

## CABINET MEMBER DELEGATED DECISION 21 OCTOBER 2021

**Report title:** Brockwell Hall decarbonisation project: procurement and award of works

**Wards:** Herne Hill

**Portfolio:** Cabinet Member for Equalities and Culture: Councillor Sonia Winifred

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

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### REPORT SUMMARY

This report summarises the results of the procurement process undertaken to appoint a contractor for the Brockwell Hall Restoration Decarbonisation Project.

The report recommends that the contract for the Brockwell Hall Restoration Decarbonisation Project is awarded to G-Core Limited, as the successful bidder at a total contract cost of £464,000.

These works are needed to contribute towards the Council's target of achieving net zero emissions on its own estate by 2030. In addition to reducing carbon emissions, these works will reduce Brockwell Hall's energy bills, and by reducing reliance on gas boilers, contribute to improving indoor air quality.

### FINANCE SUMMARY

The total value of this contract is £464,000 and the total project costs are expected to be £507,540. The project costs can be met from grant funding of £429,000 awarded to the Council along with an allocation from the existing capital programme.

### RECOMMENDATIONS

1. To approve the award of the contract to G-Core Limited for the Brockwell Hall decarbonisation project for a contract sum of £464,000, commencing October 2021 and completing by March 2022.
2. To increase the project budget to £507,540, with the additional monies to be allocated from the Energy, Flood Prevention & Climate Change capital budget approved by Cabinet in July 2020.

## 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 Lambeth Council has declared a climate emergency and is committed to reaching net zero carbon emissions on its own estate by 2030. In 2018/19, energy use from council buildings contributed 98.9% of Council emissions, so decarbonisation of the Council's buildings is a priority.
- 1.2 Brockwell Hall is a significant Grade II\* listed building that sits in the heart of Brockwell Park. Brockwell Hall has the fourth largest carbon footprint of the Council's parks buildings. Recently a grant has been awarded by National Lottery Heritage Fund towards the restoration of Brockwell Hall. The Council also applied to the Public Sector Decarbonisation Scheme (PSDS) to fund decarbonisation works in January 2021.
- 1.3 The London Borough of Lambeth (LBL) successfully secured a grant of £429,723 from the central government through the Public Sector Decarbonisation Scheme (PSDS) to deliver this once in a lifetime carbon reduction infrastructure project prior to the follow-on Heritage Funded restoration project. The PSDS is able to fund projects at a cost of up to £500 per tonne of carbon dioxide reduced over the project lifetime. The value of the PSDS grant reflects this upper limit. The Council will provide co-funding from its Capital Investment Programme to cover the shortfall in the value of the proposed contract with G-Core.
- 1.4 The proposed works will reduce carbon dioxide emissions by approximately 46 tonnes per year
- 1.5 This report supports the delivery of Lambeth's Borough Plan, which outlines our goals of:
  - reducing our carbon emissions.
  - investing in local community facilities.
  - maintaining high quality cultural facilities.
  - investing in assets which our communities need to be healthier and more resilient.

### 2. PROPOSAL AND REASONS

- 2.1 Based on the current program and in line with government spending targets, the proposed works across the site are to be procured as single contract that includes:
  - the design, installation of the Ground Source Heat Pump (GSHP), deep boreholes and interconnecting below ground infrastructure and the purchase of all the GSHP equipment including delivery and safe storage.
  - to carry out the installation of the GSHP system in the Brockwell Hall including set up & commissioning.

- 2.2 In April 2021, the Procurement Strategy Report was approved that recommended that the Council run a FTS compliant, competitive tender (standalone procurement) using the open procedure to procure energy efficiency measures to Brockwell Hall.
- 2.3 With an estimated value of £0.5m the value of the project is below the FTS threshold of £4,733,252 for Works but is above Lambeth's tendering threshold of £100,000. A one-stage procurement exercise using the Open tender procedure was carried out to maximise the number of bids from contractors with similar experience.
- 2.4 Contractors were sourced by publication of an Expression of Interest (EOI) on EU Supply. The EOI was published from 09 July 2021 to 14 July 2021. The link to the EOI was also sent to 5 recommended contractors.
- 2.5 Four (4) contractors expressed their interest in bidding; and were therefore invited to submit a tender through EU Supply, Lambeth's online tendering portal.
- 2.6 The e-tendering system ensures that the bidding process is auditable and is accessible to any potential bidders. The website link is <https://lambeth.eu-supply.com>. The ITT was published on 21/07/21 date and the deadline for the submission of tenders was 04/08/21.
- 2.7 At the close of the tender, only one submission was received from G-Core Limited.
- 2.8 The Evaluation Panel assessed the tender response to the quality questions outlined in table 1 (headings shown only) and the marking of the scheme outlined in section 4. Members of the Evaluation Panel were formed of LB Lambeth Client-Side Head of Capital Programmes Manager, LB Lambeth Climate Change and Sustainability – Technical Lead, Lead Architect - PRS Architects, and Lead Consultant – SVM.
- 2.9 The evaluation exercise considered a number of factors detailed further in Table 1 (Headings only). The evaluation team scored each bid individually based on the scoring methodology set out in section 4 below and then convened to apply a consensus score by way of a moderation exercise managed by the procurement team. Full details of the scoring are available in part II of this report.
- 2.10 The evaluation criteria was based on a 60:40 quality/price split. The quality component of the evaluation was evaluated using the following evaluation criteria:

**Table 1: Evaluation Criteria**

Item	Evaluation Criteria	Weighting %
1	Project team resources & experience	25
2	Management & Methodology	20
3	Work Programme	20
4	Health and Safety	15
5	Social Value	20
	Quality Evaluation Mark	100
	Quality score	60%

- 2.11 The questions which are indicated with appropriate weightings were evaluated by the panel and the appropriate score was agreed and added to form the Quality Evaluation Mark. The score achieved for this section was weighted at 60% to give the final score for quality (Quality Score).

2.12 As outlined in the Part 2 of the report and in Appendix D of the ITT only those responses which achieved the minimum pass score for the quality component, (Threshold was 50 %) of the overall quality score of 60% had to be achieved. For the avoidance of doubt a Quality Score of 30 was required to progress to the Price Evaluation Process.

## Marking Scheme

2.13 Scoring Matrix Used by the Evaluation Panel:

Score	Rating	Description
0	No Response	No proposal has been received The response is unacceptable.
1	Unacceptable	A proposal at this rating: <ul style="list-style-type: none"> <li>Builds very little or no confidence that the Tenderer can deliver the requirements due to insufficient evidence of relevant ability, understanding, skills, resources and quality measures;</li> <li>Builds very little or no confidence that the Tenderer's approach/solution will deliver the requirements due to insufficient evidence or an inappropriate approach/solution.</li> </ul>
2	Poor	A proposal at this rating: <ul style="list-style-type: none"> <li>Raises reservations that the Tenderer can deliver the requirements due to insufficient evidence of relevant ability, understanding, skills, resources and quality measures;</li> <li>Raises reservations that the Tenderer's approach/solution will deliver the requirements due to insufficient evidence or an inappropriate approach/solution.</li> </ul> <p>Note: a response at this rating includes reservations which cannot be easily resolved with the Tenderer pre-contract award (i.e. changes which would distort the competition) or during the contract term without impacting time, quality or cost.</p>
3	Acceptable	A proposal at this rating:

2.14 The evaluation of the pricing document has been conducted using the formula stated below:

$$\text{Price Score} = 100\% - \frac{(\text{Tender price} - \text{lowest price})}{\text{Lowest price}} \times \text{Price weighting}$$

The combined Price & Quality Scores are as follows:

	G-Core Limited
<b>Quality score</b>	39
<b>Price Score</b>	40
<b>Total score</b>	<b>79</b>

- 2.15 Upon conclusion of the evaluation process, this report proposes the appointment of G-Core. Though it was the only tender received, the evaluation panel and consultants are satisfied that it represents the best value for money and meets the Council's necessary quality and technical requirements and is compliant with the Funders' requirements.
- 2.16 Further details of the quality and pricing evaluation, including the identity of the tenderers who declined to tender is contained within Part II of the report, which is exempt from publication.

### Contract Management

- 2.17 The contract management details are:
- a. Lambeth's Capital Studio (MPGG team) will be responsible for project managing the Decarbonisation project.
  - b. The Contract is being offered under the Terms and Conditions of the JCT Design and Build Contract and London Borough of Lambeth Special Conditions for Works contracts which will govern any resultant Contract.
  - c. The Council will measure the quality of the contractor's delivery by the provision of monthly progress reports in terms of programme, performance and cash flow, together with the necessary records for waste disposal certification. The Council will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
#1	Delivery to Contract Price	Delivery of the Construction Project at a price consistent (or lower) with any pre-agreed contract price.	100%
#2	Delivery to contract Programme	Delivery of the Construction project at a time consistent with the pre-agreed construction schedule.	100%
#3	Delivery of contract Specification	Delivery of the Construction Services to Specification and Required Standards and Quality	100%
#4	Health & Safety	Compliance with Health and Safety and CDM Regulations as Principal Contractor.	100%
#5	Deliver Social Value commitments	Delivery of the social value commitments and proposals to deliver against the Council's Responsible Procurement commitments.	100%

## 3. FINANCE

- 3.1 The total value of the contract is expected to be £464,000. This will form part of a total project cost of £507,540, which includes the cost of Cost Consultants and Design Work

- 3.2 The Council has been awarded £429,000 as part of the Public Sector Decarbonisation Fund grant funding for Brockwell Hall decarbonisation works. The remainder of the project costs can be met from an allocation from the existing capital budget for Climate Change Infrastructure agreed by Cabinet in July 2020
- 3.3 If the costs of delivering the project exceed the revised budget, then any additional cost would need to be met from the capital budget allocated for climate change infrastructure where there is sufficient unallocated funding to meet the costs of the project.
- 3.4 A condition of the grant is that the funds must be spent by 31 March 2022. Therefore, there is a risk that grant funding cannot be drawn down if the project is delayed. In these circumstances the entire project cost would need to be funded from the capital budget.

