

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 20 DECEMBER 2007**

Councillors *Adje (Chair), *Diakides, Meehan and *Santry

*Present

MINUTE NO.	SUBJECT/DECISION	ACTON BY
PROC41.	<p>APOLOGIES FOR ABSENCE</p> <p>An apology for absence was submitted by Councillor Meehan.</p>	
PROC42.	<p>CONSTRUCTION OF NEW HARINGEY MORTUARY (Report of the Director Of Urban Environment – Agenda Item 4)</p> <p>Our Chair agreed to accept the report as urgent business. The report was late because the extensive Value Engineering and savings exercise could not be concluded in time to meet the agenda despatch date. The report was too urgent to await the next meeting because it was imperative to ensure that Growth Area Fund (GAF) II money was spent by 31 March 2008.</p> <p>We were informed that following our conditional approval of the Phase 2 construction costs in September at Stage 2 of the tendering process, the ‘Agreed Maximum Price’ (AMP) process had been continued. The Phase 2 works had been split into 26 construction packages and sent out by Mulalley & Co Ltd to their sub-contractors to submit their tendered prices. The invitation was sent out to a minimum of three trade contractors for each package and the return of the tenders had been monitored by the quantity surveyors, Potter Raper Partnership.</p> <p>We also noted that the trade tenders returned had come in at a sum of £2,917,672, an additional £420,250 above the stage 2 cost. As a result of these trade AMP tenders and in order to reach a figure within the Stage 2 tender price originally agreed by us it had been necessary to undertake extensive ‘Value Engineering’ together with a further savings exercise. This work had involved all elements of the design team particularly those involved in the higher cost elements such as the structural engineers and all parts of the construction had been considered for necessity and cost.</p> <p>In response to concerns expressed about the results obtained by appointing contractors for projects via mini-competition from Framework Agreements whereby contractors provided an indicative price, which was then be worked on, as the design progresses, to achieve the final Agreed Maximum Price (AMP) we were advised that the Corporate Procurement Unit would be reviewing the Framework Agreements and these processes and that our concerns would be considered as part of that review.</p> <p>We noted that the use of £139,000 from the main contract contingency to bring the overall cost down to within budget meant that there was no contingency cover for any other unforeseen items of expenditure which</p>	

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	<p>might arise which in turn increased the risk of eventual costs exceeding the budget. In order to mitigate against this risk we asked that officers explore the possibility of Home Office funding for the use of the mortuary as a forensic facility and the submission of a further bid for GAF Round 3 funds. We also asked that consideration be given to an approach being made to Enfield Council who used the mortuary on a chargeable basis.</p> <p>RESOLVED:</p> <p>That approval be granted to the award of the contract in respect of the main construction work (Phase 2) for the new Haringey Public Mortuary to Mulalley & Co Ltd based on the revised contract sum of £2,492, 898.42.</p>	<p>DUE</p> <p>DUE</p>
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CHARLES ADJE
Chair