

CABINET MEMBER DELEGATED DECISION 15 OCTOBER 2021

Report title: LJ Works Landscaping Contract Award Report

Wards: Coldharbour

Portfolio: Deputy Leader of the Council and Cabinet Member for Planning, Investment and New Homes: Councillor Matthew Bennett

Report Authorised by: Bayo Dosunmu, Strategic Director for Resident Services

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REPORT SUMMARY

This report seeks approval to award a design and build contract for the delivery of the External Works Package at LJ Works, a council-owned site being developed as an affordable workspace hub at Loughborough Junction, to Thomas Sinden Ltd. The report details the procurement process that was carried out, the submissions received and the evaluation process. This contract will deliver the detailed designs and construction of the hard and soft landscaping, electrical and drainage works and installation of street furniture. Completion of these works will ensure the site is safe to occupy and will allow the Council to complete leases and open LJ Works for completion of the building fit out and occupation by tenants.

The part II report consists of the supplier's financial information and is therefore exempt from disclosure.

FINANCE SUMMARY

The winning tender price following a competitive process is £554,707, the cost of which is to be met from existing capital budgets that have been allocated to the LJ Works project.

RECOMMENDATIONS

1. To approve the award of the contract for the design and build of the LJ Works External Works Package, to Thomas Sinden Ltd, for the maximum contract value of £554,707.
2. The contract will commence 20 September 2021, for a period of six months, with an option to extend for a further six months.

REASONS FOR EXEMPTION FROM DISCLOSURE

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

3. Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. CONTEXT

- 1.1 This is a Gateway 3 Procurement Award Report. This project seeks to commission an experienced external hard landscape construction company to deliver the construction phase of the LJ Works – External Works package (RIBA stages 5-7). This contract will enable completion of the external landscaping at LJ Works, enabling site occupation by core tenant Meanwhile Space. Businesses can then begin using the site and completion of the remaining building fit-out works can proceed.
- 1.2 This procurement supports Lambeth's Borough goal to 'Make Lambeth a place where people want to live, work and invest'.
- 1.3 LJ Works is a flagship affordable workspace project in Loughborough Junction being funded through a combination of GLA grant and Council funding. The objectives of the overall project are to:
 - a. Help tackle loss of employment space in the borough;
 - b. Combat the rising cost of workspace as a barrier to business formation, particularly for communities with high levels of deprivation;
 - c. Provide space for approximately 58 businesses, with a focus on start-ups and small and medium enterprises (SMEs);
 - d. Support approximately 123 new jobs;
 - e. Provide additional employment and training opportunities through the construction stage (estimated to be 30 jobs);
 - f. Increased participation in, and accessibility of, the Loughborough Farm food growing project (including associated health and well-being benefits);
 - g. Provide on-site business support in association with local partners, Tree Shepherd;
 - h. Actively pursue a programme of training and business development support in the local community;
 - i. Provide a 'community give back' scheme whereby all tenants are required to provide benefits (e.g. volunteering, training or skills sharing) to the local community;
 - j. Provide capacity building (by Meanwhile Space) for the community-led steering group in preparation for the creation of a community-based management company;
 - k. Provide increased activity on the local high street to support existing businesses in Loughborough Junction;
 - l. Raise Loughborough Junction's profile and kick-start regeneration in the area;
 - m. Facilitate the provision of a new pedestrian route to Loughborough Junction Rail Station, between Styles Gardens and Rathgar Road (in line with the draft Loughborough Junction Masterplan and the draft revised local plan); and
 - n. Improve community cohesion and relationships between community organisations through collaborative working.
- 1.4 The project budget is approved via key decision. Original project funding of £3.76m consists of GLA and Lambeth CIL funding. The total remaining project budget of £1.2m is required to complete all remaining capital works.
- 1.5 The following contracts have been procured separately:
 - a. Ingleton Wood will act as Principal Designer.
 - b. Airey Miller will act as Employers Agent and Quantity Surveyor
 - c. 00 (Zero Zero) Landscape Architects.

- 1.6 The successful main contractor will deliver:
- Hard Landscaping – vehicular access road, pedestrian footway, parking bays;
 - Soft Landscaping – establishing satisfactory ground levels following removal of contaminated top soil;
 - Electrical and Drainage – External lighting and below ground maintenance;
 - Street Furniture – Bike sheds, access control gates, electric car charging points and bin stores.

