

	<p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Chief Executive</p>
<p style="text-align: right;">Ward Affected: All</p>	
<p>Brent Civic Centre - Authority to award contract for Design and Build contractor</p>	

Appendices 2 & 3 of this report are not for publication

1.0 Summary

- 1.1 This report summarises the procurement process undertaken by the Council to procure a Design & Build contractor and requests authority to award a contract for the appointment of a Design & Build contractor for the new Civic Centre.
- 1.2 The development of the Civic Centre in Wembley is one of the Council's highest priority projects and is a key component of the Council's Improvement & Efficiency Strategy 2008-2012. With the appointment of the design and build contractor all the pieces will be in place to ensure the building will be ready for occupation in June 2013.
- 1.3 A supplementary report will be tabled at the meeting identifying the successful tenderer.

2.0 Recommendations

- 2.1 That the Executive awards the design and build contract for the Civic Centre to the organisation named in the supplementary report.
- 2.2 That the Assistant Director Civic Centre with the Director of Legal and Procurement be authorised to finalise the terms of appointment.

3.0 Background

- 3.1 On 19 October 2009 the Executive received a report from the Chief Executive requesting authority to procure a Design & Build contractor.

The Executive accordingly gave approval to procure a Design & Build contractor and approved pre-tender issues as required by the Council's Contract Standing Orders 88 and 89, including the evaluation criteria.

The Tender Process and Council's Contract Standing Orders

- 3.2 The Design & Build contractor has been procured using the Restricted Procedure in accordance with the EC Directive 2004/18 (the Classic Directive), the Public Contracts Regulations 2006 (the Regulations) and the Council's Contract Standing Orders. At tender stage a single stage process was adopted (with some construction tenders there is the potential to run a two-stage tender).
- 3.3 The form of contract is based on the JCT Design and Build contract 2005 (with 2007 amendments) with further bespoke amendments.

Stage One - Pre – Qualifying Stage

- 3.4 On 11 December 2009 the contract notice was placed in the Official Journal of the European Union (OJEU) to seek initial expressions of interest. The notice specified the Council's requirement to procure a Design & Build contractor and that the scope of works were to finalise the design and construct the Civic Centre.
- 3.5 Tenderers were advised the Council had employed a full design team who had completed the design up to RIBA stage E and secured detailed planning permission. It was a condition of tendering that the successful tenderer would accept a novation of the Council's current design team.
- 3.6 Tenderers were advised variant tenders would not be accepted.
- 3.7 Twenty-two organisations expressed an interest in response to the OJEU notice and they were issued with an information pack and pre-qualification questionnaire (PQQ) to complete by 12 noon on 12 February 2010. Fourteen PQQs were returned in accordance with the deadline.
- 3.8 The following assessment process was followed to decide pre-qualification:

Stage 1: All applicants were initially assessed against the PASS/ FAIL criteria to filter out non-compliant tenders. These were agreed at a joint workshop with procurement adviser present.

Stage 2: Individual scoring on the relevant sections of the PQQ was undertaken by the assessment team.

Stage 3: This involved a group review of the collated scores. The final score for each prospective bidder was achieved by consensus with procurement adviser present.

Stage 4: A recommendation on the short listed prospective bidders was prepared and submitted to the Civic Centre Programme Board for approval.

- 3.9 The six organisations that had scored the highest of the fourteen organisations that had responded to the PQQ were then invited to tender.

Stage Two – Invitation to Tender

- 3.10 Prior to issue of the Invitation to Tender (ITT) pack, two group information sessions were held with the six organisations. The first session on 29 April 2010 led by the Council's external legal advisors, Trowers & Hamlins, with representatives from Turner & Townsend (the Council's external project managers), the Council's internal Civic Centre team and procurement adviser. The purpose was to outline the Brent bespoke amendments to the standard JCT form provision within the contract to ensure these would be acceptable to the market. The second session on 27 May 2010 gave tenderers an opportunity to hear from the Chief Executive, the Assistant Director Civic Centre and members of the design team the Council's vision for the project, how the project integrates with our corporate objectives and showcase the design. Both sessions were well attended.
- 3.11 An ITT pack was issued to the six organisations to invite them to tender. The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous tender to the Council and that in evaluating the tenders the Council would use the evaluation criteria set out in the Evaluation Matrix at Appendix 1 of this report. Overall 50% of the marks were awarded for price, divided into Fixed Lump Sum Offer and Cost Profile and 50% for quality.
- 3.12 All tenders had to be returned by 12 noon on 3 September 2010.
- 3.13 A mid-tender information session was held on 21 July 2010. Prior to this date, two of the six organisations withdrew from the tender process. This enabled the four remaining organisations to meet individually with representatives of the design team to discuss any points of clarification. Representatives from Turner & Townsend, the Council's Civic Centre team and procurement adviser were also present. In addition, the Civic Centre external project managers and internal Civic Centre team responded to written queries from the tenderers.
- 3.14 Tenders from four organisations (Appendix 2) were submitted on time, and these were opened and logged in accordance with the Council's Contract Standing Order 100.

