to delegate any of its powers to officers.

5.6 The Acting Head of Legal Services confirms that there is no legal reason preventing the Executive Member from approving the recommendation set out above.

#### **6. Head of Procurement Comments**

6.1 The procurement of this contractor for the project outlined here and in more detail in Part B and the Appendices has been undertaken in accordance with the framework agreement selection processes.

6.2 Further, the best value element of the framework has been tested by the selection of three contractors to price the works.

6.3 An agreed maximum price has been established for the works ensuring that the budget for the construction works will be met.

6.4 In summary, the Head of Procurement supports the recommendation to members made at paragraph 3 of this report.

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

7.1 Framework Agreement for Major Works, January 2006 (Project banding £250K - £999K).

7.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is **not for publication**. Exempt information is under the following category (identified in amended Schedule 12A of the Local Government Act 1972).

7.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **8. Strategic Implications**

8.1 The Council's aim through its Library service is to encourage learning, improve employment prospects, promote social inclusion and improve the quality of life for people who live, work and study in Haringey. This project will have an integral role in achieving those strategic objectives.

## **9. Financial Implications**

9.1 This project falls under the Major Works £250K - £999K band in the Framework Agreement. There are 12 contractors within this band. The 12 contractors were selected based on quality, price and subsequent interviews.

9.2 The preferred contractor was the second highest score based on a matrix, however the first contractor were unable to undertake the work at the time of selection.

9.3 In line with the management arrangements for the Framework Agreements, a panel is required to jointly consider the appointment of any contractor from the framework agreement. The project panel on this project was made up of the Project Manager, Construction Procurement Group and a representative from the Library service.

9.4 The Construction Procurement Group has developed a rigorous selection process

for the selection of contractors from the Framework. This process has been agreed by audit. It includes such factors as price and quality, health and safety performance, financial status, ranking under the original framework agreement evaluation process and the client's essential project criteria.

9.5 The recommended contractor has been selected as constructor partner through 'call off' from the Council's Major Works Framework Agreement and a two stage tender process has been adopted to allow early involvement due to the restricted nature of the site. Preliminaries, overheads and profit as per the pre-tendered framework rates have been agreed and a provisional construction cost based on the concept design established. Once detailed design is complete a final construction costs will be agreed. This will require some minor Value Engineering to reduce the construction cost to match the original budget as detailed in part B of this report.

9.6 A meeting was held with the selected contractor to discuss the project and determine their ability to undertake the works.

9.7 As part of the stage two process the contractor will price the packages of sub-contract work subsequent to the completed design of each package and agreed with the project consultant John Rowan & Partners LLP. The pricing of all these sub-contract packages was carried out on an open book basis and quotations provided for each package. All other works will be priced by the contractor.

9.8 The provisional sums submitted by the contractor were assessed by the consultant and found to be in line with the original cost estimates, representing value for money and in line with current market rates. All the contractor's pricing submissions have been presented on the Major Works Agreed Maximum Price (AMP) Summary Sheet. The contractor's preliminaries, overheads and profits formulas set out in the Framework Agreement were then inserted by the consultant into the AMP Summary Sheet to arrive at an Agreed Maximum Price for the project works.

9.9 The Agreed Maximum Price arrived at in accordance with the above Framework Agreement procedure is as set out in Part B.

9.10 The defects liability period is 12 months.

## **10. Legal Implications**

10.1 The contract has been procured in accordance with EU procurement regulations through the Council's Major Works Framework Agreement.

10.2 The form of contract to be used is the JCT 2005 Design & Build with standard amendments in accordance with Haringey Council's standard operating procedure.

10.3 A condition of funding for the project agreed with the board of The Bridge New Deal for Communities is that the Council enter into a written commitment in the form of a

covenant and Service Level Agreement to maintain and provide services to the new hall for an agreed period in excess of five years and to a maximum of 25 years.

## **11. Sustainability Implications**

11.1 Minimising this environmental impact is one of the key objectives of the project, and has been a prime consideration during the design stage. It is proposed that the building will have significantly increased insulation, double glazing, Solar powered Hot Water services and a sustainable 'green' Sedum roof along with optimising the use of natural daylight through the roof design.

## **12. Equalities Implications**

12.1 The Councils Equal Opportunities policies have been embedded into the development of the Employers Requirements and have been fully reviewed during the pre-qualification stages and selection of the contractor.

