



Haringey Council

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APPENDIX A

REPORT TEMPLATE

Agenda item:

[No.]

Procurement Committee

on 30th September 2008

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|--|------------------------|
| Report Title: Building Schools for the Future Extended Tribal Group Contract | |
| Forward Plan reference number (if applicable): N/A | |
| Report of: Director of the Children & Young People's Service | |
| Wards(s) affected: N/A | Report for: N/A |
| <p>1. Purpose</p> <p>1.1 To extend the current contract in place for Tribal Group until April 2009</p> <p>1.2 This report seeks approval to an increase of £499,200 on the approved limit of £1,319,625 for Programme Support services called off from the contract let after a procurement exercise in May 2007.</p> <p>1.3 This extension will enable the transfer of BSF and hopefully Primary Capital Programme activities to council staff to be run collectively. An exercise which has proven difficult to complete to the expected timescale for resources set out in the report.</p> | |
| <p>2. Introduction by Cabinet Member</p> <p>2.1 I recommend the attached report for approval.</p> <p>For the reasons set out in paragraph 13.3 there is a need to extend the current contract with Tribal Group to support the BSF Programme at a crucial point. In addition, the contract extension will allow for the experience from the BSF Programme to be carried through to the Primary Capital Programme.</p> | |
| <p>3. Recommendations</p> <p>3.1 The existing contract with the Tribal Group for the provision of consultancy services be extended by a total of £499,200 (made up of two tranches: £328,200 for September to December 2008, and £171,000 for January to March 2009) enabling</p> | |

provision of services to continue support for the BSF Programme and transfer skills to council staff.

3.2 Of the total £499,200 extension enabling the Tribal Group consultancy services to be provided to March 2009, Procurement Committee are requested to approve an initial sum of £328,200 to enable consultancy services to continue to be provided to 31st December 2008, and;

3.3 A further sum of £171,000 be authorised for extension of Tribal Group consultancy services from January to March 2009. The Council's Chief Executive and/or the Corporate Director of Resources be authorised to carry delegated authority, following consultation with the Cabinet Member for Resources, to release the second tranche of £171,000 if it should be required to continue consultancy support from Tribal Group after December 2008 if it is judged that this resource is required.

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Report Authorised by:



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4. Chief Financial Officer Comments

4.1 The extension to the existing contract has been quoted at rates similar to those originally agreed, taking into account the relative seniority of positions.

4.2 The extension is affordable within the sum set aside for Programme Management covering the period 2008-11 and it has been confirmed that overall costs for the programme will be contained within the overall agreed budget provision.

5. Head of Legal Services Comments

5.1 Cabinet Procurement Committee had at its meeting of 17th May 2007 approved the appointment of the Tribal Group ("Tribal") for the provision of Consultancy services to the BSF Programme, subject to the value of the contract with Tribal not exceeding £1,319,625.

- 5.2 This report is seeking Cabinet Procurement Committee approval of an increase of the £1,319,625 contract value limit set at the meeting of 17th May 2007, by a sum of £499,200. The report states that the proposed extension of the current contract with Tribal will facilitate the continued provision of consultancy services to the BSF Programme pending the completion of current efforts to recruit permanent staff to replace Tribal consultants.
- 5.3 Cabinet Procurement Committee has the power under CSO 13.2 to vary or extend a contract providing that to do so is consistent with the provisions of the Financial Regulations.
- 5.4 The Head of Legal Services' comments on the report to Cabinet Procurement Committee of 17th May 2007 had highlighted a small risk of challenge in respect of the appointment of Tribal, from other service providers on the OGC Framework who may be able to offer lower rates than those offered by Tribal. There has been no challenge to date, but the highlighted risk would continue to apply in respect of an extension of the contract with Tribal.

6. Head of Procurement Comments

- 6.1. Tribal is listed on the OGC Framework and it was from this list that they were originally procured.
- 6.2 Due to difficult recruitment markets, the need has arisen to extend the BSF arrangement with Tribal and this is permitted within the OGC Framework terms and conditions.
- 6.3 Given that recruitment of permanent Haringey employees to replace consultants in the BSF Programme Office is proving difficult, it is important to consider all alternative options to minimise similar issues arising again when the extended contract period draws to a close.
- 6.4 The Head of Procurement is satisfied that the recommendation to extend the contract with Tribal is in the Council's overall best interest at this given time, and whilst recognising that every effort will be made to avoid the need for any further extensions, I would suggest that a progress report be submitted to Procurement Committee in January 2009.

