

**Report for:** Cabinet Meeting 18<sup>th</sup> June 2019

**Title:** Hornsey Library Refurbishment - Construction Contract Award

**Report authorised by :** Richard Grice, Director of Customers, Transformation & Resources

**Lead Officer:** Judith Walker, Head of Customer Services and Libraries, 0208 489 2405, Judith.Walker@haringey.gov.uk

**Ward(s) affected:** Crouch End

**Report for Key/  
Non Key Decision:** Key decision

## **1. Describe the issue under consideration**

- 1.1. This report seeks approval to appoint the recommended contractor, Contractor C, to deliver adaptation and refurbishment works at Hornsey Library for the total contract cost of £2,300,370.
- 1.2. This report also seeks approval to issue a letter of intent prior to the formal contract signature in the sum of for £230,037 as allowed under CSO 9.07.3.

## **2. Cabinet Member Introduction**

- 2.1. The council recognises that Haringey's libraries provide an incredibly important service to the borough, which is why we are committed not only to protecting them but investing in them. The proposals contained within this report will lead to more than £3m being spent on Hornsey Library to create a fantastic facility for our residents
- 2.2. As a council, we have made a clear commitment to not only retain our libraries but also develop them into true hubs for the communities they serve. For Hornsey Library this investment will enhance its integral role within the local community for years to come.

## **3. Recommendations**

- 3.1. To approve the appointment of Contractor C to deliver refurbishment and enhancement works to Hornsey Library for a contract sum of £2,300,370; and
- 3.2. To approve the issue of a letter of intent prior to the formal contract signature for £230,037 being 10% of the contract sum

## **4. Reasons for decision**

- 4.1. To award a contract which will enable the timely mobilisation and construction of works to Hornsey Library.

## **5. Alternative options considered**

- 5.1. The authority procured the contractor through the London Construction Programme (LCP) Major Works 2014 Framework Agreement. The authority considered use of the Southern Construction Framework for award of this contract. Upon consideration, the SCF framework was considered not suitable for this size of project.

## **6. Background information**

- 6.1. The works have been designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan of Work 2013.
- 6.2. The project was tendered using a lump sum single stage Traditional method of procurement. Other methods of procurement considered included single stage Design and Build, two stage Design and Build and two stage Traditional.
- 6.3. A list of eight companies was generated using Lot 5 of The London Construction Programme (LCP) Major Works 2014 Framework Agreement, and, following an Expression of Interest Exercise, four were invited to submit a proposal in response to an Invitation to Tender. Four responses were received and evaluated.
- 6.4. During the evaluation process, post tender clarifications were sought and fully responded to.
- 6.5. The tender was based on a 60 % quality and 40 % price bid and contract period of 7 months.
- 6.6. A quality assessment was conducted by an Evaluation Panel, comprising the Project Delivery Team Project Manager, Hornsey Library Delivery Manager, Principal Designer, Mechanical & electrical engineering consultant and the Lead Design Consultant. A pre agreed list of questions relevant to this project was included in the tender as part of the Qualitative Delivery Proposals (QDP). Each question was offered a score between 0 (for question not answered) to 5 (excellent) together with a weighted score.
- 6.7. The outcome of the quality and price scores is shown below.
  - 6.7.1. Contractor A scored a total of 82.87% comprising a score of 45.60% for quality and 37.27% for price.
  - 6.7.2. Contractor B scored a total of 85.60% comprising a score of 45.60% for quality and 40.00% for price.
  - 6.7.3. Contractor C scored a total of 99.59% comprising a score of 60.00% for quality and 39.59% for price.

- 6.7.4. Contractor D scored a total of 94.74% comprising a score of 56.40% for quality and 38.34% for price.
- 6.8. Quality and cost queries addressed through the clarification process with the contractor have been satisfied.
- 6.9. The recommendation is to award to Contractor C as their tender bid was the most economically advantageous compliant tender and scored the highest combined marks for price and the highest tender score for quality and is within the budget allowances.
- 6.10. The recommended tender submission is considered to offer good value for money.
- 6.11. The quantity surveyor for this project is satisfied with the pricing offered by Contractor C.
- 6.12. The defects liability period (rectification period) is 12 months.
- 6.13. The contract is to be awarded on a fixed price basis.
- 6.14. The procurement route is based on a traditional (full design) form of contract - JCT 2016 Standard Building Contract with Quantities.
- 6.15. Tenders include all construction costs, site establishment and management costs, contractors overhead and profit.
- 6.16. Whilst a range of surveys have been carried in the preparation of the tender documents for this refurbishment scheme, they will never provide absolute certainty as to the condition of the building and this is especially so in a building that is listed and will be operational during the works. A contingency has been allowed for in the budget and its use will be carefully monitored and reported upon during the projects progress.

