

**LONDON BOROUGH OF BRENT**

**EXECUTIVE - 15 NOVEMBER 2004**

**FROM THE DIRECTOR OF EDUCATION, ARTS & LIBRARIES**

**NAME OF WARD  
BARNHILL**

**REPORT TITLE: AUTHORITY TO AWARD CONTRACT FOR THE NEW-BUILD SPORT AND PERFORMANCE ARTS HALL AT CHALKHILL PRIMARY SCHOOL**

Forward Plan Ref: EAL-04/05-0062

**1.0 SUMMARY**

- 1.1 This report requests authority to award the contract for the new-build multi sports hall and performance arts hall at Chalkhill Primary School as required by Contract Standing Order 89. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends that the contract should be awarded to Lakehouse Contracts Limited.
- 1.2 Much of the background to this report is set out in the Executive Report dated 26 April 2004, which sought authorization from the Executive to invite and evaluate tenders and to make a subsequent recommendation as to whom to award the contract.

**2.0 RECOMMENDATIONS**

- 2.1 Following Big Lottery Fund (formerly New Opportunities Fund) ("BLF") granting project fund approval in April 2004, it is recommended that Members award the contract for the new-build multi-sports hall and performance arts hall at Chalkhill Primary School (the "Project") to Lakehouse Contracts Limited.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The Council's Contract Standing Orders state that works contracts exceeding £1 million (High Value Contracts) shall be referred to the Executive for approval of the award of the contract.
- 3.2 The estimated value of this contract was outlined in the Executive Report dated 26 April 2004 and that value, along with a breakdown of the BLF grant from which the Project will be funded, is set out in Appendix 1.
- 3.3 A representative of Brent Financial Services attended the evaluation panel held on 15 October 2004 and is satisfied that all qualifications to prices were properly treated. The tender prices and additional information are recorded in the Tender Report, the results of which are summarised in Appendix 2.
- 3.4 The tender documents specified a works programme of 26 weeks and three of the four tenderers submitted bids on this basis. One of the tenderers submitted a bid based on a programme of 35 weeks. In addition, the same tenderer proposed an alternative form of Performance Bond from the Council's standard form and their bid was therefore non-compliant. Even if their bid were to have been considered further, the extended programme would have exacerbated the operating deficit referred to below.
- 3.5 The new facility will have a projected operating deficit of -£226 per annum in Year 1, decreasing to £5 per annum in year 3.

### **4.0 LEGAL IMPLICATIONS**

- 4.1 The value of this contract over its lifetime is below the European Procurement Regulations threshold for Works contracts and the award of the contract therefore is not governed by the Public Procurement Regulations.
- 4.2 The proposed Works contract is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations and as such Executive approval is required to award the contract.
- 4.3 The grant funding from BLF to the Council was subject to grant conditions that specify the manner in which procurement must be undertaken. The procurement process detailed in this report is in compliance with these conditions.
- 4.5 The form of contract will be a Joint Contracts Tribunal ("JCT") contract and will incorporate Brent's standard amendments.

## **5.0 STAFFING IMPLICATIONS**

- 5.1 There are no implications for Council staff nor for Chalkhill Primary School staff arising from awarding this works contract.

## **6.0 DIVERSITY IMPLICATIONS**

- 6.1 The positive issues of diversity are recorded in the Executive Report of 26 April 2004. An initial Equality Impact Assessment suggests that differing racial groups will benefit from the provision of the new sports and performance arts hall. There will also be increased opportunities for women and girls to be involved in sport and physical activity due to the particular attention to detail in the layout of the changing rooms and flexibility in the use of the hall.

## **7.0 DETAIL**

- 7.1 On 26 April 2004 the Executive granted the Director of Education, Arts and Libraries authority to:

- (a) invite contractors to submit expressions of interest, evaluate pre-qualification questionnaires and shortlist potential tenderers in accordance with the approved criteria listed in the Executive report of 26 April 2004 and invite the shortlisted contractors to submit tenders;
- (b) to evaluate tenders in accordance with the approved criteria in the Executive report of 26 April 2004; and
- (c) to make a subsequent recommendation to the Executive to award the contract.

This authority was subject to BLF awarding a grant fund to meet Project costs. BLF awarded grant funding on 27 April 2004 with a press embargo in force until 19 May 2004, following which the tendering process commenced. The amount granted, and therefore the available budget, is detailed in Appendix 1.

- 7.2 The process of tendering was temporarily put on hold whilst an overview of the school site was undertaken. This involved a capacity study, undertaken by Jacobs Gibb Limited ("Jacobs") and Alsop Architects, to affirm the orientation of the new sports hall with a proposed expanded primary school on the existing site of Chalkhill Primary School. Jacobs and Alsop Architects completed the capacity study in September 2004 and concluded in their report that the size and location of the sports hall does not compromise the opportunity to expand Chalkhill Primary School. The tendering process was re-commenced and the works programme is to commence in January 2005 and complete in July 2005 or September 2005 depending on which tender is accepted.

## **The tender process**

- 7.3 The new contract will be let using the 1998 Edition of the JCT Standard Form of Building Contract (Local Authorities without Quantities (JCT98), With Contractor's Design Portion Supplements, incorporating Brent's standard amendments.
- 7.4 In May 2004 advertisements were placed in the trade press, Construction News and the local press, Wembley Observer to seek initial 'expressions of interest' the returns of which were due by 18 June 2004. The Council's pre-qualification questionnaire was sent to 20 contractors who had responded to the advert. In response to these adverts a total of 14 responses were received by the due date of 18 June 2004 from contractors 'expressing interest'.
- 7.5 On 4 August 2004, short-listing was carried out by appropriately qualified and experienced Council officers and the Council's appointed consultant, Jacobs. Short-listing was carried out on the basis of financial viability, technical ability, business probity, health and safety and quality assurance of each of the contractors. Six contractors were short-listed and invited, on 10 September 2004 to formally submit a tender for the Project contract. Tender documentation comprising drawings, specifications, pre-tender health and safety plan, tendering instructions and Conditions of Contract were sent out to each of the 6 contractors. In addition to the Form of Tender, tenderers were required to submit price analysis, details of concurrent tenders, works programme and any other relevant additional information. The deadline for submission of tenders was noon 15 October 2004.

## **8.0 EVALUATION PROCESS**

- 8.1 The tender evaluation was carried out by a panel of officers representing the Directors of Corporate Services (Brent Financial Services) and Education, Arts & Libraries (Asset Management Service). Also in attendance was a representative of Jacobs.
- 8.2 All tenders had to be submitted no later than noon on 15 October 2004. Tenders were opened by Legal and Democratic Services at the Town Hall at 12.30pm on 15 October 2004 and 4 valid tenders were received. The panel met on 15 October 2004 and each member of the panel read the tenders and each submission was commented on and assessed by the whole panel against the award criteria, as summarised in Appendix 2. The panel agreed that Jacobs would contact each contractor on the same day, 15 October 2004, to make further enquiries based upon the numerous qualifications and covering letters that were attached to tenders received.
- 8.3 Jacobs contacted each contractor for clarification of certain aspects of the tenders submitted to ensure that a proper comparison could be made. Members of the panel were consulted on these aspects individually on 18 October 2004 by Jacobs and consensus as to whom to award the contract was reached by those members and relayed to Jacobs on the same day.
- 8.4 Appendix 2 compares how each of the tenders measured up to the tender evaluation criteria. Although it appears that three of the tenders are within budget, one of these tenders omitted the prices for a number of essential works elements and the inclusion

of those prices pushed that tender substantially over budget. Out of the remaining two tenders that were within budget, one of these tenders did not comply with the form of Performance Bond required, and specified a works programme of 35 weeks rather than 26 weeks. This tender was therefore eliminated as non-compliant. Lakehouse Contracts Limited's tender was the only tender which was within budget and which specified a works programme of 26 weeks.

8.5 The contract will commence in January 2005, subject to approval by Executive to award the contract to Lakehouse Contracts Limited.

## **9.0 RESULTS OF THE EVALUATION PROCESS**

9.1 Following the evaluation of the tenders listed in Appendix 2, it is recommended that the Executive authorise the Director of Education, Arts and Libraries to award the contract for the Project to Lakehouse Contracts Limited.

## **10.0 BACKGROUND INFORMATION**

10.1 EAL Asset Management Services files

10.2 Executive Report dated 26 April 2004

10.3 Report produced by Jacobs Gibb Ltd and Alsop Architects following their capacity study of Chalkhill Primary School

10.4 Tender Report produced by Jacobs Gibb Limited.

Any person wishing to inspect the above papers should contact:

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**EXEC-15.11.04/FP Ref: 04/05-EAL0062/Christine Moore/CM/Lead Officer J. CHRISTIE**