



**Executive**  
15 March 2010

**Report from the Director of  
Children and Families**

Wards Affected:  
Queensbury, Fryent

**Authority to tender works contract for a new build  
intergenerational children's centre at Kingsbury High School**

C&F-09/10-020

**1.0 Summary**

- 1.1 This report concerns the procurement process for the new build Kingsbury Intergenerational Children's Centre. This report requests approval to continue the procurement process and to invite tenders in respect of the works as required by Contract Standing Orders 88 and 89.
- 1.2 The initial estimated cost of the work was below £1 million and procurement was addressed as a medium value contract. A revised estimate prior to inviting tenders now estimates the cost of the work at above £1 million; therefore a high value contract. Authority to tender is therefore requested post pre-qualification stage.

**2.0 Recommendations**

- 2.1 The Executive to give approval to the pre - tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 3.6 of the report.
- 2.2 The Executive to give approval to Officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in 2.1 above.

**3.0 Detail**

- 3.1 The Executive approved the development of a new build Intergenerational Children's Centre at Kingsbury High School in

January 2009 as part of the phase 3 Children's Centre capital programme. In May 2009, additional funding was granted to the project from DCSF for co-located integrated service teams. This increased the accommodation required in the building.

- 3.2 The centre will house a range of services for children, young people and families. For the youngest children it will offer Sure Start Children's Centre services including drop-in activity sessions, training for parents with sessional childcare, access to information and advice for example through Citizens Advice Bureau and health support including healthy eating and links to community midwifery and health visitors. For older children and young people the centre will be used for a variety of Extended Services activities for the Kingsbury locality, for example after school activities, holiday clubs and study support. These activities may be in conjunction with the Youth Service and/or other providers. The new Intergenerational Children's Centre will include parents and the wider community as part of the intergenerational work. The centre will be part of a campus of facilities which includes the Kingsbury Resource Centre providing daytime activities for older people. There are opportunities to work with the Resource Centre to provide for example, family learning. The centre will also be the base for the Kingsbury Locality Integrated Service Team comprised of social workers and early intervention practitioners. This team will provide preventative support to children and families with additional needs and will use this centre both as an office base and as a place to meet families in the locality. The Kingsbury Intergenerational Children's Centre will have specific services on offer but will be a valuable resource for the whole community and will develop to meet local needs.
- 3.3 The cost for this project (including the co-located team) was initially estimated at £857,000. This was a desk based estimate based on the anticipated accommodation required by stakeholders. Due to the funding timescales the first stage of the procurement process was started alongside the design development stage.
- 3.4 Advertisements for expressions of interest were placed in the Wembley Observer and Construction News on 16<sup>th</sup> July 2009 and 31 pre-qualification questionnaires were returned by the closing date on 6<sup>th</sup> August 2009. A tender shortlist was subsequently drawn up following assessment by Health, Safety and Licensing, Finance and Corporate Resources and Children and Families (on the advice of the council's technical consultants).
- 3.5 The revised pre-tender estimated cost for the project is £1,500,000. This increase compared to the original estimate is not unusual given the extent of development work undertaken in the period. The brief for the centre was developed through stakeholder engagement and clarification on the services to be provided from the centre. This led to an increase in accommodation required compared to the expectation at the time of the original estimate. The aspirations for the specification of the building have increased to reflect the statement this building will

make as the borough's first intergenerational centre. In addition the proposed scheme includes elements of work to the external area that were not previously known to be required. Alongside this legitimate increase in scope, the rates used to estimate the cost have been increased to reflect recent tender returns on other children's centre projects. This ensures that the pre-tender estimate reflects current local market conditions. There is sufficient funding from grant sources to cover this increase. The project will continue to be reviewed robustly against cost plans and programme throughout its life.

- 3.6 As the works are now a high value contract, the Executive is asked to authorise the continuation of the original procurement process and to authorise Officers to invite tenders based on the criteria below. The advertisement for the contract is still valid as the broad description of the work is the same. Any elements of the pre-qualification evaluation that may be affected by the revised estimated value (such as the assessment of financial standing) will be re-evaluated to ensure the accuracy of the shortlist.
- 3.7 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response	
(i)	The nature of the service.	A Works contract for the construction of new build centre and associated external works.	
(ii)	The estimated value	£1,500,000	
(iii)	The contract term.	From 18 <sup>th</sup> June 2010 (award of contract) for a predicted term of 30 weeks.	
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	Two stage tender procedure.	
v)	The procurement timetable.	<b>Indicative dates are:</b> Adverts placed  Expressions of interest returned  Shortlist drawn up in accordance with the Council's approved criteria	16 <sup>th</sup> July 2009  6 <sup>th</sup> August 2009  17 <sup>th</sup> December 2009

