



Haringey Council

Special Procurement Committee

On: 19th February 2008

Report Title: **Tetherdown Primary Expansion Phase 2b**

Forward Plan reference number (if applicable): **N/A**

Report of: **Sharon Shoesmith, Director of The Children and Young People's Service**

Wards(s) affected:
Muswell Hill and Fortis Green

Report for: **Key Decision**

1. Purpose

- 1.1 This report seeks Members approval to award the contract for Phase 2b Tetherdown Primary School Expansion.

2. Introduction by Cabinet Member

- 2.1 I recommend the proposals in this report to the Committee. It is essential that works commence at the start of March 2008 in order to be completed for reception admissions in September 2008

3. Recommendation

- 3.1 That Member's agreed to award the contract for Phase 2b, as allowed under Contract Standing Order (CS) 11.03.

Report Authorised by:

p.p. Sharon Shoesmith
Director
The Children and Young People's Service

Contact Officers:

Ian Bailey - Deputy Director, CYPS – Business Support and Development
Claire Barnes - Project Manager, CYPS Tel: 020 8489 1962

4. Director of Finance Comments

4.1 The Director of Corporate Finance has been consulted in the preparation of this report. The current approved budget for this project is £5.8m. A review of spend to ensure that all essential and appropriate works had been incorporated into the cost plan, identified the need for additional funding of £920k, bringing the total revised project cost to £6,721k. The additional funding required has been identified from existing resources within the overall C&YP capital programme. (This does not take account of the recent 3 year capital allocation which is higher than expected). The cost of the phase 2 contract is included in the revised project total cost of £6,721k.

5. Head of Legal Services Comments

- 5.1 The Framework Agreement to which this report relates has been tendered in the EU in accordance with the Public Contracts Regulations 2006.
- 5.2 Regulation 19 of the Public Contracts Regulations, 2006, provides that selection of contractors for specific projects under a Framework Agreement may be undertaken by mini-competition.
- 5.3 Under the Council's Contract Standing Orders, any contract (whether let under a Framework Agreement or otherwise) with an estimated value over £250,000 must be awarded by the Cabinet Procurement Committee.
- 5.4 Also under the Standing Orders, any contract with an estimated value of over £500,000 is a Key Decision which must appear in the Forward Plan.
- 5.5 The procurement report for Tetherdown Phase 2 Expansion was presented to Procurement Committee on Tuesday 27th November 2007. The Committee granted delegated authority to the Director of C&YPS in consultation with the Cabinet Member of C&YPS to award the contract providing the overall price did not exceed a stated figure.
- 5.6 The revised tender inclusive of the schedule of omissions and variations for Phase 2b has been returned and fully evaluated and offers an Agreed Maximum Price within that stated figure.
- 5.7 This report is seeking that the Procurement Committee awards this contract, using its powers under SO 11.01 (b) and 11.03, based on the Procurement Report mentioned in paragraph 3.2 above.
- 5.8 This contract appears in the Forward Plan version 70, 15th Feb-14th July 2008.
- 5.9 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations in Paragraph 3 of this report.

6. Head of Procurement Comments

- 6.1 The contractor selected to undertake the works outlined in this report has been selected in accordance with the correct selection procedure for the operation of the framework agreements.
- 6.2 The Head of Procurement therefore supports the recommendations made at paragraph 3.

7. Local Government (Access to Information) Act 1985

7.1 List of background documents:

- ❖ Cost report prepared by the cost consultant.
- ❖ Framework Agreement for major Works, January 2006 (Project banding £1,000,000 - £2,499,999m)

7.2 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). Exempt information is, however, held in an Appendix to this report (Appendix A).

8. Executive Summary

- 8.1 The procurement report for Tetherdown Phase 2 Expansion was presented to the Procurement Committee on Tuesday 27th November 2007. The report sought delegated authority for the Director of C&YPS in consultation with the Cabinet Member of C&YPS to award the contract providing the overall price is within the cost plan set out within Appendix A Exempt Information.
- 8.2 Delegated authority was granted on Tuesday 27th November 2007.
- 8.3 The scope of work was defined into two packages (1) Phase 2a and (2) Phase 2b. The packages were tendered separately by the selected contractor.
- 8.4 The tender for Phase 2a was returned and evaluated in December 2007.
- 8.5 An Agreed Maximum Price for Phase 2a was accepted and was within budget.
- 8.6 The Director of C&YPS in consultation with the Cabinet Member of C&YPS granted approval under delegated authority to award the contract for Phase 2a on Tuesday 8th January 2008.
- 8.7 Phase 2a commenced on site on the 21st January 2008.
- 8.8 Due to the expected value of Phase 2b, the Cabinet Member of C&YPS requested that the report be presented to the Procurement Committee as a 'key Decision'.
- 8.9 Phase 2b tender has been received and evaluated. Details are contained within Appendix A – Exempt Information.

- 8.10 The sum of returned tender from Bolt & Heeks for Phase 2B exceeded the project budget for phase 2b. Details are contained within Appendix A – Exempt Information.
- 8.11 The project team then carried out a value engineering exercise with the contractor. The specification was reviewed and alternative manufacturers and suppliers were identified offering comparable quality and design. Items were also removed from the scope of the project. The total value of the schedule of omissions and variations was agreed and a revised form of tender was submitted which is within the budget of Phase 2b. Details contained within Appendix A – Exempt Information.
- 8.12 The total tender costs for Phase 2a and Phase 2b are within the overall budget for Phase 2a and 2b. Details contained within Appendix A – Exempt Information.
- 8.13 Phase 2b is scheduled to commence on site from Monday 3rd March 2008. It is critical that this date is achieved in order to accommodate reception admissions in September 2008.
- 8.14 A delay in commencement would increase the risk of completing the project for September and incur additional costs for the provision of temporary classroom facilities.
- 8.15 The main contractor for the project has been selected under a call-off arrangement from the Council's framework for major works of value between £1m and £2.499m. The contract selected will complete both Phase 2a and 2b.

Appendix A – Exempt Information