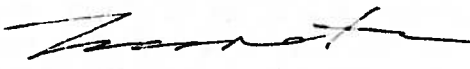




**Haringey** Council

<b>Report for:</b>	<b>Leader of the Council</b>	<b>Item Number:</b>	
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<b>Title:</b>	<b>Amendment to the award of lots 4,10,16,22, 28 for the London Construction Programme Major Works Framework Agreement [LCP W1 – MW14] and amendment to name of organisation awarded the framework for lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 25, 26, 27, 28 and 29</b>
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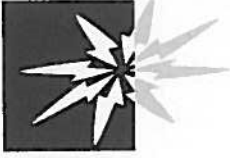
<b>Report Authorised by:</b>	<b>Tracie Evans - Chief Operating Officer</b> 
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<b>Lead Officer:</b>	<b>Barry Phelps/David Mulford</b>
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<b>Ward(s) affected: All</b>	<b>Report for Key/Non Key Decisions:</b> <b>Key Decision</b>
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**1. Describe the issue under consideration**

The report of 30th March 2015 that was presented for approval requires two amendments to be made to the recommendations. The names of tenderers have been replaced with Tenderer A, Tenderer B and Tenderer (A+B) for this report. Please refer to exempt information in Appendix A for identities of tenderers and their evaluation results. The purpose of the original award was to establish the London Construction Programme Major Works Framework Agreement (LCP W1 – MW14) (the "Framework Agreement"). This Framework Agreement is for construction works for the value of £100,000 and above, across 30 Lots in three value bands £100,000 to £999,999, £1m to £4,999,999 and over £5m for the Greater London area under the London Construction Programme (LCP) suite of framework agreements led by Haringey Council which are available to Commissioning Organisations in London.



1.1 The first amendments is for the replacement of a building contractor within Lot 4, 10, 22 and 28 value band £100,000 to £999,999 (Education and others) of the Framework Agreement.

1.1.1 Following the end of the call-in period for the Cabinet report, dated 30<sup>th</sup> March 2015, written notifications to all contractors that had participated in the competition for the Framework Agreement were made. These notifications are required under the Public Contracts Regulations 2006 to confirm whether a tenderer was successful in being appointed to 27 of the 30 lots of the Framework Agreement.

1.1.2 The information issued to the tenderers included the results of the evaluation exercises. For one of the tenderers, Tenderer A, there was a potential conflict of interest as it was also awarded a place on the framework for lots 4,10,16,22 and 28 as part of a consortium, (Tenderer (A+B)) (the "Consortium"). On a review of the evaluation results, Tenderer A was written to and on further investigation, Tenderer A elected to withdraw from lots 4,10,16,22 and 28 of the Framework Agreement because it was also awarded a place on the Framework Agreement for these same five lots as part of the Consortium. In the report of 30<sup>th</sup> March 2015, the award was in the name of Tenderer B

1.1.3 The withdrawal of Tenderer A enables another contractor or contractors to be appointed to lots 4, 10, 22 and 28. Lot 16 already had 11 contractors as two contractors were tied in 10<sup>th</sup> place. Therefore, following the withdrawal of Tenderer A, no additions of contractors will be made to lot 16.

1.2 The second amendment is to confirm that the award of contract to lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 25, 26, 27, 28 and 29 is to the Consortium and not to tenderer B as the previous award.

1.3 It is recommended that a further standstill period should be observed so that successful and unsuccessful bidders can review the decision.

## **2. Cabinet Member introduction**

2.1 The Framework Agreement which was awarded on 30<sup>th</sup> March 2015 will help to deliver key construction projects primarily for Haringey and for Commissioning Organisations across Greater London and it is noted that this report is to amend the award for Lot 4, 10, 16, 22 and 28 due to the withdrawal of a contractor, and to confirm that the award of the framework for lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 25, 26, 27, 28 and 29 is to the Consortium.