2. PROPOSAL AND REASONS

- 2.1. The procurement route undertaken for this contract was a mini competition through the Crown Commercial Services (CCS) Lot 1.2.2: Civil Engineering Works and Minor Associated Building Works and Services – South England.
- 2.2. The Business case and Procurement Strategy were approved by Procurement Board on 1 December 2020. Following an Expression of Interest process in May 2021, the tender went live on EU Supply on 9 June 2021, to 12 suppliers on the framework, with a return date of 16 July 2021. The documentation issued included the Invitation to Tender, the Method Statements, the Pricing Schedule, the Instructions to Tenderers, the Terms and Conditions, the Employer Requirements (Specification) and the Form of Tender.
- 2.3. The proposal is to award the contract to deliver the LJ Works – External Works Package to the supplier who submitted the most advantageous tender for both price and quality, by scoring the highest following evaluation. The Authority received two completed tender submissions for this contract. The submissions were scored based on the proposed evaluation criteria which was split 60% price and 40% quality. The panel members consisted of the Neighbourhood Regeneration Manager, the Principal Neighbourhood Regeneration Officer, the Quantity Surveyor and the Environment Project Manager. All panel members undertook an independent evaluation followed by a moderation meeting with the Senior Procurement Officer where the scores were agreed through a process of consensus.
- 2.4. An independent evaluation was undertaken by each of the panel members for each of the tenders received. A moderation meeting took place chaired by the Senior Procurement Officer, to reach a consensus for each of the method statement responses.
- 2.5. The tenders were evaluated 60% price and 40% quality.
- 2.6. The tables below outline the scores achieved for each bidder:

Quality Evaluation: Supplier A			
Criteria	Weighting	score (1 - 5)	points awarded (score x weighting / 5)
MS 1 – Programme Delivery Proposal	6%	3	3.6%
MS 2 – Project Team Resources and Capability	8%	4	6.4%
MS 3 – Programme Management and Methodology	6%	2	2.4%

MS 4 – Communications	4%	5	4.0%
MS 5 – Health & Safety	6%	4	4.8%
MS 6 – Specialist Repairs Works (Sub Contractor)	6%	4	4.8%
MS7 Responsible Procurement	4%	5	4.0%
Total	40%		30.0%

Quality Evaluation: Supplier B			
Criteria	Weighting	score (1 - 5)	points awarded (score x weighting / 5)
MS 1 – Programme Delivery Proposal	6%	3	3.6%
MS 2 – Project Team Resources and Capability	8%	4	6.4%
MS 3 – Programme Management and Methodology	65	4	4.8%
MS 4 – Communications	4%	2	1.6%
MS 5 – Health & Safety	6%	3	3.6%
MS 6 – Specialist Repairs Works (Sub Contractor)	6%	3	3.6%
MS7 Responsible Procurement	4%	4	3.2%
Total	40%		26.8%

Supplier's Bids & Pricing Schedules

- 2.7. The procurement route undertaken for this contract was a mini competition through the Crown Commercial Services (CCS) Framework RM6088 Lot 1.2.2: Civil Engineering Works and Minor Associated Building Works and Services – South England.
- 2.8. The Authority received two completed and compliant tenders from the twelve potential providers the mini competition was sent to.
- 2.9. The table below outlines the scores awarded to each of the bidders.

Provider	Price score	Quality score	Total
Supplier A	24.98%	30.0%	54.98%
Supplier B	60%	26.8%	86.8%

- 2.10. The Project Cost Consultant has prepared a side-by-side analysis of the two cost submissions, confirming that the sums submitted by Thomas Sinden are in line with the market, with the prelim costs, and Overheads and Profit sums also an acceptable allowance.

2.11. The recommended supplier is Thomas Sinden Ltd. As such the panel members are confident that the supplier has sufficient expertise and experience to fulfil the duties required under this contract.

Contract Management

2.12. This contract will be managed by existing staff resources, comprising of the Environment Project Manager and additional support staff (Clerk of Works, Engineers) within Capital Studio, Residents Services. This contract will be managed through weekly site visits, fortnightly progress meetings with the main contractor, Client and Consultant Employers Agent / Quantity Surveyor. Formal monthly progress reports will be discussed at regular meetings which will be required as part of the contract.

2.13. KPI's will be jointly agreed. One of the key performance measures will be timeframe for the delivery and approval of the detailed designs, then subsequent commencement of works on site by the contractor.

2.14. The Lambeth Project Manager will conduct a Gateway 4 review 90 days into the contract to ensure performance is to the standards expected. There will be performance reviews and a process to establish lessons learned put in place to inform future programme.

