

 <p>Brent</p>	<p style="text-align: center;">Cabinet 13 March 2017</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Environment</p>
<p>For Action</p>	<p style="text-align: right;">Wards affected: Kilburn</p>
<p style="text-align: center;">Phase 1 Building Project at the Granville Centre – Approval to Tender Works Contract</p>	

1.0 Summary

- 1.1. The Granville Centre, will accommodate the Enterprise & Community Hub in the immediate term. This phase of works is referred to as phase 1 and includes refurbishing the Granville Centre by March 2018.
- 1.2. This report seeks Cabinet approval to invite tender for a works contract as required by contract Standing Orders 88 and 89 to complete phase 1 of this project for refurbishment of the Granville Centre to accommodate the Enterprise & Community Hub. The project is being managed by Brent officers and will abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters.
- 1.3. This report also seeks a delegation of Cabinet's authority to award high value works contracts to the Strategic Director of Regeneration and Environment in consultation with Lead Member Regeneration, Growth, Employment and Skills and also with the Chief Finance Officer and Chief Legal Officer in order for the delivery programme to be maintained and meet the GLA timescales necessary for receipt of funding.

2.0 Recommendations

The Cabinet is recommended to:

- 2.1 Approve inviting tenders for a works contract in respect of Phase 1 building project at Granville Centre on the basis of the pre-tender considerations set out in paragraph 3.10.
- 2.2 In respect of Recommendation 2.1 above, approve the evaluation of tenders on the basis of the evaluation criteria set out in paragraph 3.10 of this report.

- 2.3 Delegate authority to award the high value works contract referred to in Recommendation 2.1 to the Strategic Director of Regeneration and Environment in consultation with the Lead Member Regeneration, Growth, Employment and Skills.
- 2.4 This decision is subject to the GLA grant agreement and other legal documents being entered into by the parties.

3.0 Detail

- 3.1 Since the 25 July 2016 there has been ongoing dialogue with the Greater London Authority (GLA) in respect of the funding for the Enterprise & Community Hub, who initially were to provide £1.8m towards an Enterprise & Community Hub, however, this came with a tight timescale of delivery of March 2018.
- 3.2 Officers reviewed the timescale to determine what could be delivered within the GLA's March 2018 timescale. It was evident that a new build could not be achieved, and as a result officers, working with the South Kilburn Trust (whom, it is proposed will manage and operate the Enterprise & Community Hub subject to terms being agreed by Brent's Property Services), looked at delivering a Phase 1 option of refurbishing the Granville Centre in the immediate term to provide for a location for the Enterprise & Community Hub which would meet the GLA timetable. A Phase 2 option looks at the wider redevelopment of the Carlton and Granville Centres being developed in due course.
- 3.3 The GLA is supportive of proposals detailed in paragraph 3.2 and has approved funding for the Council of £749,058 for the Enterprise & Community Hub project Phase 1. This figure is greater than the initial proposal which was for £350k for Phase 1.
- 3.4 The delivery of Phase 1 will allow for the Nursery School and Barnardos Children Centre to stay on site in their current locations (Brent Property Services are currently discussing the future use of one specific room with Barnardo's and the SK Trust). The Granville Kitchen and Otherwise Club will enter into arrangements with the South Kilburn Trust for the space they use and will use within the proposed Enterprise & Community Hub, but to date this is expected to be achievable.
- 3.5 The project team are due to have appointed Lead Architect and consultants to develop the design by the date of this Cabinet meeting.
- 3.6 The project is being managed by Brent officers and as such will abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters.
- 3.7 Capital funding for this project is being provided by GLA however the proposed works contract, the responsibility for delivery of the project and subsequent risks are with the Council. The project needs to be managed by the council to ensure the budgets are not exceeded.
- 3.8 The building has a high profile in the community and as such Brent Officers will ensure an ongoing consultation process throughout this project ensuring communications are clear and the community are involved.
- 3.9 Background

Previous cabinet papers provided Members with feedback from the public consultation which was carried out in respect of the Carlton and Granville Centres site. This report included a recommendation to agree to Phase 1 of the Carlton and Granville Centres site redevelopment, being the refurbishment and reconfiguration of the Granville Centre to allow for an interim Enterprise Hub to be established.

Pre-tender Considerations

3.10 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for both projects to be let using a formal tender route are set out below for the approval of the Cabinet:

Ref.	Requirement	Response
(i)	The nature of the service	Refurbishment of the Granville Centre to accommodate the Enterprise & Community Hub.
(ii)	The future estimated value of the contract/s	£650,000
(iii)	The contracts term	Approximately 26 weeks plus 12 months defects period
(iv)	The tender procedure to be adopted	Open Tender
(v)	The procurement timetable	<p>The procurement would be undertaken during spring/summer 2017. Indicative milestones/timescales are:</p> <ul style="list-style-type: none"> • Contract Notice placed • Invitation to tender period – 35 days • Panel evaluation, interviews and panel decision – 10 days • Contract Award
(vi)	The evaluation criteria and process	<p><u>Invitation to Tender (ITT)</u></p> <p>Tenders will be evaluated on the basis of the following criteria and overall weightings.</p> <p>1. Quality Quality will consist of 40% of the overall evaluation. The quality assessment will be evaluated using the following criteria.</p> <ul style="list-style-type: none"> • Proposed application of experience • Design approach and compliance with employer's requirements. • Community participation. • Project Management and resourcing. • Construction approach and technical proposals.