## **3. Recommendations**



- 3.1 That the award of the Framework Agreement is amended for the following lots as framework agreements for four years to those Contractors identified as follows in:-
- a) Lot 4 North London - Education and others value band £100,000 to £999,999. Please refer to Appendix A - Exempt Information Table 1 for the names of the successful tenderers.
    - a. Lot 10 East London – Education and others value band £100,000 to £999,999. Please refer to Appendix A - Exempt Information Table 2 for the names of the successful tenderers.
    - b. Lot 16 South East London – Education and others value band £100,000 to £999,999. Please refer to Appendix A - Exempt Information Table 3 for the names of the successful tenderers.
    - c. Lot 22 South West London – Education and others value band £100,000 to £999,999. Please refer to Appendix A - Exempt Information Table 4 for the names of the successful tenderers.
    - d. Lot 28 West London – Education and others value band £100,000 to £999,999. Please refer to Appendix A - Exempt Information Table 5 for the names of the successful tenderers.
- 3.2 To confirm the award to the Consortium of the following lots under this Framework Agreement, lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 25, 26, 27, 28 and 29.
- 3.3 To give delegated authority to the Chief Operating Officer to approve any amendment to the name of the Consortium if this is necessary.
4. **Alternative options considered**
- 4.1 No other options were considered viable to enable the Framework Agreement to proceed. Abandoning the procurement and re-procuring the works would cause delay to construction projects for up to 2 years across London, as well as a significant cost to the Council.
5. **Background information**
- 5.1 The LCP was established in 2012 by Haringey Council. The LCP was encouraged and supported by London Councils, to develop a pan-London strategy to improve construction procurement. Haringey is currently leading the LCP as the Lead Authority in London.
  - 5.2 LCP is a virtual partnership of various buying organisations offering procurement solutions to deliver construction projects more efficiently and effectively Haringey is the contracting Authority.



5.3 The various buying organisations which comprise the LCP board are currently: Haringey Council, Crown Commercial Service (CCS) (formerly Government Procurement Service), LHC, Supply Chain Management Group (SCMG), Hampshire County Council. These organisations have agreed a pipeline of various frameworks for London.

5.4 Following various discussions with the LCP board members and an Advisory Panel of interested Commissioning Organisations across London it was agreed as part of the pipeline of the frameworks for the LCP, that Haringey should procure the Framework Agreement which is comprised of the following value bands:

- a) £100,000 to £999,999
- b) £1m to £4,999,999
- c) above £5m.

The Framework Agreement has been designed for use in 2 Work Areas, a) Housing projects and b) Education and other sectors including Leisure, Care, Health, Industrial and Commercial etc and in five sub-regions of London.

5.5 The Framework Agreement will be flexible in procurement methods but will also align to the Government Construction Strategy 2025 around two- stage tendering.

5.6 A scoping exercise was undertaken through a survey with a number of interested Commissioning Organisations in London. Through this consultation and through further discussions with the advisory panel for LCP, it was recommended that the Framework Agreement should be split across two key work areas Education and Others and Housing, three value bands and five sub regions.

5.7 Lots 4, 10, 16, 22 and 28 relate to Education and Others

Education and other areas including leisure, care, health, industrial, commercial and administrative (inclusive of fit out) covers but is not limited to:-

Works to Educational establishments and all other work. This includes (but is not limited to) leisure, care, health, industrial, administrative and commercial areas inclusive of fit out works. Works comprise the following: new build, refurbishment, extensions remodelling, fit out, maintenance work, development and mixed use development etc including working in listed buildings and buildings in conservation areas as listed below:

- new build construction works;
- planned maintenance either capital and revenue projects;
- adaptations;
- refurbishments;
- regeneration works;



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- structural works;
- extensions;
- remodelling;
- mechanical and electrical installation works and services;
- Energy efficiency measures;
- Retrofit
- fit out;
- Demolition;
- Development and mixed use development<sup>1</sup> (predominantly non housing (see list below), including design where applicable).

<sup>1</sup>Development covers both work areas but is not limited to:-

- Demolition;
- New build development;
- Infill development;
- Mixed use developments;
- Conversion of existing buildings for residential or other use including heritage buildings;
- Disposal of existing and development;
- Ability to raise development finance;
- Includes infrastructure including design, sales, marketing, aftercare and maintenance.

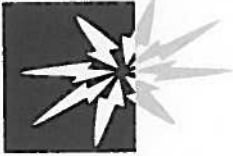
5.8 10 contractors were originally to be appointed to Value Band 1 - £100,000 to £999,999. This amendment enables a replacement contractor to be appointed to lots 4,10,22,28 following the withdrawal of Tenderer A.

## **6. Comments of the Chief Finance Officer and financial implications**

6.1 There are no specific financial implications arising from this report. As in the original document, award of contract does not commit Haringey or any of the participating local authorities to any minimum level of work over the contract period.

6.2 The recommendation to agree amendments to certain lots should minimise risk of potential challenge to Haringey and others using this framework; it will also enable additional contractors to be included.