7. Local Government (Access to Information) Act 1985

7.1 [List background documents]

7.2 [Also list reasons for exemption or confidentiality (if applicable)]

8. Strategic Implications

- 8.1 The BSF Programme represents a significant programme of work to transform educational facilities at the borough's secondary schools. The BSF Programme has required engagement of consultancy services to manage the delivery of specialist activities such as the delivery of the Programme Support Office (PSO) and procurement of the ICT Managed Service Provider (MSP) for Haringey Schools. The

Council agreed letting of a £1.3m contract with the Tribal Group in May 2007 to enable access to service specialists in the required volume to deliver intensive Programme deliverables.

8.2 This report highlights the overall strategy to replace consultancy staff with Haringey employees, and this process is still planned. The BSF Programme is at a critical stage in its development, moving from key design and approval to the delivery and construction phase, and as such continuity of service delivery must be secured through extension of the Tribal Group consultancy service contract as detailed in this report.

9. Financial Implications

9.1 The BSF Board has agreed Programme Management budget provision with the BSF Board totalling £4.589m for 2008/09 to 2010/11 inclusive. Processes are currently in hand to review the deployment of resources within the agreed budget sum. Tribal Group consultancy costs amounting to a further £499,200 form part of the overall budget total and will be managed within the agreed Cash Limited Budget, recognising that the actual resources engaged to deploy key deliverables will flex over time within overall budget totals to achieve agreed programme outputs.

10. Legal Implications

10.1 Please refer to Paragraph 5.

11. Equalities Implications

11.1 [click here to type]

12. Consultation

12.1 [click here to type]

13. Background

13.1 A report to the procurement committee on the 29th July 2008 explained the background to the use of consultants in delivering the BSF programme and the steps being taken to achieve the transfer to staff of those roles where it is feasible and desirable.

The report also alluded to the difficulty of recruiting appropriately skilled staff within acceptable timescales.

13.2 One of the key activities undertaken by consultants is that of programme management and support. It is one of the areas where transfer to staff should be achievable and considerable activity has been put into doing so.

A key component of the interim services comprises the Programme Manager, the Head of Programme Support Office and the staff of that office, which are roles carried out by the Tribal Group. The Tribal Group also carried out the procurement of the ICT Managed Service Provider.

13.3 The report approved by Procurement Committee on 17th May 2007 set a contract limit of £1,319,625, and that sum has now been reached. That figure was based on a careful analysis of need but since then a number of changes have had to be absorbed:

- (a) It proved impossible to recruit replacements for two Haringey PSO staff members who had been part of the original team. These gaps were filled by additional Tribal staff until a permanent appointment could be made.
- (b) The ICT MSP procurement process took significantly longer than originally predicted, requiring key staff to be retained for a longer period.
- (c) Recruitment of strategic capacity for ICT proved problematic and to enable the implementation of the service to schools over the summer the engagement of one of the Tribal consultants has been extended. The service is now operational, and consultancy services will be replaced shortly by a Haringey employee.
- (d) The delay in recruiting a Programme Director has had a knock on effect on defining PSO requirements and recruiting a permanent team. The present intention is for these issues being resolved by 31st December but given experience this cannot be guaranteed.

13.4 In the meantime the call off contract with Tribal Group has been carefully managed, involving the termination of a number of posts before the projected dates. Recommendations are set out in Section 3 above.

13.5 In addition, the BSF Programme Director has been asked to evaluate the opportunities for managing BSF and Primary Capital Programme teams together. Approval of this contract extension will support achievement of that objective.

14. Conclusion

14.1 Continuation of Tribal Group consultants is required to continue delivery of the BSF Programme, and to enable recruitment of council staff and transfer of skills to them. Extension of the Tribal Group contract under the terms set out in Section 3 of a maximum of £499,200 is required to enable this activity to be delivered.

15. Use of Appendices / Tables / Photographs

15.1 [List any Appendices and their titles]