		<ul style="list-style-type: none"> • Social Value representing 10% of this score. <p>2. Price Price will consist of 60% of the overall evaluation.</p>
(vii)	Any business risks associated with entering the contract	No specific business risks are considered to be associated with entering into the proposed contract. The Council will ensure the contract is drafted to minimise all business risks.
(viii)	The Council's Best Value duties	This procurement process and on-going contractual requirement will ensure that the Council's Best Value obligations are met.
(ix)	Any staffing implications	Officers will prepare the tender pack and manage the process.
(x)	The relevant financial, legal and other considerations	See Sections 4 and 5.

3.11 Property comments

The Granville Centre is a council owned building.

4.0 Financial Implications

4.1 The costs of the proposed works is due to be within the GLA funding approved for this project of £749,058. The budget has currently been split and estimates £650,000 for this works contract.

4.2 The GLA pay this funding in arrears via quarterly applications which must be supported by paid invoices. The Council will therefore be responsible for making any payments for this contract. An indication of the timings of these applications has been set out in the attached schedule.

4.3 It is envisaged that tendered costs will fall within the current capital budget. Should the project costs exceed the anticipated budget then the council is responsible for that financial risk.

5.0 Legal Implications

5.1 The estimated value of the contract is above the Council's Standing Orders threshold for High Value Works Contracts of £500,000. For High Value Contracts, the Cabinet must approve the pre-tender considerations set out in paragraph 3.19 above (Standing Order 89) and the inviting of tenders (Standing Order 88).

5.2 Cabinet is asked to delegate authority to award this high value contract to the Strategic Director of Regeneration and Environment in consultation with the Lead Member Regeneration, Growth, Employment and Skills. If this recommendation is approved then once the tendering process is undertaken Officers will report to the Chief Officer in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.

- 5.3 The estimated cost of the contract are below the Public Contracts Regulations 2015 (“PCR 2015”) threshold for public works contracts (currently £4,104,394). Therefore, the Council does not need to observe the full requirements of the PCR 2015 but is required to comply with certain provisions to include advertising the contracts opportunity and any award of contract on Contracts Finder.
- 5.4 lease terms will need to be entered into between the various occupants and proposed occupants of the Centre to ensure that the maintenance and repair obligations are clear between all parties.

6.0 Diversity Implications

- 6.1 The Council, through its widening participation, seeks to proactively engage with all local residents living in South Kilburn, and particularly those equality groups who are affected by the South Kilburn Regeneration programme. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the South Kilburn area are developed and delivered. The Equality Analysis, which is a live document, will also be updated to reflect the proposed changes to the South Kilburn Regeneration programme.

The services and service users currently based in Granville Centre are likely to be affected by the work carried out as part of Phase 1 of the project (see Staffing/accommodation implications section). The selected contractor should therefore make every effort to minimise the disruption from the refurbishment work and to ensure that an appropriate access is maintained within the premises that will continue to be used. The contractor should also ensure that Phase 1 is carried out and completed within the agreed timescale and in compliance with the relevant Health and Safety regulations and accessibility standards.

The selected contractor will be required to proactively consider the needs of and engage with affected service users and residents with protected characteristics such as children and their parents, disabled people, older residents and minority ethnic groups. Appropriate safeguards must be put in place in terms of the protection of vulnerable children and adults using Granville Centre during the refurbishment work.

It is anticipated that where possible, the selected contractor will offer and/or ringfence employment and training opportunities to local residents, and will also pay the London Living Wage rate as part of the Council’s commitment to reduce socio-economic disadvantage (see Public Services Social Value Act 2012 section).

7.0 Staffing/Accommodation Implications

- 7.1 In Phase 1 there will be accommodation implications for the Granville Kitchen and Otherwise Club as they will need to discuss their requirements with the South Kilburn Trust, as such their accommodation space/access may change.
- 7.2 The Barnardos Children Centre is in discussions in regards to their use of part of the space that is included in the Enterprise & Community Hub.
- 7.3 The other users of the Carlton & Granville Centre may be affected whilst works are carried out but their current space is not included in the project.

8.0 Public Services (Social Value) Act 2012

- 8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 (**'the Social Value Act'**) to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. As this is a works contract, the Council does not have a statutory duty to comply with the Social Value Act but in accordance with CSO 89, Officers have had regard to the Act in planning the proposed procurement.
- 8.2 The services being procured aim to improve the economic, social and environmental wellbeing of residents of South Kilburn through the delivery of the Enterprise & Community Hub.
- 8.3 Where possible the contract will require that the Contractor:
- 8.3.1 Provide opportunities for local people or prioritise local people for the employment opportunities that may arise during this contract (e.g. apprenticeships, work placements for disabled people or BAME groups, etc); This will be part of the evaluation criteria.
- 8.3.2 Pay the London Living Wage as part of the Council's commitment to reduce socioeconomic disadvantage;

9.0 Background Papers

- 15 November 2016 Cabinet Report - South Kilburn Regeneration Programme – Carlton & Granville Centres Site – Development Options.
- 25 July 2016 Cabinet Report – Carlton and Granville Centres, Granville Road, NW6 5RA – redevelopment and investment proposals

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