#### **4. LEGAL AND DEMOCRACY**

- 4.1 The authority to enact this report's recommendation is delegated to the Strategic Director of Resident Services. Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.2 The value of the proposed contract is below the threshold at which the Council must publish a contract notice in Find a Tender and then follow one of the procurement routes prescribed in the Public Contracts Regulations. In order to comply with the Council's Contract Standing Orders the contract should be competitively tendered, however, and this report describes how this was executed.
- 4.3 Grants made to local authorities under s31 of the Local Government Act 2003 are subject to conditions imposed by the responsible Secretary of State or minister, and receiving local authorities must comply with them, including deadlines for expenditure on the prescribed purposes.
- 4.4 Works to listed buildings require consent under section 8 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
- 4.5 This proposed key decision was entered in the Forward Plan on 19 July 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**

- 5.1 In making decisions and co-producing services, engagement is key. This section enables the consultation that has been undertaken to be highlighted. Include a summary of the views received from external and/or internal consultation.

## 6. RISK MANAGEMENT

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

**Table 3 – Risk Register**

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Lambeth is not able to appoint a contractor to deliver the works within the grant funding timetable published by Salix.	2	4	8	The purpose of this proposed decision is to enable Lambeth to appoint a contractor(s) in a timely manner. Lambeth has written to the PSDS fund administrator Salix Finance to request an extension of the delivery deadline from September 2021 to March 2022. Salix has confirmed to Lambeth that it will provide confirmation on the completion date once a contractor is appointed, and that “We want to continue to support the delivery of your project, and can assure you that we will not unreasonably withhold consent to an extension beyond 30 September 2021.”
2	The impact of Covid-19 related restrictions delays delivery of the works	3	4	12	Covid-19 RAMS in place for all works
3	Low carbon heating measures installed by contractor(s) prove less effective at heating premises.	2	4	8	The designs have been developed for Lambeth by expert consultants and the specification of the proposed measures agreed in advance with the funder. The contract will include performance specification to ensure the heating measures perform as intended.
4	Measures go over budget	2	4	8	The measures to be procured, and proposed budgets, have been agreed in advance with the funder, and the grant envelope will be specified in the contract. If the costs of delivering the project, including project

					management costs, exceed the grant funding available then any additional cost would need to be met from the capital budget allocated for Climate Change measures in July 2020.
5	Measures fall behind schedule				PSDS grant funding cannot be used beyond financial year 2021/22. The council's contract with G-Core will be scheduled into phases, with each phase commencing only where the overall project remains within the timeframes of the project programme. Equipment orders will be brought forward to allow for lead in times, and invoices scheduled within the PSDS funding period. Additional costs that arise beyond financial year 2021/22 would need to be met from the capital budget allocated for Climate Change measures in July 2020.
6	Risk of unnecessary harm to the building fabric of Grade II listed Brockwell hall.	2	3	6	Robust risk management strategy in place and competent contractors to carry of the works
7	Resistance from the stakeholders/ Friends of group.	3	2	6	Consultations, communications and Collaborative working
8	Failure in getting statutory approvals and listed building consent.	1	8	8	The council has been advised that listed building consent is not required for the proposed works at Brockwell Hall

#### Key

<b>Likelihood</b>	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
<b>Impact</b>	Major = 8	Serious = 4	Significant = 2	Minor = 1

## 7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An EIA has been carried out for the wider programme of works on the restoration of Brockwell Hall. This finds that the Brockwell Hall Restoration project is a major investment in a community and

neighbourhood asset to provide a quality cultural and heritage facility for local community and identifies no adverse impact of the proposal on groups with protected characteristics.

## **8. COMMUNITY SAFETY**

- 8.1 The Council has an obligation under section 17 of the Crime and Disorder Act 1998 to consider crime and disorder whilst carrying out its various functions.

## **9. ORGANISATIONAL IMPLICATIONS**

### **Environmental**

- 9.1 Historic, listed buildings present particular challenges as regards heat decarbonisation, with the need to strike a delicate balance between conservation and carbon emissions. Lambeth would like to demonstrate that it is possible to overcome these hurdles, decarbonising Brockwell Hall as a showcase example that will provide valuable lessons for custodians of heritage assets throughout the UK. The planned refurbishment works will lead to an increase in usage of the buildings due to a greater proportion of the building being useable for events space, plus an increase in amenity. Without energy efficiency measures and decarbonisation, this would lead to an increase in energy consumption and carbon emissions. Lambeth would like to ensure that consumption and emissions are kept to a minimum despite the increase in occupancy.

### **Health**

- 9.2 Tenderers will be required to prioritise health and safety management practice and provide for all regulatory procedures and arrangements. This will include effective control of common and significant operational and product hazards, including risks generated by noise and vibration, pollution, pesticides, asbestos, other waste and contaminated materials.

### **Corporate Parenting**

- 9.3 N/A

### **Staffing and accommodation**

- 9.4 N/A

### **Responsible Procurement**

- 9.5 The adopted tender strategy complied with Public Contracts Regulations and reflect the programme constraints that arise from a February 2021 opening.
- 9.6 The successful bid includes a commitment to work in accordance with the Lambeth Council Responsible Procurement Checklist, and meet the targets set out by the council.
- 9.7 The successful contractor will be required to pay the London Living Wage and provide apprenticeship and supported employment opportunities in line with the Council's Responsible Procurement Policy.

### *Good Quality Jobs with Fair Pay and Decent Working Conditions*

- 9.8 The successful bid includes a commitment to payment of the London Living Wage and the use of local suppliers where possible.

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

9.9 The successful bid includes an offer of recruiting an Apprentice, enrolled with a local college. This opportunity would be advertised as per Council's policies.

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

9.10 Brockwell Hall is the fourth largest emitter of carbon emissions among the Council's parks buildings. Decarbonising Brockwell Hall's heating is therefore essential for the Council to meet its net zero target. Replacing gas heating with a ground source heat pump will save an estimated 46 tonnes of carbon dioxide each year. The contractor will also be asked to estimate and report on the carbon emissions released from delivery of this contract.

*Single Use Plastics*

9.11 N/A

*Positive Health and Wellbeing*

9.12 N/A

*Other Offers (Innovation)*

9.13 Whilst the successful bid does not indicate their accreditation to the Lambeth Healthy Workplace Charter, it does express a commitment to promote "workforce welfare through undertaking services that ensure health, safety and welfare of those working to deliver the project"

## 10. TIMETABLE FOR IMPLEMENTATION

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

<b>Activity</b>	<b>Proposed Date</b>
Date published on Forward Plan	19 July 2021
Submission to Procurement Category Board	16 September 2021
Procurement Category Board Decision	21 September 2021
Cabinet Member Decision	21 October 2021
End of Call-in Period (key decisions only)	28 October 2021
Award of contract	October 2021
Mobilisation and Construction period start	November 2021
Completion and handover	31 March 2022

## AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Sonia Winifred	Cabinet Member for Equalities and Culture	11.10.21	11.10.21	approved
Bayo Dosunmu, Strategic Director	Resident Services	28.09.21	08.10.21	approved
Sandra Roebuck, Director	Resident Services	20.09.21	28.09.21	approved
Matthew Gaynor, Finance	Finance and Property	10.09.21	16.09.21	Throughout
Paul Badiani, Finance	Finance and Property	14.09.21	16.09.21	Finance
Hannah Jameson	Finance and Property	10.09.21	28.09.21	
Helen Wordsworth, Assistant Director	Resident Services	20.09.21	21.09.21	
Kevin Crook, Assistant Director	Resident Services	10.09.21	13.09.21	
David Thomas, Legal Services	Legal and Governance	15.09.21	16.09.21	4
Wayne Chandai, Democratic Services	Legal and Governance	15.09.21	22.09.21	
Procurement Category Manager – Jennifer Rhoden	Finance and Property	15.09.21	16.09.21	
Procurement – Helen Lee	Finance and Property	10.09.21	14.09.21	procurement
Sustainability Officer	Finance and Property	13.09.21	13.09.21	

## REPORT HISTORY

<b>Original discussion with Cabinet Member</b>	19.07.21
<b>Report deadline</b>	N/A
<b>Date final report sent</b>	N/A
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	Yes
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	19.07.21
<b>Key decision reasons</b>	2. Expenditure, income or savings in excess of £500,000.
<b>Background information</b>	<a href="#">Tackling Climate Change</a> <a href="#">Lambeth's Capital Investment programme 2020-25</a>
<b>Appendices</b>	Appendix A – <i>Equalities Impact assessment</i>

**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:** Preeti Chatwal-Kauffman  
Head of Capital Programmes (Construction and Maintenance)

Paul Keenlyside  
Climate Change and Sustainability -Technical Lead

**I approve the above recommendations:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Councillor Sonia Winifred  
Cabinet Member for Equalities and Culture

**Any declarations of interest (or exemptions granted):** n/a

**Any conflicts of interest:** n/a

**Any dispensations:** n/a