



Executive Director for Housing, Regeneration and Public Realm

Report title: Permission to procure and to invite a minimum of 5 tenderers to Tender for principal contractor to refurbish parts of Lewisham Old Town Hall

Date: 12th May 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: Rushey Green

Contributors: Uchenna Forjoe - Capital Programme Delivery Team, Procurement, Legal Services, Financial Services

Outline and recommendations

The purpose of this report is to seek approval from the Executive Director of Housing, Regeneration and Public Realm to undertake a procurement and to invite a minimum of 5 tenderers for a suitable principal contractor to carry out the refurbishment works to parts of Lewisham Old Town Hall – to make the necessary improvements to the building to facilitate the new Public Sector Hub.

It is recommended that the Executive Director for Housing, Regeneration and Public Realm - under their delegated powers - approve the procurement of the principal contractor to carry out the proposed works to Lewisham Old Town Hall to facilitate the Public Sector Hub and to seek permission to ask a minimum of 5 bidders to submit a tender. The work is estimated to cost approximately £900,000. The works are likely to be completed late 2021.

Timeline of engagement and decision-making

- April 2021 – PID approved at RCPD Board
- April 2021 – STA Lead Consultant appointed for RIBA stages 1-6.

1. Summary

- 1.1. The purpose of this report is to seek approval from the Executive Director of Housing, Regeneration and Public Realm to undertake procurement for a suitable principal contractor to carry out refurbishment works to parts of Lewisham Old Town Hall to accommodate the new Public Sector Hub. The report is also seeking approval to invite a minimum of 5 contractors to bid for the works. The Public Sector Hub will bring various public sector partners together under one roof to offer services for the public, back office space and increase footfall in the town centre. The letting of these floors also produces a saving by covering the running costs for the building enabling the Lewisham Homes rent in Laurence House to form part of the D-06 savings requirements – consolidation of the Catford Estate in order to realise savings or generate income.

2. Recommendation

- 2.1. It is recommended that the Executive Director for Housing, Regeneration and Public Realm under their delegated powers approve:
- 2.2. the procurement of the principal contractor to carry out the proposed works to Lewisham Old Town Hall
- 2.3. Inviting 6 contractors listed in the report to bid for the works. The work is estimated to cost approximately £900,000. The works are likely to be completed late 2021.

3. Policy Context & Background

- 3.1. The contents of this report support the Council's Corporate Strategy 2018-2022 priorities, particularly:

“Building an inclusive local economy: Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy”
- 3.2. Lewisham Homes moved from Lewisham Old Town Hall to 5th floor Laurence House in February 2021. This left five out of six floors vacant.
- 3.3. The refurbishment will address health, safety and welfare concerns and deliver improvements to the existing office building and interior spaces. The upgraded spaces will support the DWP and employment partners ambitions to provide training and job opportunities which will be a priority locally and nationally in the coming months and years, further supporting the government's economic COVID-19 recovery plans.
- 3.4. The Council have already let one floor to the DWP for a short vacancy to train up job advisors as part of their rapid job centre expansion programme, and have agreed heads of terms to take two floors on a 5 year term for this job centre expansion.
- 3.5. Ingeus – an employment and skills provider are in negotiations to take up tenancy on the 5th floor.
- 3.6. SLaM have agreed heads of terms and they and GSTT will move in to the 1st floor shortly; and Lewisham & Greenwich Trust have agreed to take the 3rd floor to move

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teams from the hospital site to free up space there for clinical use, as well as other back office sites.

- 3.7. The refurbishment will ensure the building is compliant and comfortable for the public sector hub to continue to deliver their services.
- 3.8. Refurbishment works will include
 - Soil stack renewal
 - Reception refurbishment
 - Window refurbishment
 - New accessible toilets
 - Improvements to heating system
 - Cooling system as per public sector partner requirements
 - New LED lighting
 - Kitchen and breakout area refurbishment and decoration
 - New furniture where required
 - Limited floor layout adaptations as per public sector partner requirements
 - New cycle storage