Evaluation Process

- 3.15 The general quality of the bids were of a very high standard.
- 3.16 Evaluation of all parts of the tender submission and presentation was carried out by a panel of officers. Technical advice was provided by the Council's Technical Advice Team, Turner & Townsend and Frankhams (CDM consultants) to assist the panel. In addition, redacted information of relevant sections was provided to the existing design team for comment as to whether the tenderers met the design requirements.
- 3.17 Each tenderer gave a presentation on their proposals. These presentations took place on 20 September 2010. Panel members were able to clarify any queries at the presentation meetings. The presentations were not scored but the information provided assisted the panel members in their final scoring. Panel members met on 21 & 24 September 2010 to score the quality section of the evaluation.
- 3.18 The financial evaluation, which carried a maximum percentage of 50% of the available score, was carried out by the Council's Cost Consultant from Turner and Townsend, with officers from Finance and Corporate Resources.
- 3.19 All submissions received were compliant with the terms of the invitation to tender and the general quality was high resulting in few clarifications from tenderers being required. Tenders generally demonstrated a clear understanding of the Employer's Requirements.
- 3.20 The detailed evaluation results are set out in Appendix 3.
- 3.21 Accordingly it is recommended that the tenderer identified in the supplementary report be appointed as the Design & Build contractor for the Civic Centre.

4.0 Financial Implications

- 4.1 As the contract for works exceeds £1m the Council's Contract Standing Orders requires the award of contract to be referred to the Executive for approval.
- 4.2 The costs of the design & build contract were included within the estimates of the total project cost for the business case for the Civic Centre. The construction and associated costs quoted by the recommended contractor are within those estimates. The price and technical scores for all tenderers are set out in Appendix 3. The overall costs of the project will be charged to capital and the resultant capital financing costs met from the revenue budget. These will be funded from the resultant savings accruing from the project. This includes the

release of other properties increased income and other efficiency savings from the occupation of the Civic Centre. The value of the contract recommended for award is within the construction budget approved by the Executive in October 2009.

- 4.3 A full assessment of the financial standing of each of the tenderers was made as part of the procurement process.
- 4.4 Each tenderer was asked to provide a contract price with a performance bond. The performance bond would provide the Council with financial compensation in the event of the contractor being in breach of contract or insolvent. It is optional for the Council to procure the bond, however given the value of the contract the Director of Finance and Corporate Resources has decided that the bond is to be provided by the contractor.

5.0 Legal Implications

- 5.1 The Design and Build Contractor has been procured using the Restricted Procedure in accordance with the EC Directive 2004/18 (the Classic Directive), the Public Contracts Regulations 2006 (the Regulations) and the Council's Contract Standing Orders.
- 5.2 The estimated value of the design and build contract is above the threshold in the Regulations for the application of the European public procurement regime.
- 5.3 The estimated value of the contract over its lifetime is in excess of £1m and the award of the contract is consequently subject to the Council's Contracts Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.4 In considering the recommendations, Members need to be satisfied on the basis of the information set out in the report that the appointment of the recommended contractor will represent best value for the Council and will mean that the tenderer appointed has offered the most economically advantageous tender. In order to decide on the most economically advantageous tender, tenders have been evaluated in accordance with the evaluation criteria notified to tenderers in the ITT.
- 5.5 Following the Executive meeting, the Council must observe the Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the appointment can be made. Therefore once the Executive has determined which tenderer should be awarded the contract, all those who expressed an interest in tendering, even if not invited to tender, will be issued with written notification of the award decision. A minimum 10 calendar day

standstill period will then be observed before the appointment is concluded, and additional debrief information will be provided to those requesting this in accordance with the Regulations. As soon as possible after the standstill period ends, the successful tenderer will be issued with an offer letter and a request to sign the Terms of Appointment to allow the contract to commence. We anticipate that this will be around 29 October 2010.

- 5.6 Following contract award, a contract award notice will need to be placed in the Official Journal of the European Union.

6.0 Diversity Implications

- 6.1 The October 2009 report to Executive stated the Invitation to Tender pack would ask contractors to demonstrate how they will interact with the Council and all residents during the construction phase, for example availability of jobs and training opportunities for the long term employed, apprentices, other job seekers and school leavers; management of expectations on disruptions, whilst clearly demonstrating how they will ensure the design and construction process respects and reflects the diversity of the borough and makes a positive statement about the Council's relationship with all of its residents.
- 6.2 Part 7 of the Invitation to Tender pack includes clear requirements for the contractor to provide an employment strategy for the site and develop a method statement that ensures a set quantity of paid employment and unpaid work experience opportunities are provided and to inform the Council and any sub-contractors of employment opportunities that will arise.
- 6.3 The evaluation criteria included a specific section on community interaction during the construction phase and ensuring the diversity of the borough is given high priority and positively reflected in the building.
- 6.4 A comprehensive equality impact assessment on the whole project was completed in November 2009 as part of the planning application. Previous internal INRAs had been taken into account but the revised assessment explored in more detail:
- The construction phase impacts
 - Inclusive design within the forthcoming design stages
 - Independent mobility within the Civic Centre and accessibility from the surrounding area
 - Access to employment and business opportunities
 - Staff management
 - Community relations
 - Post construction considerations for the management of the Civic Centre

7.0 Staffing / Accommodation issues

- 7.1 There are no implications for Council staff arising from tendering the contract.

Background papers

- Report to Executive 16 June 2008: Civic Centre Project – Approval of procurement option to design and build and Acquisition of Freehold
- Report to Executive 19 October 2009: Brent Civic Centre – Concept Design Proposals and Authority to Tender Contract for a Design and Build Contractor
- Contractor Procurement Strategy June 2009
- Council's Invitation to Tender pack
- Equality Impact Assessment November 2009

Appendices

1. Evaluation criteria

Confidential appendices

2. List of tenderers
3. Qualitative & Financial scores

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