## **13. Consultation**

13.1 The consultation process for St. Ann's Library Hall redevelopment ran from early January through to March 2007 allowing for a detailed and thorough consultation. An ongoing exhibition runs at St. Ann's Library comprising of display boards showing details of the plans, and semi-structured comments forms to allow local residents and library users to make suggestions. A publicity campaign entitled 'Help Us Paint the Picture'... was launched at the beginning of February. Fifteen thousand leaflets were circulated around the local and surrounding areas advertising 4 consultation evenings, one for older users, one for younger users and two for the general public which gave the opportunity for those attending to view the plans, discuss them with the architect, local councillors and the head of the library service, and representatives from the NDC before completing the questionnaires generating further community and user interest in the library's development and also facilitating informed feedback.

13.2 Consultation materials have also been distributed at various locations in order to engage the wider community and non library users. 11,000 were distributed to the local area; other distribution venues included schools, youth centres, library groups and community centres and churches. Wider promotion has been achieved via articles in the local press and an online consultation database.

13.3 Specific contact was made with local community groups who use the library hall to further promote the development plans and encourage community participation. Immediate neighbourhood groups had also been contacted.

13.4 In addition, a presentation was given to Ward Councillors to ensure that they are fully informed and involved in the development process and plans.

13.5 The project has a detailed consultation and communication plan to ensure that the community is not only informed about the project but fully involved. This includes a regular newsletter, internet updates and events at the library itself such as an open day during construction.

13.6 A further aspect to the project will be the inclusion of a steering group made up of members of library staff and the local community including user groups and residents of the St Ann's area. This group will not have direct decision making powers within the project structure but will act as a consultative body.

## **14. Background**

- 14.1 St Ann's Library Hall is a 1930's structure built from timber and asbestos cement panels. It is situated near the centre of The Bridge NDC area, off St Ann's Road and is well used by the local community. The building, along with the facilities it provides, has become dated and requires modernisation, due to its age and condition and is beyond economic repair. The building also requires investment to ensure that it remains compliant with much of today's legislation, not least of which is the Disability Discrimination Act (DDA) as access is currently limited within the hall.
- 14.2 The hall has a high utilisation rate and provides a wide range of activities that benefit the community. Skills levels in the NDC area are very low and the new hall will offer facilities for music, media and IT projects to enable young people to be involved in learning in a "fun" manner along side the existing community users. Linking the hall to the Library, as such creating one building brings a coherence to the existing library as a community facility and provides further opportunity within the local area to work with young people with low skill levels and help those who are more advanced to progress.
- 14.3 This project is to demolish the existing St Ann's Library Hall, and construct a new community facility that will bring enormous learning, social and cultural benefits to the community. Start on site is scheduled for early September 2007 with completion, including providing all equipment expected in early June 2008.
- 14.4 Construction is being funded by The Bridge NDC through its Capital Programme for 2007/2008 as laid out in the email correspondence of 4<sup>th</sup> June 2007 and is in the agreed programme with Government Office for London (GoL) with all expenditure to be achieved by 31st March 2008. Equipment and other necessary fit out requirements are being provided by the Council's Library service.
- 14.5 The restriction on the availability of funding limits the time available to complete the project with demolition planned for September.
- 14.6 A full set of Employers Requirements have been drafted and an Agreed

Maximum Price established and a planning application submitted with approval expected in August.

## **15. Conclusion**

- 15.1 St Ann's Library Hall requires modernisation due its age and state of repair. Funding for redevelopment has been agreed with the board of The Bridge NDC for its capital programme in 2007/2008 and community consultation has been undertaken resulting in a high level of expectation within the St Ann's area.
- 15.2 Contractor selection has been based on the Construction Framework Agreement. With a full set of Employers Requirements in place and an Agreed Maximum Price established.
- 15.3 A planning application for the redevelopment has been formerly submitted and is awaiting approval.
- 15.4 The report seeks the approval of Members to award the contract for the sum detailed in part B.

## **16. Use of Appendices / Tables / Photographs**

- 16.1 Part B of this report contains exempt information.
- 16.2 Appendix1 includes details of the existing building.
- 16.3 Appendix 2 is the designs submitted for planning approval.
- 16.4 Appendix 3 includes the design and access report for the proposed building.