

 Brent	<p style="text-align: center;">Cabinet 16 January 2017</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Environment</p>
<p style="text-align: right;">Wards affected: ALL</p>	
<p>Gordon Brown Outdoor Education Centre - Award of High Value Works Contract</p>	

Appendix 1 of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: *"Information relating to the financial or business affairs of any particular person (including the authority holding that information)"*

1.0 Summary

- 1.1 This report concerns the award of a high value works contract for the construction of a new accommodation block at the Gordon Brown Outdoor Education Centre.
- 1.2 The Gordon Brown Outdoor Education Centre is owned by the London Borough of Brent and is set in twenty-five acres of a Conservation Area in rural Hampshire countryside. The Centre provides outdoor activities and learning through residential and day visits, contributing to children's learning about environmental issues and the outdoors.

2.0 Recommendation(s)

Cabinet is recommended to:

- 2.1 Note that the preferred procurement route differs from that originally approved by Cabinet in June 2015.
- 2.2 Delegate authority to award a high value works contract to the Strategic Director of Regeneration and Environment in consultation with the Leader of the Council.

3.0 Detail

Background to the Scheme

- 3.1 The 29 June 2015, Cabinet approved the invest to save proposal put forward by the Strategic Director of Children and Young People to replace a poor condition accommodation block at the Gordon Brown Outdoor Education Centre (GBOEC). The GBOEC is a Brent Council owned and operated asset which is situated in Hampshire.

Revised Procurement Process and Timetable

- 3.2 The June 2015 Cabinet report gave a purely indicative procurement timetable and no estimated dates for project completion. The procurement timetable in the 2015 report indicated that the procurement process would begin in July 2015 with adverts being placed two days after the Cabinet meeting. It was not until after the capital project delivery team was in place that it was noted that the development process for delivery required a different approach. Consequently, a detailed review by the Capital Programme Team found the procurement timetable to be unachievable. This was for two key reasons. Firstly because the feasibility study referred to in the June 2015 report was insufficiently detailed. Secondly because at the time of the June report no team had been appointed to provide professional services (design, M&E engineering, project management and cost consultancy) as the project finances had not been confirmed by Cabinet.
- 3.3 Following a procurement process, a professional team has now been appointed. There was some project delay caused by early issues in maintaining consistency with this external resourcing. Project outputs had previously been agreed with the GBOEC staff; however, due to Centre staff changes, designs have been reviewed, amended and are now re-confirmed with the Centre staff. The project is now progressing with a firm plan and team in place.
- 3.4 The Centre site and ecological surveys identified the immediate vicinity of the development site as being the habitat of Great Crested Newts which are a European protected species. These environmental conditions and the seasonal constraints on undertaking further surveys and subsequent works have impacted the programme. The current programme schedules a full planning application being submitted in early December 2016, subject to necessary approvals being in place, including a Natural England Licence. In addition, the GBOEC staff have requested a delay to the period in which construction takes place in order to maximise income opportunities for the Centre. This is accounted for within the timetable below.

- 3.5 The revised timelines, subject to necessary approvals being in place, for procurement and subsequent programme of works are as follows:

Activity	Date
Submit full planning application	23 December 2016
Tender issue	27 January 2017
Tender return	24 February 2017
Obtain planning approval	28 February 2017
Tender evaluation completed	6 March 2017
Proposed award of contract (subject to Planning Approval and Cabinet delegation of authority)	13 March 2017
Design and development of units off-site	March - May 2017
Start on Site (ground works)	May 2017
Completion	September 2017

- 3.6 It is proposed, in order to mitigate possible delays in the length of delivery of programme that procurement is undertaken alongside the planning application process as shown above.

Risks

- 3.7 The principal risks with the proposed project are associated with construction costs, planning, programme and the Centre's ability to re-pay development costs. To lessen the risk of costs exceeding budget, the design team has reviewed costs to reflect a value engineered scheme. With regard to planning risks, a pre-application has been submitted; no significant adverse comments have been received, although there are specific ecological issues to be addressed and which are to be managed during the development programme. A Natural England Licence is to accompany the full planning application in early December. Risk of delays to programme are associated with ecological factors, which, likewise are to be managed during the construction programme. The June 2015 Cabinet approved a financial mechanism for the Centre to re-pay development costs over twelve years which, as the programme is delayed, will push-back the start of the repayment period.
- 3.8 The pre-tender considerations in the June 2015 Cabinet report stated that the procurement route would be an Open Tender process. Officers have since sourced a suitable Contractors Framework which would enable procurement in a shorter timescale, thus reduce the length of programme and minimise staff resources in procuring the works contract. The Chief Legal Officer has confirmed that the Southern Modular Building Solutions Framework is legally permissible for the procurement of a modular unit at GBOEC. Given that the framework is the preferred route to be used, slightly revised quality criteria are likely to be appropriate to comply with the requirements of the framework, although the quality/price split, as approved by the June Cabinet, will remain the same.