3. FINANCE

3.1 The winning tender price following a competitive process is £554,707, the cost of which is to be met from an allocation of £580,000 from existing capital budgets that have been allocated to the LJ Works project.

3.2 Following the tender evaluation process, the project team conducted an analysis of the project risks and additional elements not covered by the contract sum. To ensure continuity of delivery, additional budget, above the agreed contract sum, has been ringfenced to ensure that known and quantified project risks and exclusions are funded. A further decision report will be presented should this additional budget, outside of accepted contract tolerances, be required.

4 LEGAL AND DEMOCRACY

4.1 The authority to enact this report's recommendation is delegated to the Deputy Leader (Planning, Investment and New Homes). Before exercising that authority, this paper should be reviewed by the Procurement Board.

4.2 Procuring via a mini-tender from a properly procured framework is compliant with the requirements of both the Council's Contract Standing Orders and the Public Contracts Regulations 2015 provided the Council is named, or is part of an identifiable group cited, in the original contract notice published in respect of the framework.

4.3 This proposed key decision was entered in the Forward Plan on 9 August 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days – the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5 CONSULTATION AND CO-PRODUCTION

Stakeholders	Interest	Action
Procurement Officer/ Procurement	All stages from pre-business case to approval of contract.	<ol style="list-style-type: none"> 1. Conduct pre-procurement engagement. 2. Consult on each stage of procurement (GW1, GW2, GW3). 3. Consult on development of tender documentation. 4. Consult on the use of the e-procurement portal. 5. Consult on execution of contract.
Cabinet Member for Planning, Investment and New Homes.	All stages from pre-business case to approval of contract.	<ol style="list-style-type: none"> 1. Conduct pre-procurement engagement. 2. Consulted on each stage of procurement (GW1, GW2, GW3).
Strategic Director of Resident Services	Successful delivery of contract arrangements and securing Cabinet Member agreement.	<ol style="list-style-type: none"> 1. Met and discussed approach to Cabinet Member. 2. Kept Strategic Director updated on procurement.

6 RISK MANAGEMENT

6.1 The main risks that could impede on the successful delivery of this procurement and contract are:

Table 3 – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Unforeseen additional requirements increase project costs over tender price.	2	2	4	All survey work has been conducted to ensure this is unlikely. Additional contingency budget to be put in place as a reserve.
2	Implementation of works impacts the operations of stakeholders.	3	1	3	Robust construction management plan in place.
3	Risk that contractor doesn't take ownership and adopt the design.	2	1	2	Project team have ensured that tender offers are analysed for signs that they have adequate resources.
4	Potential Covid 19 Impact on the Programme and Project Delivery	3	2	6	Covid 19 Mitigation Plan from the supplier are in place continue works as per Government Directives.

5	Potential Brexit Impact on the Programme and Project Delivery	3	2	6	Review of supplier's Business Continuity Plan and Brexit impact on supply chain.
6	Challenge from another supplier regarding the award decision	2	1	2	The procurement route undertaken for this contract was a mini competition via the CCS Framework. The evaluation panel undertook an independent evaluation followed by moderation with a Senior Procurement Officer. The Authority can provide detailed feedback to the unsuccessful supplier which will fully justify the award decision. Based on the evidence from the submissions, including price difference, a challenge is unlikely.

A D&B check was carried out on the winning tenderer and the risk came back as low-moderate, posing little or no financial risk. It is also a requirement of the framework to carry out regular checks to determine the financial status of all tenderers to the framework.

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

7 EQUALITIES IMPACT ASSESSMENT

7.1 An Equalities Impact Assessment was originally completed in 2016 when this project was initiated. It was updated in 2020 when additional funding was being sought. The EIA was been reviewed prior to going out to tender. The impact of the contract is broadly positive and will result in many positive impacts to the local community through the planned investment proposals.

8 COMMUNITY SAFETY

8.1 There are no crime and disorder implications arising from this contract.

9 ORGANISATIONAL IMPLICATIONS

Environmental

9.1 This contract will assist in improved environmental outcomes for local people through reduction in car journeys (reducing CO2 emissions) in and out of the borough through the provision of more local job and business opportunities.

9.2 Enhancing access to the Loughborough Community Farm creates opportunities for food growing, environmental education, health and wellbeing.

