



**Procurement Committee** on 04/09/07

Report Title: Markfield Park Improvements – award of contract to construction contractor (containing exempt information)

Forward Plan reference number (if applicable):

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

Wards(s) affected: **Seven Sisters ward**

Report for: **Non-Key Decision**

**1. Purpose**

1.1 This report is seeking Member approval to appoint a contractor that has been selected from the framework for the construction of a café in Markfield Park and is named in appendix A of this report.

**2. Introduction by Cabinet Member**

2.1 Through this report I am asking my colleagues to agree in principal to award a contract for the café construction in Markfield Park.

2.2 This is one of a limited number of GAF projects and will benefit from partnership funding from the DCLG and Haringey's capital resources, and therefore represents excellent value for money for the Council.

2.3 The eventual aim for the site is to obtain a Green Flag award in 2010 and these works will contribute towards that.

2.4 I therefore recommend to my colleagues that the works in this year are approved for Markfield Park

**3. Recommendations**

3.1 .That members agree to award the contract in principle for the above project, based on the Agreed maximum price in Appendix A to the contractor named in Appendix A.

3.2 That the committee delegate the agreement of the final price to the Chair of the

Procurement Committee and the Cabinet Member for Leisure, Culture, and Lifelong Learning.

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

Contact Officer: **Jan Wilson – Senior Project Development Officer – Recreation Services – x 5717**

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

4.1 The Director of Finance has been consulted and can confirm that there is sufficient budget within the capital allocation for Markfield Improvements to fund this project. This funding is set out in Appendix A of this report.

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

5.1 The Council has in place a Framework Agreement under Regulation 19 of Public Contracts Regulations 2006 (the Regulations).

5.2 In accordance with the Regulations, the Head of Procurement has confirmed to legal that by applying the terms laid down in the Council's Major Works Construction Services Framework Agreement they have opened a mini competition between those contractors who are capable of performing the contract. Head of Procurement has confirmed that a contractor was selected to submit an agreed maximum price in accordance with the terms of the framework.

The value of the contract is in excess of £250,000.00 therefore the Cabinet Procurement Committee must approve the award in accordance with CSO 11.03.

The Head of Procurement confirms that the contractor, who submitted an agreed maximum price tender was selected with a stipulation that the final price cannot exceed the agreed maximum price already submitted.

The recommendation is that the committee agree the award of the contract in principle, with the finalisation of price (subject to the agreed maximum price not being exceeded) being delegated to the Director of in consultation with the Chair of Procurement, lead member and Leader to the Council. The Procurement Committee has powers under S.15 of the Local Government Act 2000 to delegate any of its powers to officers.

The Head of Legal Services confirms that there is no legal reason preventing members from approving the recommendations set out in paragraph 3.1 and 3.2.

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

- 6.1 The Construction Procurement Group's (CPG's) framework agreement has been used for the selection of the contractor to undertake this work.
- 6.2 The contractor has been selected via a mini-competition of all the suitable contractors, based on the type of project and the contractors' experience.
- 6.3 In order to achieve the Agreed Maximum Price (AMP), further discussions with the contractor are needed.
- 6.4 This is standard practise within the industry and allows the project to progress within the required timeframes.
- 6.5 This also allows further examination of the works packages in order that the AMP does not exceed the maximum price proposed by the Council.
- 6.6 This procurement process is therefore fully compliant with the operation framework agreement as intended and prescribed.
- 6.7 CPG also expect to see regular Project Feedback Form returns from the Consultant Project Manager to ensure that this project progresses on time and to budget.
- 6.8 The Head of Procurement therefore supports the appointment of the contractor named in Appendix A of this report.

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

7.1 This document is **not for publication** as it contains exempt information under the following categories:

*Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3)*

This report contains details of framework contractors.

7.2 List of background documents:

- Heritage Lottery Fund application made by Recreation Services in September 2006.
- Management plan produced by Recreation Services in September 2006.
- Training plan produced by Recreation Services in September 2006.
- Audience Development Plan produced by Recreation Services in September 2006.
- Park masterplan for the park produced by Chris Blandford Associates in September 2006.
- Conservation Statement produced by Chris Blandford Associates in September

2006.

- Buildings masterplan produced by Dearle and Henderson in September 2006.
- Outline business plan for the new café produced by the Markfield Project in September 2006.
- DCLG funding application made by Recreation Services in November 2005.

## **8. Strategic Implications**

8.1 In February 2006, the DCLG awarded £1 million for the regeneration of Markfield Park through their GAF 2 programme. This programme releases funds in support of new housing and to upgrade the facilities around them. In the case of Markfield Park, the proposed new housing occupants of Tottenham Hale would use Markfield Park as their local park and therefore the funds were released for its upgrade. The £1 million acted as a catalyst for change for Markfield and allowed Recreation Services to bid for additional sources of money through using the initial GAF monies as match funding.

8.2 Haringey aims to be one of London's Greenest boroughs. The Council is committed to the continual improvement and enhancement of the natural environment ensuring the long term sustainability of our parks and open spaces. One of the Local Area Agreement targets includes the obtaining of 12 parks with Green Flag status by 2010. Markfield has been identified as one of these sites. A Green Flag application for Markfield Park will be submitted in 2010.

8.3 Following the award of the GAF monies, an overall masterplan for the buildings in the park, as well as the landscape, was then produced which has led to an overall package of works being developed. These works will be implemented in 2007/08, 2008/09 and 2009/10. There are 5 funders identified as contributing to the plans, with funding from 4 of these bodies already secure. The GAF monies must be spent by March 2008 or the Council will be liable for any outstanding contractual commitments.

8.4 For Recreation Services the project has the potential to contribute to a number of Haringey Strategic Partnership (HSP) objectives for the Wellbeing and Better Places themes. These are:

- Park benefit;
- Training / Employment benefit;
- Community assets benefit;
- Community benefit.
- Improved satisfaction with your local area as a place to live;
- Quality of surroundings - increase in number of green flag award parks
- Increase in numbers volunteering;
- More residents who feel that their local area is a place where people from different backgrounds get on well together.

## **9 Financial Implications**

9.1 Recreation Services were awarded £1 million in 2006 from the DCLG to improve the park, as part of a wider plan then costed at £2.9 million. Plans were then drawn up for the site in consultation with the local community, which include a landscape and buildings masterplan. The full costs of the works are £3.36 million and include additional funding from –

Haringey Capital Resources – £425,000 – secure

Heritage Lottery Fund (HLF) – £1.5 million – Stage 1 pass obtained

Football Foundation – £325,000 – application submitted in July and decision expected within 4 months

Big Lottery Fund borough play allocation – £110,000 – secure

9.2 Details of the funding available for the café are set out in Appendix A. The funding available is sufficient to cover the budget estimate for the works required.

9.3 Approval is being sought from Procurement Committee to award the contract in principal to the contractor named in Appendix A of this report up to the maximum price and based on the scope of works as set out in paragraph 13.7 of this report. The confirmed price for the project will be confirmed to Committee at a later stage.

9.4 When the price has been agreed between the contractor and the project Quantity Surveyor, the Contractor will then submit their works tender.

9.5 No payment will be made to the contractor for the work currently undertaken to develop the AMP.

9.6 Funding being received from GAF must be spent by March 2008. A cash flow for the project, produced by the Quantity Surveyor, has confirmed that this will be achieved with the commencement of works on site in October 2007.

9.7 The Markfield Project will run the café as a training social enterprise. They have already submitted a draft business plan to the HLF in September 2006. A café working group has now been established in the Markfield Project and they have employed a consultant to work with their disabled centre users to deliver their full business plan in the autumn. Responsibility for the maintenance of the building will be with the Markfield Project, and a lease will be drawn up between the Council and the service provider.

