

Report Title: Urban Regeneration Consultancy Services: Award of contract.

Report of: Director of Finance

1. Purpose:

- 1.1 To seek Member agreement to award the framework contract for the provision of Urban Regeneration Consultancy Services.

The framework will provide a contractual mechanism for all Council Directorates to select Urban Regeneration Consultants without the need for further competition to be undertaken. It should be noted that the appointment of companies under this arrangement does not constitute a binding commitment to award, or agreement to carry out, work by either party.

1.2 Introduction from Executive Member

"The time and money savings to benefit the council are outlined in the Background section of the report and due process appears to have been followed to secure this contract.

In line with the supporting comments of senior officers from legal and finance, I recommend this report to the procurement committee"

- Councillor Richard Milner

2. Recommendations:

- 2.1 That Members agree to award the framework contract for the above services, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.
- 2.2 That the contract be awarded for a period of 3 years with an option to extend for one further period of one year subject to satisfactory performance of the companies listed in Paragraph 7.

Report authorised by:

Signed: Date:

Contact Officer: D.Mulford

Telephone: 020 8489 1037

3 Access to information:

Local Government (Access to Information) Act 1985

3.1 List of background documents:

The following background documents were used in production of this report:

- Construction Related Consultants Services report 23rd March 2003

3.2 The appendix attached to this report (**Appendix A**) is **not for publication** as it contains exempt information under the following categories:

(i) The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

And/or

(ii) Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

4.0 Background

- 4.1 The Council currently has a construction related consultancy (CRCS) term services contract which was placed in March 2003. It originally sought to include Urban Regeneration consultants in the contract, but due to the quality and quantity of applications in this area, further consideration of the Council's requirements and further market testing were needed.
- 4.2 The services provided by the consultancy companies under the framework agreement proposed in this report will support the work of Services across the Council to deliver an agreed programme of works and services, and will provide the capacity to support additional approved work.
- 4.3 Time and cost efficiency gains will be delivered by the use of a framework agreement for the appointment of Urban Regeneration consultants.
- 4.4 The framework agreement eliminates the need for a competitive tender to be undertaken for each appointment, as that competition has already been undertaken as part of the process of establishing the framework agreement.
- 4.5 The performance of the companies under the framework agreement will be monitored by the Corporate Procurement Unit (CPU)'s Construction Procurement Group (CPG) within the Finance Directorate and the mechanisms used will include :
- Monthly commissioning meetings
 - Client satisfaction surveys
 - Performance against agreed construction Key Performance Indicators
- 4.6 At the start of the contract period, work will be allocated on the following basis:
- the ranking achieved in the tender evaluation (subject to the company being the "best fit" for the work)
 - the volume of work already placed with the company through the current Construction Related Consultant Services (CRCS) contract (if applicable)
 - consideration of allocated work and the company's capability and capacity to undertake new work.

Once data has been collected regarding the performance of the individual Companies, the evaluation ranking element of the award criteria will be replaced by performance ranking. The data will be drawn from reports from Client Directorates and the measurement of achievement against key performance indicators.

- 4.7 Directorates will be required to select consultants from this framework agreement where justified by the type of work to be undertaken.
- 4.8 Any requirement to select consultants not included on the framework agreement, or to deviate from the selection process (based on the above) must be fully justified.

5.0 Report

5.1 In accordance with the Public Services Contracts regulations advertisements were placed in the Official Journal of the European Union (OJEU) on 23rd October 2005 and in *Regeneration and Renewal, Horticulture Week* and the *Architects Journal* for the Urban Regeneration and Landscape Architecture Consultancy frameworks. All interested Consultants were required to complete a pre-qualification questionnaire.

5.1.1 172 companies initially expressed an interest for both the Urban Regeneration and Landscape Architecture Consultancy frameworks and 73 companies returned Pre Qualification Questionnaires.

5.1.2 Following assessment by the Council, against its pre agreed criteria, 41 companies were excluded at the pre qualification stages for failing to meet one or more of the following:

- the required criteria in individual evaluation areas were not met (i.e. Health and Safety, financial capacity, equalities, experience, key knowledge skills etc) or
- for not achieving the pre- set overall pass mark. The pass mark was 72.5% for the Urban Regeneration Consultancy framework.