## **7. Assistant Director of Corporate Governance Comments and legal implications**



- 7.1 The LCP Framework which this report relates to has been procured using the Restricted Procedure, a procedure under the Public Contracts Regulations 2006 (as amended).
  - 7.2 This is a Key Decision and the Service has confirmed that it has been included on the Forward Plan.
  - 7.3 The value of the call-off contracts under the Framework which this report relates to will exceed £500,000 therefore the recommendations in this report may only be awarded by the Cabinet or in between Cabinet meetings by the Leader of the Council pursuant to CSO 16.02.
  - 7.4 Please see additional legal comments in the exempt part of the Report.
- 8. Equalities and Community Cohesion Comments**
- 8.1 The overall strategic aims of the Framework Agreement are to improve value for money, reduce inefficiency and increase the social value of local construction schemes. Key objectives within the Framework Agreement have been developed in consultation with construction procurers and commissioners to reflect areas of need. These include setting standards for reduced environmental impact and requirements for employment and skills development. These objectives should have a positive benefit for all local communities including those from protected groups.
  - 8.2 The tendering process for the Framework Agreement requires suppliers to demonstrate their compliance with equalities legislation. Suppliers are able to demonstrate compliance at pre-qualification stage, either through membership of Constructiononline or through completion of appendix 7 of the documentation 'Equal Opportunity and Diversity Policy and Capability'. Through this process, suppliers must provide evidence of how they comply with relevant equalities legislation, including equal opportunities in employment, and what they do to ensure equalities is embedded across their organisation.
  - 8.3 The Framework Agreement provides the terms and conditions under which contracts will be issued over the lifetime of the agreement but does not specify the detail of these contracts. Individual construction schemes brought forward over the lifetime of the agreement will be subject to separate EQIAs (subject to local requirements) which will ensure these schemes promote and recognise good practice in equality and diversity. Call-offs of contracts under the agreement will be required to meet the relevant EU Treaty provisions and principles including non-discrimination.
  - 8.4 The procurement process for the Framework Agreement was undertaken to ensure openness and access to a diverse market so that that no type of supplier was



disadvantaged. The Framework Agreement was advertised in the EU and through Constructionline online to ensure it reached a diverse market of suppliers. The procurement process mitigated against the potential for different sized firms to be disadvantaged through the incorporation of a range of turnover bands and the opportunity for suppliers to bid as consortia.

## **9. Head of Procurement Comments**

9.1 Haringey Council is the contracting authority for this Framework Agreement; however it has been established for possible use by all London Authorities and relates to works and the appointment of building contractors across two work areas and three value bands and five sub regions in London.

9.2 The Framework Agreement has been advertised in Official Journal of the European Union (OJEU) and all lots are due to be awarded and made available for use from March 2015 (subject to Lots 1 to 3 which are subject to final leaseholder consultation). The Central Procurement Unit has worked closely with Legal services through this process.

9.3 The Framework Agreement itself has been set up with various social value aspects included, addressing employment, skills and apprenticeships across Haringey and London. Sustainability standards such as the Council's timber policy and the Freight Operator recognition scheme will be expected to be adhered to where applicable in the value bands by contractors on this Framework Agreement.

9.4 Haringey Council's existing contractor's framework contract expired in June 2014 and this new Pan London Framework Agreement will provide the building contractors for various projects across Haringey and London within the Public sector. Construction activities since June 2014 have previously been covered by contractors on Constructionline and the South East and London Framework Agreements.

9.5 Please see further comments in exempt information.

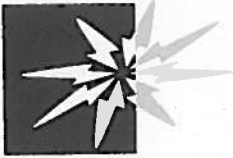
## **10 Policy Implication**

### **10.1 Policy Implications**

10.1.1 The need to procure long term frameworks up to a maximum of four years is identified as part of the category management process for Construction, FM and Public Realm.

### **10.2 Value for Money**

10.2.1 The Framework Agreement was tendered in the open market, so a schedule of costs has been received as part of the tenders generated to



allow direct call off where applicable. Mini competitions will predominantly be held between those successful for each of the various lots (within the Framework Agreement ) for each project.

- 10.2.2 The Framework Agreement will be monitored through the four years of its existence.

### 10.3 Property Assets

- 10.3.1 The Contractors appointed to this Framework Agreement will be carrying out construction works to enable construction projects to be delivered on site to meet the various capital and revue programmes.

## 11 Reasons for Decision

- 11.1 To enable a vehicle for building contractors to be procured for future projects without the need to further pre qualify.

## 12 Use of Appendices

- 12.1 Appendix A exempt Information.

## 13 Local Government (Access to Information) Act 1985

- 13.1 This report contains exempt and non exempt information. Exempt information is under the following categories (identified in Part 1 of Schedule 12A of the Local Government Act 1972) paragraph (3) information relating to financial or business affairs of any particular person (including the authority holding that information) and paragraph 5 information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.