

## Executive Director for Children and Young People

### **Report title: Approval for Contract Award – Main Contractor – Old Town Hall Part Refurbishment Works**

**Date:** 23rd September 2021

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** Rushey Green

**Contributors:** Petra Marshall - Senior Programme Manager, William Hosking – Project Manager

### **Outline and recommendations**

This reports presents a summary of the findings of the procurement exercise to award a contract to a suitable main contractor to carry out the refurbishment works to parts of Lewisham Old Town Hall.

It is recommended that PBL Group Ltd are awarded the contract for a total of £ 422,368.32 plus VAT.

### **Timeline of engagement and decision-making**

10 June 2021 - Approval to procure suitable main contractor to carry out the refurbishment works to parts of the Old Town Hall.

## **1. Summary**

- 1.1 The purpose of this report is to seek approval from the Executive Director of Children and Young People to appoint a suitable main contractor to carry out the refurbishment works to parts of the Old Town Hall.

## **2. Recommendations**

- 2.1 It is recommended that the Executive Director for Children and Young People, under their delegated powers, approve the award of contract to PBL Group Ltd for a total of £ £ 422,368.32 plus VAT to parts of the Old Town Hall.

### 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. Officers have been developing a public sector hub to within the vacated floors, generating additional footfall for the town centre and savings through rent. 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.

3.4. Ingeus – an employment and skills provider have moved in to the 5<sup>th</sup> floor.

3.5. SLaM have agreed heads of terms and they and GSTT will partially moved in to the 1st floor and will move in fully shortly; and Lewisham & Greenwich Trust have agreed to take the 3rd floor to move teams from the hospital site to free up space there for clinical use, as well as other back office sites. They will also move in fully in the next month or two.

3.6. The refurbishment will address health, safety and welfare concerns and deliver improvements to the existing office building and interior spaces

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 the following to communal areas:

- New accessible toilets on 1<sup>st</sup> and 3<sup>rd</sup> floors
- Refurbished toilets on all floors, plus additional toilets on ground floor
- Shower refurbishment
- New cycle storage

3.9. In addition the following works will be undertaken on the 1<sup>st</sup> and 3<sup>rd</sup> floors where the tenants have fully serviced office leases. The majority of these works on the 3<sup>rd</sup> floor are underway already (via the FM contract) to meet the tenant move-in date and therefore do not form part of the procurement process outlined in this report.

- Window refurbishment, solar film and secondary glazing
- 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

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports4>

## 4. Procurement Process

- 4.1 Officers were granted approval on 10th June 2021 to procure the services of a Main Contractor to carry out the part refurbishment works to the Old Town Hall.
- 4.2 Following an open tender exercise, four submissions were received, one of which was compliant, in September 2021. The three non-compliant tenderers' bids were discounted due to failing either MS1 Capability Statement or MS2 Programme and Phasing.
- 4.3 The full tender submissions were evaluated based on the following criteria:
- |                                  |     |
|----------------------------------|-----|
| Financial detail including price | 50% |
| Quality                          | 50% |
- 4.4 The price of each tender was evaluated using the Lowest Price Option, as follows:
- Price score = 50 x (lowest valid tender x Form of Tender price)
- 4.5 The qualitative assessment was based on the tendering contractor's responses to the method statements included in the ITT. These were used to test tenderers' understanding of service requirements. The questions are summarised in the table below:

<b>QUALITY</b>		
Criteria		
MS 1	Capability	15%
MS 2	Programme and Phasing	10%
MS 3	Project Resourcing	6%
MS 4	Communication	6%
MS 5a	Health & Safety - including CDM and Principal Contractor role	4%
MS 5b	Health & Safety – COVID-19 Precautions	4%
MS 6	Social Value	5%
<b>Total Quality Weighting</b>		<b>50%</b>

- 4.6 The scoring was awarded on a scale of 1 – 10. 1 being inadequate and 10 being perfect.
- 4.7 All of the criteria required a minimum quality score of 5 to be considered valid, and the first two method statements required a minimum score of 8 to be valid. Any Tender which failed to attain these minimum scores was deemed invalid.
- 4.8 The tenders were evaluated by the following, who each signed a Declaration of Interest form declaring no interest in submissions:
- William Hosking - Project Manager, Capital Programme Delivery
  - Petra Marshall – Senior Programme Manager, Capital Programme Delivery

- Glenn Payne – IG9 Employer’s Agent (external)

4.9 The Price Evaluation was carried out by the Senior Procurement Officer in line with the methodology detailed in the Price Matrix document and the worked example, which were provided to bidders as part of the tender pack.