5.1.3 23 companies were invited to tender of which 15 provided responses by the due date of 5th September 2005. The full list of companies who responded is provided at Appendix A.

5.2 Tender Evaluation

5.2.1 The bids submitted have been 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

5.2.2 Quality – Stage 1

- Evaluation of the written submissions for each of the categories listed above (see 4.5) against the following criteria
- Technical evaluation of the method statements
- Financial Evaluation
- Quality Assurance
- Health and safety
- Equality evaluation by the Council's Equality advisor.
- Environmental issues including sustainability.

5.2.3 Quality Stage 2a

Interviews which comprised the following

- A presentation against scenarios contained in the tender documents for a typical Council project. Each Company was asked to approach the presentation from the perspective of the category of work it had been selected for interview.

- A question and answer session. The questions addressed technical competence but also tested the company's understanding of consultation, cost control and sustainability.

5.2.5 The Quality marks represented 70% of the total marks available and these were assessed on the tenderer's method statement, supplementary information to the pre-qualification questionnaire and the interview

5.2.6 The evaluation team included representatives from the Corporate Procurement Unit, Construction Procurement Group, Education, and Neighbourhood Management in the Chief Executives directorate.

5.2.7 Pricing

The pricing marks represented 30% of the total marks available. Each bidder had been asked to supply pricing matrices to be used against a broad scenario of possible project types and values. The bidders were required to provide three pricing elements, which were:

- Fee Percentages
- Lumps Sums
- Hourly Rates

5.2.8 The pricing element of the evaluation can be seen at Appendix A.

6.0 Budget

6.1 The fees will be paid through the relevant capital or revenue budgets on appointed projects.

7.0 Recommendations

7.1 That Members award the framework contract for the provision of Urban Regeneration services to the following companies for a period of 3 years with an option to extend for a further period of one year.

Dunlop Haywards
Sprunt Limited
Penoyre and Prasad
Pedder and Scampton Architects Ltd
Curl la Tourelle
Capita Symonds,
Dearle and Henderson,
AYH plc.

7.2 That Members approve the use of framework consultants as a first priority, eliminating the need to go out to tender, unless the framework consultants can be demonstrated not to be suitable.

8.0 Equal Opportunities Implications

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 Equality. Equalities questions were further examined within the method statements submitted by the companies and within the interviews.

9.0 Health & Safety Implications

9.1 The response to the pre-qualification questionnaires regarding the company's Health & Safety policies were evaluated by the Council and the companies invited to tender met the Councils criteria for Health & Safety, including Contractor Design and Maintenance (CDM) requirements, and office policies.

9.2 Health & Safety questions were further examined within the method statements submitted by the companies.

10.0 Sustainability Implications

10.1 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by the Council's sustainable development manager and the companies invited to tender met the Councils criteria for sustainability.

10.2 Sustainability questions were further examined within the method statements submitted by the companies and at interview.

11.0 Comments of the Director of Finance

11.1 Director of Finance has no additional comments to make.

12.0 Comments of the Head of Legal Services

12.1 The framework contract has been tendered in the EU in accordance with the Public Services Contracts Regulations 1993, using the restricted procedure.

12.2 Consultants for the framework have been selected based on the most economically advantageous tenders in accordance with Regulation 21 of the Public Services Contracts Regulations.

12.3 As the contract value is likely to exceed £250,000 the proposed award must be approved by Members pursuant to CSO 11.3

12.4 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendation in paragraph 2 of this report.

13.0 Comments of the Head of Procurement

13.1 The Head of Procurement has sponsored the establishment of a number of framework agreements, of which this Urban Regeneration Consultancy is one of a series that members will soon be asked to approve.

- 13.2 Framework agreements provide a faster route to market for those procuring capital and construction services, thereby contributing to efficiency and efficiency savings.
- 13.3 In order to ensure that framework agreements develop the local economy, care has been taken to select those contractors to this framework agreement who recognise and can contribute to Haringey's community strategy.
- 13.4 End user clients have been consulted throughout this process and have been involved in the selection of the consultants.