4. Reason for procuring service

- 4.1. The works will be procured externally because the Council has neither the skills nor capacity to deliver such construction works. Setting up the required infrastructure to enable this function does not represent good commercial or practical sense, given the nature and scale of works.
- 4.2. The Council will deliver in house other elements required to successfully undertake and maintain the works, including: project management, clienting, stakeholder management, and ongoing asset and latent defect management.
- 4.3. The Old Town Hall works are essential to secure the tenancies of a number of public sector partners due to move in in the coming months. The income from those tenancies form a large part of the savings required for the Housing, Regeneration and Public Realm Directorate.
- 4.4. An open tender would attract a large number of bidders which could delay the programme of works and therefore delay the move in dates which would have a significant impact on the amount of income received this financial year.
- 4.5. By inviting just 6 contractors to bid this will allow officers to meet the tight timescales and allow the successful contractor to get on to site as quickly as possible to undertake the works for this highly critical project.
- 4.6. Due to the urgent nature and value of the works officers are seeking permission to invite just 6 contractors to bid via the London Tender portal as per the Council's Contract Procedure Rules. Bidders will be asked to submit a description of their proposals in the form of method statements, in order to test their understanding of the Employers Requirements. The criteria for evaluation will be weighted 50% financial, 50% quality (including 5% social value). The contract will be awarded to the highest scoring compliant bidder after approval to award has been received from the Executive Director of Housing, Regeneration and Public Realm.
- 4.7. The six contractors below have been selected by our Employers Agent- IG9 following a review of the previous works they have completed for the Council in addition to their technical competence and ability to undertake work. They have all

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confirmed that they are able to bid. We have taken into account similar works undertaken for the Council recently, the size of the contractors and associated qualifications.

- Maris LLP
- Foreshaw Building Services Limited
- PBL Group Limited
- Property Facilities Group Limited
- LDL Contractors Limited
- Ammcass Group Limited

4.8. Proposed Procurement Timetable

Activity	Date
ED to approve procurement	June 2021
Tender Issue	June 2021
Tender Returns	July 2021
Evaluation	July 2021
Moderation meeting	July 2021
Internal approvals – Award report	July 2021
Decision letters issued to bidders	July 2021
Legal to Prepare Final Contract	August 2021
Works commence	End of August 2021
Practical Completion	Nov/Dec 2021

4.9. It is expected the works will take approximately 12 weeks and the pre- tender estimate for the works is £900 000.

5. **Contract Terms**

- 5.1. The Conditions of Contract to be used will be the JCT Intermediate Building Contract with Contractor's Design 2016 (IC Version) incorporating client amendments.
- 5.2. The contract will be between the successful Tenderer and the Council for the agreed programme period.

6. **Employers Agent**

- 6.1. IG9 have been appointed as Employers Agent and will provide technical assistance on this project throughout RIBA stages1-6.

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7. Financial implications

- 7.1. The budget for this project was approved at the Regeneration and Capital Programme Delivery Board on 15th April 2021. The total approved budget is £900,000 for refurbishment works to parts of Lewisham Old Town Hall.
- 7.2. The agreed budget for the works is taken from the General Fund Capital Programme.

8. Legal implications

- 8.1. The report seeks approval to procure a contractor to carry out refurbishment works and to limit the number of contractors invited to bid to 5. Given the potential spend on this contract this contract would be categorised by the Contract Procedure Rules as a Category B contract. The report explains why the process set out in this report is the recommended option.
- 8.2. Assuming that the Executive Director of Housing, Regeneration and Public Realm accepts the recommendations, Contract Procedure Rules place requirements on how that should happen. The Rules require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 will not apply however the requirements of the Council's Contract Procedure Rules ("CPR") still need to be satisfied. As set out in the CPR officers are able to invite a minimum of 5 contractors to bid rather than going to the open market provided permission is sought to do so. The procurement route recommended in this report would meet the requirements of the CPR. As a Category B contract, it would be for the Executive Director to take a decision on the award of any contract.
- 8.3. The Equality Act 2012 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.4. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
 - Advance equality of opportunity between people who share a protected characteristic and those who do not
 - Foster good relations between people who share a protected characteristic and those who do not.
- 8.5. The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

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- 8.6. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>.
- 8.7. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- a) The essential guide to the public sector equality duty
 - b) Meeting the equality duty in policy and decision-making
 - c) Engagement and the equality duty
 - d) Equality objectives and the equality duty
 - e) Equality information and the equality duty
- 8.8. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

9. Environmental implications

- 9.1. Design and materials used as part of this project including LED lights will be environmentally sustainable. Additional cycle racks will support carbon reduction plans by encouraging cycling to work.

10. Crime and disorder implications

- 10.1 There are no crime and disorder implications arising from this report.

11. Equalities Implications

- 11.1 The refurbishment to parts of the Old Town Hall will increase the provision of accessible DDA compliant toilet facilities within the building which is expected to affect groups in a positive manner, including the protected characteristics relevant to the Equality Act 2010.

12. Climate change and environmental implications

- 12.1 There are no climate change and environmental implications arising from this report

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13. Social Value implications

13.1

14. Background Papers

14.1 None.

15. Report author and contact

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16. Decision

Acting in accordance with Standing Orders, I do hereby give approval for the permission to tender as per the details set out in this report.



Kevin Sheehan,
Executive Director, Housing, Regeneration and Public Realm
10th June 2021

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