

Procurement Committee On 3rd January 2006

Report Title: Redevelopment of Units 20-22 Bernard Road, Rangemoor Road.	
Award of contract	
Forward Plan reference number (if applicable): N/A	
Report of: Assistant Chief Executive (Access)	
Wards(s) affected: Tottenham Green	Report for: Key Decision
<p>1. Purpose</p> <p>1.1 To seek Member agreement to waive the requirement to tender under Contract Standing Orders.</p>	
<p>2. Introduction by Executive Member</p> <p>2.1 This project will directly support the Haringey City Growth Strategy and provide a valuable local facility for businesses in the early stage of development. I support the recommendation of this paper, particularly in light of the time constraints to take full advantage of the grant funding available.</p>	
<p>3. Recommendations</p> <p>3.1 That Members agree the waiver of Contract Standing Order (CSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3.(d) namely that it is in the Councils overall interest.</p>	
Report Authorised by: Justin Holliday, Assistant Chief Executive (Access)	
Signed..... <i>Justin Holliday</i>	
Date..... 3.1.06	

Contact Officer: Zena Brabazon, Head of Neighbourhood Services

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4. Executive Summary

4.1 This report seeks a waiver of the CSO requirement to tender so that a contract for the provision of full design and delivery services in respect of the Rangemoor Road Project can be awarded to ABK Architects, who are already working on the project as the Project Architects. The value of the proposed additional contract to ABK is detailed at Appendix 1.

4.2 The report is presented to the procurement committee because a previous waiver of tendering requirements was obtained in respect of the appointment of ABK Architects as Project Architect and second waiver is now sought.

5 Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6 Local Government (Access to Information) Act 1985

6.1 List of background documents:

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

- Request for Implementation of Contract standing Orders (CSO) 6.3, July 4th 2005 – Waiver to appoint ABLK Architects as project Architect
- Rangemoor Road Estate Options Study, April 2005
- Request for authority to appoint Project Architect and tender exercise report, March 2005
- Invitation to Tender and supporting documentation, January 2005.

6.2 Appendix 1 to this report is **not for publication** as it contains exempt information under the following categories:

(viii) 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

(ix) 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.

7 Background

- 7.1 The redevelopment of units 20-22 Bernard Road N15 is one of five projects in the Upper Lee Valley Industrial Estates programme; part funded through European Regional Development Fund 3.1. This programme was approved at the CEMB on 25th January 2005. The project will provide 450 square metres of new Managed Workspace on the estate. Initial cost estimates for the development were identified at approximately £540,000 plus fees and VAT.
- 7.2 The Project is consistent with the Haringey City Growth Strategy and the London Development Agency's (LDA) strategy document, 'Sustaining Success - Developing London's Economy'. It will create increased opportunities for new and emerging businesses in the Upper Lee Valley area and Tottenham in particular by provision of additional good quality space linked to structured business support programmes. It will further contribute to narrowing the gap in opportunities between the east and the west of the borough.
- 7.3 Neighbourhood Management Service (NM) is project managing the scheme in partnership with Property Services, the site owner. In January 2005 the Neighbourhood Management team (NM) undertook a tender exercise to commission a feasibility study and options appraisal for the site in accordance with Contract Standing Orders. ABK Architects were selected for this task.
- 7.4 ABK Architects provided the final report to the deadline and budget agreed. This was presented to a Steering Group and it was decided to progress design Option 2, which consists of demolition of the existing units at 20-22 Bernard Road and the creation a new flexible workspace building. The firm was appointed as Project Architect by means of a Waiver in July 2005 to develop the chosen option.
- 7.5 Subsequently ground investigation, topographic and asbestos surveys were commissioned. The design was further developed and reviewed against the available budget. This process is now complete and a planning application was made in December 2005.
- 7.6 The next stage is to work up detailed design and production information to support the procurement of a contractor through a tender exercise. This stage and the subsequent project delivery requires input from a full design and delivery team.

8 Budget

- 8.1 Project funding is now confirmed as £683,000 made up of £415,000 from a LDA grant, £238,000 ERDF 3.1 and £30,000 Neighbourhood Renewal Fund allocation (NRF). There may be a further £18,000 available through further ERDF match against the site value. This will be confirmed on review of the valuation report commissioned by Property Services.
- 8.2 The team will undertake a value engineering exercise once the detailed design stage is underway. This process will ensure design and build will conform to the project budget.

9 Description

- 9.1 ABK Architects were commissioned to carry out an Options Study in March 2005 following a tender exercise in accordance with Haringey Council Contract Standing Orders. Corporate Procurement supported NM through this process and approved the evaluation process.
- 9.2 ABK provided the Options Study and the steering group agreed that Option 2 should be progressed further. NM sought a waiver in accordance with Contract standing Orders to enable the retention of ABK Architects for this purpose. This was approved in July 2005.