9.8 Recreation Services are planning to implement the full masterplan but it will be done in stages as funding becomes confirmed. The capital works will be done between 2007 and 2009.

## **10 Legal Implications**

10.1 A new lease will be issued to the Markfield Project for the café. Negotiations are currently taking place between the Markfield Project and Property Services to agree on the terms of the lease.

## **11 Equalities Implications**

11.1 The contractors on Haringey's framework all comply with the Council's criteria for Equalities.

11.2 Markfield Park is located in super output area E01002052. The total population of this area is 1628 and the number of people who are economically active (age 16 – 74) is 1037. 26.3% of the population work full time and 7.1% are unemployed. 36% of the population have no qualifications. On the basis of declared ethnic origin, the largest communities are White: British (45.3%) and White: Other (16.8%) categories. The other significant population in the ethnic mix is Black or Black British: African at 7.4%. The Jewish religion is the most widely practiced in the area with a total of 33.7% of the population. The masterplan for the Park has been very widely consulted on and reflects the views of all sections of the community.

11.3 When the works are complete the park will have better access for disabled users. The café will sell kosher refreshments to ensure it is accessible to the large number of Orthodox Jewish families that live around the park.

## **12 Consultation**

12.1 All the designs for the park have been subject to public consultation with local residents, schools and the Friends of Markfield Park. The local community and numerous local organisations are all in full support of the plans.

12.2 The views and aspirations of approximately 700 local people on Markfield Park have been ascertained over the last 2 years. This has allowed us to build up a good picture of who is using the park and who is not. The comments we got throughout the consultations were mainly similar in content, for example the need for toilets, a better playground, and a café. These comments then formed the basis of the design brief for the park. We are providing a new playground and toilet provision through the construction of a café in the first stage of improvements to the park.

## **13 Background**

13.1 The Council has had aspirations to improve Markfield Park for many years but until now, it has not been possible because the funding has not been available.

13.2 An independent park audit carried out by Ken McAnespie Leisure and Marketing Consultants, ranked Markfield Park as the worst in the borough in both 2003 and 2005. The park had overall score for quality of 20% in both years.

13.3 The café is in the first phase of works which also includes a new children's playground and the desilting of a watercourse in the park, the Old Moselle Brook, to be undertaken in 2007/8. These elements are seen as priority items by the local community and they therefore fully support the scheme. The costs of the playground

are estimated at £221,000 and the desilting works costs have recently been confirmed at £154,781. Each element will be undertaken as a separate contract.

13.4 Though it forms part of the overall masterplan for the Park, funding for the café was not secured until March 2007 when the award of phase 1 funding from the HLF meant that the masterplan could be implemented in full.

As a result of needing to wait until March for the funding to be confirmed, the timetable for delivery of the café is challenging as the GAF monies must be spent by the end of March.

13.5 To seek to minimise the risk to the Council of this not being achieved, discussion has taken place with the Council's Corporate Procurement Unit following which the contractor was engaged at an early stage to ensure that through value engineering the agreed maximum price could be resolved by September 2007 to enable the works to commence in October 2007. The build contract is estimated to last for 26 weeks including an allowance for 2 weeks shutdown over the Christmas holiday period.

13.6 Adherence to this timetable will ensure expenditure of all the GAF monies by 31.3.08.

13.7 The café is being constructed as an extension on the rear of an existing building which houses the Markfield Project and the Markfield Beam Engine Museum. The new building will also house the park toilets and a small extension to the Museum which will act as their entrance and reception space. It will be built using traditional construction techniques and its bricked exterior will match the original listed buildings of the engine houses. The café will have a green roof as a sustainability measure as it will increase biodiversity on the site and reduce run off in periods of heavy rain.

## **14 Conclusion**

14.1 This report seeks to obtain Member approval to appoint a contractor that has been selected from the framework for the construction of a café in Markfield Park.

## **15 Use of Appendices / Tables / Photographs**

15.1 See appendix A.