## **7. Contribution to strategic outcomes**

- 7.1. This proposal will enable the Council to deliver a key aspect of the Customer Services Transformation Programme and continue to meet its statutory obligations to provide a comprehensive and efficient library service.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **8.1 Finance**

The report is recommending the acceptance of a tender from Contractor C for the sum of £2,300k on a fixed price basis. The original 2018/19 budget for this scheme was £1.011m. Subsequently Cabinet at its meeting of the 11<sup>th</sup> September 2018 agreed to increase the budget for the scheme as follows:

2018/29	2019/20	Total
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Original budget	£1,011k	-	£1,011k
Virement from Corporate Landlord	£696k	£1,283k	£1,979k
Contribution Carbon Management	£123k	£164k	£287k
Total	£1,830	£1,447k	£3,277k

In addition, the budget set by Council in February 2019 included a supplemental £500k to fund the expected additional cost of complying with the listed building requirements for the windows. The total budget therefore is £3,777k.

The projected outturn of the project is in line with the budget.

## 8.2 Procurement

Strategic Procurement (SP) note that this report relates to the approval of an award for Hornsey Library Refurbishment (Construction Contract Award) to accommodate building and improvement Works to upgrade the infrastructure.

SP confirms that following an Expression of Interest exercise, four tenderers were invited to Tender through the London Construction Programme Framework MW2014 (LOT5). All four tenderers submitted a compliant bid that required further clarifications from all four to achieve the final price.

SP Notes that Contractor C was evaluated independently by the Panel on the Quality element prior to release of the Price element of the Tender. Contractor C scored the highest in quality and were ranked the 2nd highest in price, scoring 99.59% overall.

SP notes that as per section 6 of this report, funding is available for this Contract.

Strategic Procurement support the recommendations within this report and have no objections with awarding this Contract to Contractor C for £2,300.370.

## 8.3 Legal

The Assistant Director of Corporate Governance notes the contents of the report.

The contractor recommended for the award of this contract was selected following a mini-competition under the London Construction Programme (LCP) Major Works 2014 Framework Agreement (the "Framework Agreement").

The Framework Agreement was established in compliance with EU procurement legislation. The award of a contract by way of mini-competition is permissible under the Framework Agreement.

The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

## 8.4 Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

An Equalities Impact Assessment has been completed for the proposed refurbishment of the library, included as Appendix A to this report, and uploaded on to the Haringey Council website. The EqIA raises no equalities concerns, with the proposed works being conducted in phases, to ensure there is minimal interruption to service provision. The expected impact on protected characteristic groups is either neutral or positive.

The following measures have ensured that the works comply with the Council's equalities duties:

- A key objective of the proposed works is to improve the accessibility and amenity of the existing site for staff and service users, including those from the protected characteristic groups. The Council has gone through a traditional design process and has therefore maintained control over the design of the works to ensure that they meet our high accessibility requirements, including DDA compliance under part M of building regulations. The building will also remain accessible throughout the works.
- No reduction in service provision, either during the works or once they are completed – all services will be maintained or improved through better buildings and IT, making services more accessible and effective;
- No reduction in accessibility through opening hours – opening hours remain unchanged and are now some of the longest in London for library services;
- Improved access arrangements - lifts will be repaired to give better access to the first floor, and all development will be in line with current DDA requirements;
- New heating will also be installed, making the environment more comfortable for all;
- The special collections of predominantly Black history and culture will be maintained and the library stock overhauled to reflect the community;
- Children's services will be maintained;
- CCTV and additional security will be of benefit to all in creating a safer environment.

## **9. Use of Appendices**

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9.1. Appendix A – Equalities Impact Assessment

9.2. Appendix B – Part B Exempt Information

**10. Local Government (Access to Information) Act 1985**

10.1. This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972);

10.2. Information relating to financial or business affairs of any particular person (including the statutory holding that information).