10 Consultation

- 10.1 In producing the report the firm consulted with a steering group, comprising of the local Ward Councillor, Property Services, Neighbourhood Management Service, Planning (Development Control), and Planning (Design and Conservation). The decision to progress Option 2 was made at a steering group meeting and reported in May 2005.

11 Summary and Conclusions

- 11.1 This report is seeking a waiver of the requirement to tender in respect of the full design and delivery consultancy contract for the Rangemoor Road Project. This will facilitate the appointment of ABK Architects as the Project's full design and delivery consultant, and enable the project to be completed by the December 2006 deadline, which must be met in order to take full advantage of the grant funding available.
- 11.2 It is recommended that Members agree the waiver of Contract Standing Order (SCSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3.(d) namely that is in the Councils overall interest.

12 Recommendations

- 12.1 That Members agree the waiver of Contract Standing Order (CSO) 6.4 (requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.3(d) that it is in the Councils overall interest.

13 Equalities Implications

- 13.1 There are no specific equal opportunities implications arising from this report. However, any efforts to regenerate Tottenham must recognise the diversity and ethnicity of the area. The project will develop business premises to support the growth of small enterprises in Tottenham. Many of these businesses are set up and run by people from ethnic minority communities.

14 Health and Safety Implications

- 14.1 The Council will monitor all stages of the project to ensure that all health and safety risks have been assessed and appropriate control measures identified and implemented.

15. Sustainability Implications

- 15.1 The architect's brief for the design included the requirement to consider the application of renewable energy technology and measures to use water economically. Various innovative solutions were considered however the available budget has not allowed the team to pursue these.
- 15.2 The team has adopted practical mainstream technologies. The building has been designed to provide natural ventilation and will have a water system incorporating spray taps and low volume dual flush cisterns. Heating will be provided by means of a condensing gas boiler. In addition the design makes use of the building's orientation for solar gain. There will be secure cycle parking and showers to promote this as a means of transport for users and visitors and the ease of access to public transport links will be emphasised in promotional literature and location plans.
- 15.3 The new facility will provide workspace for emerging small businesses. This coupled with business support will contribute to a sustainable economic incubator locally.

16 Financial Implications

- 16.1 In order to claim the full available amount of ERDF grant the building must be complete by December 2006. Detailed design and procurement actions are required as a matter of urgency to achieve this challenging timetable. If this is not achieved there is a risk that Haringey Council may be required to fund outstanding works in full.

17 Comments of the Director of Finance

- 17.1 Given that funding is time limited, and that the fee quote is regarded as reasonable by Procurement, the DoF supports this waiver.

18 Comments of the Head of Legal Services

- 18.1 The Chief Executive Directorate seeks a waiver of Contract Standing Order 6.4 (requirement to tender) in respect of a contract for provision of design and delivery services on the Rangemoor Road Project.
- 18.2 The request is made on the basis that a waiver is in the Council's overall interest in accordance with CSO 7.3 (d) because it will enable the deadlines necessary to take full advantage of available funding to be met.
- 18.3 The proposed contract is below the threshold where tendering in Europe is required under the Public Services Contracts Regulations 1993.
- 18.4 The Procurement Committee has the power, under CSO 7.5, to approve the waiver.
- 18.5 If the waiver is approved, a Director has the power under Contract Standing Order 11.2, to award the additional contract to ABK Architects.
- 18.6 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendation set out in paragraph 3 of this report.

19 Comments of the Head of Procurement

- 19.1 The Corporate Procurement Unit has worked very closely with the Rangemoor Road Project Manager, and has discussed in depth the continued use of ABK Architects and the design team who prepared the Options Appraisal and Feasibility Study.
- 19.2 Given that a full tender exercise was completed for the initial phase of this project, and that ABK have been demonstrated to show value for money against rates of those consultants on the Haringey approved list, Corporate Procurement Unit is satisfied that the procurement exercise has been undertaken in a commercially robust and satisfactory manner.
- 19.3 The benefits of consistency of using ABK for the next stage of the project are clear, and in line with construction best practice principles. Similarly, the Project Manager has demonstrated to CPU that the architect has thus far produced high quality outputs in conjunction with the other consultants in the Feasibility Study team. The Project Manager has also demonstrated a challenging approach to the outputs made by the architect, and has been using a proactive approach to keeping the project on track in terms of time, cost and quality.
- 19.4 In this instance, the Head of Procurement fully supports the extension of the appointment of ABK Architects to provide a full design and delivery service, with responsibility for the appointment and performance of the full design and delivery team.

20 Use of Appendices / Tables / Photographs

- 20.1 Appendix 1 – Exempt Information.