- 9.3 An anaerobic digester will be located on site following completion of the external works package. This will help to sustainably recycle food waste arising on site from production kitchen tenants and reduce greenhouse gas emissions.
- 9.4 All works on site will contribute to an overall BREEAM rating of 'Very Good', as required by planning conditions.

Health

- 9.5 The contract will assist in increasing participation in, and accessibility of, the Loughborough Farm food growing project (including associated health and well-being benefits); A new publicly accessible pedestrian route through the site will be created, linking residential areas with Loughborough Junction station and amenities.

Corporate Parenting

- 9.6 Not applicable

Staffing and accommodation

- 9.7 Not applicable

Responsible Procurement

- 9.8 Thomas Sinden have confirmed that they are willing to provide the council with 1% rebate of the total contract value for a social value contribution.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.9 In accordance with the contract specification, this contract will adhere to jobs with decent working conditions and fair pay, paying staff a minimum of London Living Wage.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.10 The duration of this contract is considered too short to offer quality apprenticeships and work experience to Lambeth residents. However, 10% of Thomas Sinden Workforce are in earn and learn positions. They have committed to work with Lambeth and local job centres & colleges to promote their apprenticeships.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.11 Not applicable under this contract.

Single Use Plastics

- 9.12 Thomas Sinden will continue to ensure they work with supply chains that have stringent controls and sustainability values in place. This contract does not require the use of single use plastics.

Positive Health and Wellbeing

9.13 This contract has a commitment to advertising employment opportunities locally. An employment opportunity resulting from this contract is likely to have a positive impact on an individual's mental health and wellbeing if they would have otherwise been unemployed.

Other Offers (Innovation)

9.14 Not applicable

10 TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing this contract:

Activity	Proposed Date
Date published on Forward Plan	09 August 2021
Publication on Decisions online	07 October 2021
Cabinet Member Decision	15 October 2021
End of Call-in Period (key decisions only)	25 October 2021
Execution of Contract	27 September 2021
Mobilisation Period for Contract	27-30 September 2021
Commencement of Contract	4 October 2021
Gateway four report due	25 October 2021
Contract Review	31 January 2022.

AUDIT TRAIL**Consultation**

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Matthew Bennett	Deputy Leader of Council (Planning, Investment and New Homes)	20.09.21	20.09.21	
Bayo Dosunmu, Strategic Director of Resident Services	Resident Services	19.08.21	19.08.21	
Sandra Roebuck, Director of Infrastructure and Capital Delivery.	Resident Services	19.08.21	19.08.21	-
Matthew Gaynor, Assistant Director	Finance	16.08.21	17.08.21	3
Michael O'Hora, Legal Services	Legal and Governance	06.08.21	06.08.21	4
Jacqueline Pennycook, Democratic Services	Legal and Governance	22.09.21	27.09.21	Throughout
Henrietta Jacobs	Procurement	05.08.21		Throughout
Kevin Edger	Procurement	10.08.21		Throughout
Xander Beck, Neighbourhood Regeneration Manager	Sustainability, Growth and Opportunity	11.08.21	11.08.21	Throughout
Will Steadman, Head of Neighbourhood Regeneration	Sustainability, Growth and Opportunity	11.08.21	11.08.21	Throughout
Russell Trewartha, Head of Programmes, Public Realm	Resident Services	18.08.21	18.08.21	-
Dan Thomas, Programme Manager, Capital Studio	Resident Services	04.08.21	04.08.21	Throughout

REPORT HISTORY	
Original discussion with Cabinet Member	09.08.21
Report deadline	17.08.21
Date final report sent	17.08.21
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	09.08.21
Key decision reasons	Expenditure, income or savings in excess of £500,000.
Background information	Crown Commercial Services Framework tender documents (Crown Commercial Service - CCS) Royal Institute of British Architects (RIBA) Stage Plan RIBA Plan of Work (architecture.com) Lambeth Borough Plan Our goals for Lambeth – Lambeth Borough Plan Lambeth Council Draft Loughborough Junction Master Plan Loughborough Junction draft masterplan consultation stage 4 Lambeth Council
Appendices	Appendix A – Equalities Impact Assessment

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: **Matthew Bennett**, Deputy Leader of Council (Planning, Investment and New Homes)

I approve the above recommendations:

Signature: _____ **Date:** _____

Post: **Bayo Dosunmu**
Strategic Director for Resident Services

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: **Councillor Matthew Bennett**
Deputy Leader of the Council and Cabinet Member for Planning, Investment and New Homes

Any declarations of interest (or exemptions granted):

Any conflicts of interest:

Any dispensations: