

Cabinet Member Delegated Decision 23 March 2018

Appointment of Main Contractor for Brixton Windmill Education Centre

Wards: Brixton Hill

Report Authorised by: Strategic Director, Neighbourhoods & Growth Sue Foster

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

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Report summary

This report seeks approval to appoint Logan Construction (SE) Ltd for the construction of the new Brixton Windmill Education Centre.

Finance summary

The total cost of the scheme at present is £694,000 and there is available approved capital funding of £753,000. The service have not allowed for any capitalisation of staffing costs as agreed with the service and delivery teams at the inception of the scheme in 2016 and again in 2017 when approval was given to increase the funding for the scheme.

Recommendation

1. To award a contract to Logan Construction (SE) Ltd for the construction of the new Brixton Windmill Education Centre at the sum of £544,140.
2. To delegate authority to the Strategic Director, Neighbourhoods and Growth to award an enabling works contract to Logan Construction (SE) Ltd if required to maintain the overall furtherance of the programme from the project contingency as set out in part 2 prior to the final award.

Reason 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:

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

1. Context

- 1.1 The Brixton Windmill Education and Visitors Centre is a Grade 2* listed building that is open to the public once a month for tours and visits, as well as providing both educational programmes to predominantly local schools and corporate days. The windmill does not provide adequate space for supporting or growing education work and for the last three and a half years, the Friends of Windmill Gardens, who provide these services, have been sharing a building with the Holmewood Nursery School Stay and Play. This has proved an unsatisfactory solution and is hindering service provision and development for both parties.
- 1.2 In October 2016 the Council approved £360,000 capital funding for an education centre to be constructed in Windmill Gardens adjacent to the Brixton Windmill for use by the Friends of Windmill Gardens (FoWG). This funding formed part of Phase One of the Parks Capital Investment Plan. Planning permission has been obtained. However, two procurement exercises have already been conducted with no tenders being received within budget.
- 1.3 The design of the building has been agreed with the FoWG, and in August 2017 a review of the costs was conducted, resulting in an estimated increase in project costs of £393,000 to a total of £753,000. It had become clear that the current budget was not enough to build the required education centre when compared to other such facilities recently constructed.
- 1.4 The funding increase was subsequently approved in 2017 by delegated powers by the Cabinet Member for Equalities and Culture and has been published on the Forward Plan.
- 1.5 Lambeth's Major Capital Programmes Team will manage the delivery of the project in conjunction with the consultant team.
- 1.6 The new building is due for completion by December 2018.

2. Proposal and Reasons

- 2.1 The procurement strategy for the Brixton Windmill Education project was approved in September 2017. Given the need to encourage competitively priced bids from SMEs, a quality:price ratio of 40:60 was selected and the number and complexity of the quality questions were tempered to reflect the relative value and scope of the works.
- 2.2 In accordance with the proposals made within the Procurement Strategy Report, seven potential tenderers in London and the Southeast were selected from Constructionline based on their previous track record and specialisms.

Five companies were invited to tender, with one bidder dropping out of the process at the start of the ITT period, stating that they had insufficient resource at that time to complete the process.
- 2.3 The Standard Selection Questionnaire process was not required in this instance as the tenderers had already pre-qualified by virtue of their Constructionline affiliation. Thus four tenders were returned within the stated deadline and scored against price and quality (40:60 ratio).
- 2.4 The evaluation process for the tender submissions is set out within the part II of this report.
- 2.5 Upon conclusion of the evaluation process, this report proposes the appointment of Logan Construction (SE) Ltd, who achieved the highest combined price and quality score best demonstrating the necessary skills and experience to meet the Council's requirements.

3. Finance

3.1 The break-down of the approved £753,000 budget is shown in table 3 below:

Table 3: Funding Breakdown

Funding Source	Amount (£)
Capital Receipts	360,000
CIL	312,557
s106	80,443
Total	753,000

4. Legal and Democracy

4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member for Equalities and Culture. Before exercising that authority, this paper should be reviewed by the Procurement Board.

4.2 Under the Contract Standing Orders, all contracts with an estimated value of £100,000 or more must be competitively tendered to ensure that all tenderers have the economic and financial standing, technical ability and resource capacity to fulfil the requirements of the authority. This report demonstrates how officers have complied with this requirement.

4.3 The statutory procurement regime applies to this tendering exercise by virtue of the Public Contracts Regulations 2015. Contracting authorities must comply with the full rigour of the regulations, including publishing a notice in the Official Journal of the European Union if the estimated value of the contract is above the prescribed financial threshold. The threshold for works contract is £4,348,350. For below threshold contracts, the Council's duty is to act reasonably and proportionately when evaluating the efficacy of awarding a contract to a particular provider and running a competitive tender process with firms drawn from Constructionline will have fulfilled this duty.

4.4 Provisions in the Local Government Act 1988 oblige the Council to provide a written explanation to any person who has not been awarded work for which they tendered within 15 days of a written request to do so.

5. Consultation and co-production

5.1 Local residents and Ward Councillors have been consulted on this scheme and will continue to be engaged throughout the pre-construction and construction periods. Users have also been engaged in the feasibility process to define the new building layout and the services that will operate from it.

6. Risk management

Risk	Risk Rating	Countermeasure
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Rise in construction costs	Low/ Medium	Construction and materials costs can vary significantly over the course of the development and these changes can often be difficult to predict. However the budget review has provided increased confidence in the affordability of the project.
Business plan assumptions are incorrect	Low/ Medium	The business plan presents a number of assumptions related to the expected returns for the various uses on site, the risk is if these returns are not realised, most likely through a lack of uptake of workspace or if uptake is slower than forecast.
Community buy-in	Low/ Medium	There is risk presented by failure to engage or include the local community in the operation of the site. A communications plan review is underway prior to commencement.
Construction delays	Detailed in the business plan.	The risk presented by construction delays has the potential to significantly impact on forecasts. However the programmes and delivery strategies have been tested for their accuracy.
Due diligence	Low	Due diligence has or will be carried out on the recommended provider including insurances, Dun & Bradstreet, relevant policies and processes including Health & Safety and safeguarding.

7. Equalities impact assessment

7.1 An equalities impact assessment (EIA) was carried out for the programme in November 2016. The building will be fully compliant with the Equality Act, with careful attention paid to circulation and the creation of level surfaces. Impact is adjudged to be 'positive', particularly in areas of Health, Socio-economic factors, Age and Disability. The FoWG will continue to engage and work proactively with people from BME and other minority backgrounds.

8. Community safety

8.1 The Crime Prevention Officer will be consulted on the RIBA Stage 4 design and their comment will be considered for inclusion within subsequent design development activity. Furthermore the positive, active presence of the building will serve to enliven the surrounding open space, improving surveillance and engaging broader community interest.

9. Organisational implications

9.1 Environmental

The brief for the construction of the new Day Centre specifically requires a flexible building that is designed to meet future needs and meets a high standard of sustainability, delivering a target of BREEAM 'Very Good'. The ability of the architect to design and manage the construction of a sustainable building was a key part of the tender evaluation process.

9.2 Staffing and accommodation

There are no direct staffing implications associated with this decision to appoint, as the building is not operated by the Council.

9.3 Procurement

The Standard Selection Questionnaire process was not required in this instance as the tenderers had already pre-qualified by virtue of their Constructionline affiliation. Tenderers were also required as part of the tender process to identify opportunities for the development of local employment, apprenticeships and training/ work experience placements, providing defined target outputs and engaging on the same basis with their sub-contractor chains. Tenderers for the project are expected to pay the London Living Wage and provided evidence that this is being paid through the open book arrangement.

9.4 Health

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 in the control of the works, including risks generated by noise and vibration, pollution, pesticides, asbestos, other waste and contaminated materials.

10 Timetable for implementation

10.1 The table below shows the stages, milestones and deadlines for implementing the contract.

#	Item Description	Date
1	Report circulated	08/2/2018
2	Procurement Board Meeting	27/2/2018
3	Decision Publication Date	15/3/2018
4	End of Call In Period	03/4/2018
5	Appoint Contractor	30/4/2018
6	Start on Site	11/5/2018
7	Completion/ Handover	Dec 18

10.2 The contract used will be the standard JCT Standard form of contract and will be managed by the MCP Project Manager. Monthly progress / update reports will be written and reported through the Capital Programme monitoring procedures.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/ division or partner	Date Sent	Date Received	Comments in para:
Councillor Sonia Winifred	Cabinet Member for Equalities and Culture	23/02/2018	14.03.18	
Sue Foster Strategic Director	Neighbourhoods and Growth	14/03/2018	15.03.18	
Rachel Sharpe, Director of Strategic Programmes	Neighbourhoods and Growth	22/02/2018	26/02/2018	
Kevin Crook, Head of Neighbourhoods.	Neighbourhoods and Growth	14/02/2018	16/02/2018	1.1
Helen Wordsworth / Assistant Director of Capital Delivery	Neighbourhoods and Growth	14/02/2018	14/02/2018	Throughout
Peter Dawes / Commercial Manager	Business Growth & Regeneration	14/02/2018	05/03/2018	
Andrew Ramsden, Regen Finance	Business Partnering	14/02/2018	05/03/2018	
Michael O'Hora Legal clearance	Corporate Resources	14/02/2018	15/02/2018	4
Katy Shaw Democratic Services	Corporate Resources	14/02/2018	20/02/2018	Throughout
Maria Burton, Democratic Services	Corporate Resources	20/02/2018	26/02/18	4
Nicola Whyte, Delivery Coordinator Regen	Neighbourhoods and Growth	14/02.2018	14/02/2018	Throughout
Procurement Board	Date of Meeting			
	27 th February 2018 Cleared 15.03.8			
External				

Report history	
Original discussion with Cabinet Member	01.08.17
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	9 February 2018
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Cabinet Member Decision Funding Approval September 2016 Cabinet Member Decision Further funding - September 2017
Appendices	None

APPROVAL BY CABINET MEMBER 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** _____

Andrea Benneyworth, Project Manager

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

Signature _____ **Date 23 March 2018**

Cllr Sonia Winfred, Cabinet Member for Equalities and Culture

Any declarations of interest (or exemptions granted) N/A