		<p>Invite to tender</p> <p>Deadline for tender submissions</p> <p>Panel evaluation and interviews</p> <p>Panel decision</p> <p>Report recommending Contract award circulated internally for comment</p> <p>Executive approval</p> <p>Contract start date</p>	<p>17<sup>th</sup> March 2010</p> <p>16<sup>th</sup> April 2010</p> <p>19<sup>th</sup> – 30<sup>th</sup> April 2010</p> <p>30<sup>th</sup> April 2010</p> <p>4<sup>th</sup> May 2010</p> <p>14<sup>th</sup> June 2010 (meeting date to be confirmed)</p> <p>18<sup>th</sup> June 2010</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders to identify the Most Economically Advantageous Tender using the following evaluation criteria:</p> <ul style="list-style-type: none"> <li>• Price (50% weighting)</li> <li>• Programme/Approach to reducing construction period (25% weighting)</li> <li>• Quality (including understanding and approach to community projects) (15% weighting)</li> <li>• Innovation (5% weighting)</li> <li>• Sustainability/Approach to British Research Establishment Environmental Assessment Method ("BREEAM") (5% weighting)</li> </ul>	
(vii)	Any business risks associated with entering the contract.	All capital funding for this project is in time-limited external grant funding; the last of which must be spent by August 2011. Delay to this timetable will increase the risk that all capital funds will be spent on time.	
(viii)	The Council's Best Value duties.	The competitive tendering process will assist the council in achieving best value.	
(ix)	Any staffing implications, including TUPE and pensions.	None	
(x)	The relevant	See paragraphs 4 and 6 below.	

	financial, legal and other considerations.	
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3.8 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

#### **4.0 Financial Implications**

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.

4.2 The estimated value of this works contract is £1,500,000.

4.3 It is anticipated that the cost of this contract will be funded entirely from external capital grant funding received from Department for Children, Schools and Families: Sure Start, Extended Services and Co-location. Sure Start grant must be spent by March 2011 and Extended Services and Co-location by August 2011. The Extended Services funding is carried forward from 2008/09.

4.4 Members should note that if the grant deadlines detailed in paragraph 4.3 above are not met any unspent funds will become repayable to the allocating body. Further, if unspent funds are repaid, then the Council will be required to bear the risk on any remaining contract costs to complete the project, for which there is no budget provision.

#### **5.0 Staffing Implications**

5.1 None for the immediate purpose of this report.

#### **6.0 Legal Implications**

6.1 The estimated value of this contract is below the Public Contracts Regulations 2006 threshold for Works (of £3,927,260) and the contract is therefore not subject to its full application.

6.2 The original estimated value of the contract led Officers to treat the contract as a Medium Value Contract under the council's Standing Orders. As detailed in paragraph 3.4, Officers have subsequently re-valued the contract and its estimated value is now £1.5m. As such, the contract value now falls above the council's Standing Order threshold for High Value Contracts (of £1m).

6.3 As the contract is now classed as a High Value Contract, it is considered that application of council Standing Orders for such contracts should now be applied to the procurement process given that it has only recently commenced and tenders have not yet been sought. As a result, it is considered appropriate to seek Executive approval to

invite tenders and evaluate them in accordance with approved evaluation criteria.

- 6.4 As a two stage tender process had previously been adopted by Officers to procure the contract, there are no material changes required to the planned procurement process as a result of the reclassification of the contract as a high Value Contract.
- 6.5 Whilst a tender shortlist has already been drawn up by Officers, in view of the revision in the contract value, Officers will undertake a re-assessment of relevant elements of the pre-qualification questionnaire, (such as financial standing) to ensure the accuracy of the shortlist,
- 6.6 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

## **7.0 Diversity Implications**

- 7.1 The proposals in this report have been subject to screening and Officers believe that there are no diversity implications for the immediate purposes of this report. An Impact Needs/Requirement Assessment is being drafted on the intergenerational centre centre to ensure it adequately reflects the current service proposal.

## **8.0 Background Papers**

- 8.1 Executive Report – 19<sup>th</sup> January 2009 - Review of Phase 2 Children’s Centres and Development of Phase 3 Children’s Centres

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**John Christie**

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