Contract Value and Award of Contract

- 3.9 The June 2015 Cabinet report stated an estimated works contract value in excess of £500,000. It therefore indicated that following the invitation of tenders

and evaluation, officers would submit a report to Cabinet for approval to award the High Value Works Contract. The current cost estimate is based on more detailed design and is provided in appendix 1 of this report.

- 3.10 Cabinet approval is expected to be required to award the anticipated High Value Contract. If the ordinary reporting timelines were followed, the outcome of the tender evaluation and recommendation to award the contract would be presented to the 24 April 2017 Cabinet meeting. This would mean a two month delay on the dates shown in the timetable in paragraph 3.5 above, such that work would not be able to complete until November 2017. It is expected that this would have an impact on both the opportunity for GBOEC to generate maximum income and on the ability of Brent schools to use the centre for outdoor education during this extended period.
- 3.11 It is recommended that in order to mitigate the impact of the potential programme delay, Cabinet is asked to delegate authority to award the High Value Works Contract to the Strategic Director of Regeneration and Environment, following the evaluation process. This would enable the timetable set out above to be met. Cabinet is recommended to agree to this approach, noting the estimated construction cost provided in appendix 1 of this report.

4.0 Financial Implications

- 4.1 The financial implications for the development of the replacement accommodation block were considered in the 29 June 2015 Cabinet report. This included the mechanism for a repayment schedule to meet related development costs.
- 4.2 This current report notes that cost estimates are consistent with the former cost appraisal for the provision of a new accommodation block, equating, therefore, to a High Value Works Contract. The current cost estimate is within the previously approved budget.
- 4.3 Delays in the delivery of the scheme will have an impact on the outturn, as the service cannot generate the normal level of income. Its revenue budget assumes £414k of income. It is a rare commercially managed service within the Children and Young People's department, as all but £60k of their budget is funded by income. This is therefore a significant source of risk to the service, if there are future delays with the project. This may delay the ability of the Centre to pay back the development costs in the original time planned, as reported to June 2015 Cabinet by the Director of Children and Young People.

5.0 Legal Implications

- 5.1 The legal implications for the development of the replacement accommodation block were considered in the 29 June 2015 Cabinet report. In accordance with Contract Standing Orders 88 and 89, pre-tender considerations and the basis of evaluation for the project were approved by Cabinet. For the reasons detailed in this report, it is proposed that some of the pre-tender considerations,

namely the procurement route, timetable and detailed quality evaluation criteria, will change.

- 5.2 This report notes that the preferred procurement is to be sourced via a framework, rather than an Open Tender process. The Chief Legal Officer has confirmed that participation in the Southern Modular Building Solutions Framework is legally permissible in respect of the proposed call-off contract in accordance with Contract Standing Order 86(e)(ii). As detailed in paragraph 3.8 in view of the proposed use of the Southern Modular Building Solutions Framework and the need to comply with framework rules in conducting a mini-competition, whilst tenders are to be evaluated on the same quality/price split, there is likely to be a need to use slightly revised quality criteria from that set out in the June 2015 Cabinet report.
- 5.3 Whilst Contract Standing Orders permit Officers to commence a mini-competition under a framework without seeking Cabinet approval, the award of any contract is subject to the Council's usual Standing Order requirements in respect of High Value contracts and Financial Regulations. As a result, Cabinet approval is required for any award. For the reasons detailed in paragraphs 3.10 and 3.11 above, approval is sought to delegate the award of the construction contract to the Strategic Director of Regeneration and Environment, following an evaluation process, in consultation with the Leader of the Council.

6.0 Equality Implications

- 6.1 Equality Implications were addressed in the 29 June 2015 Cabinet report. There were no adverse equality implications in the recommendations of that report and this remains the case.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no staffing implications within this report. The accommodation implications are as outlined in the main body of the 29 June 2015 report.

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