4.10 Each officer undertook an independent evaluation of the submissions. A moderation meeting then followed supervised by a Senior Procurement Officer from the Council’s Procurement Team whereby all three evaluators discussed their scores and reasoning.

4.11 The overall scores are set out below:

Rank	Organisation	Weighted Price Score	Weighted Quality Score	Total Weighted Score
1	PBL Group Ltd	50.00	42.90	<b>92.90</b>
N/A	Company A	N/A	Did not meet Minimum Score	N/A
N/A	Company B	N/A	Did not meet Minimum Score	N/A
N/A	Company C	N/A	Did not meet Minimum Score	N/A

4.12 Overall, the tenders were a mix of high, good and poor standards, however the quality requirements were set high. Three of the bidders did not achieve the scores required and were therefore rejected. Analysis of each of the individual tender submissions are detailed in confidential Part 2 Appendix B.

4.13 The evaluation panel agreed that PBL Ltd submitted a tender with an affordable price, along with a high Quality submission.

4.14 The proposed contract with PBL Ltd will be the JCT ICD 2016 Intermediate Building Contract (with contractors design) 2016.

## 5. Financial implications

5.1 PBL Ltd’s tender submission was based on the following financial price submissions:

- A total fixed price for £ 422,368.32 plus VAT.

5.2. The budget for this project was approved at M&C on 14<sup>th</sup> July 2021. The total approved budget is £1,085,000 for refurbishment works to parts of Lewisham Old Town Hall comprising £900k prudential borrowing and £185k tenant contribution to the works. The contract sum being considered here can be contained within the overall budget.

5.3. The agreed budget for the works is taken from the General Fund Capital Programme.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 6. Legal implications

- 6.1. 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.
- 6.2. Assuming that the Executive Director of Children and Young People 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.
- 6.6 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/>.
- 6.7 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 6.8 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/>

## **7. Equalities implications**

- 7.1 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.

## **8. Environmental implication**

**8.1 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.**

## **9. Crime and disorder implications**

- 9.1 There are no crime and disorder Implications arising from this report.

## **10. Climate change and environmental implications**

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

## **11 Background papers**

- 11.1 None

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 12 Glossary

Term	Definition
JCT	Joint Contracts Tribunal
EHRC	Equality and Human Rights Commission
LED	Light emitting diode lighting
DDA	Disability Discrimination Act 1995

## 13 Report author(s) and contact

Petra Marshall, [petra.marshall@lewisham.gov.uk](mailto:petra.marshall@lewisham.gov.uk) x4703

William Hosking, [william.hosking@lewisham.gov.uk](mailto:william.hosking@lewisham.gov.uk) 07918 851298

## 14 Comments for and on behalf of the Executive Director for Corporate Resources

Peter Allery, [Peter.allery@lewisham.gov.uk](mailto:Peter.allery@lewisham.gov.uk) , x48471

## 15 Comments for and on behalf of the Director of Law, Governance and HR

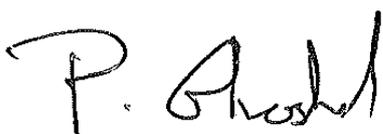
Sohagi Patel, [Sohagi.patel@lewisham.gov.uk](mailto:Sohagi.patel@lewisham.gov.uk), x47546

## 16 Appendices (confidential Part 2)

- **Appendix A** - Moderation - Meeting Scoring (Evaluation matrix produced during the tender moderation meeting)
- **Appendix B** – Synopsis of Tender Submissions – Quality

## 17 Approval

**I approve / do not approve the recommendation in this report (including Part 2 confidential appendices):**

Signed \_\_\_\_\_  \_\_\_\_\_ Date \_\_01.10.21\_\_

Name (printed) \_\_\_\_\_ Pinaki Ghoshal \_\_\_\_\_

**Executive Director for Children and Young People**

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

If there are any queries on this report please contact William Hosking, Project Manager  
07918 851298

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>