



**Resources and Public Realm  
Scrutiny Committee  
01 December 2020**

**Report from Strategic Director,  
Regeneration & Environment**

**Authority to award a contract for refurbishment works at  
Stonebridge Annexe**

<b>Wards Affected:</b>	Stonebridge
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	Appendix 1 – Moderation Sheet
<b>Background Papers:</b>	Morland Gardens Cabinet Report 14 January 2020
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**1.0 Purpose of the Report**

1.1 This report provides an update to the committee on the refurbishment works at Stonebridge Annexe to provide a temporary location for Brent Start whilst Morland Gardens is redeveloped, ahead of the consideration by Cabinet on 7 December 2020. A report to Cabinet on 7 December 2020 requests approval to award a contract for the refurbishment works at Stonebridge Annexe as per Contract Standing Order 88.

1.2 The Cabinet will be requested to:

Approve the award of a contract for the refurbishment works at Stonebridge Annexe to Engie Regeneration UK & Ireland for £1,197,038.48, subject to the

satisfactory completion of the Judicial Review of the planning permission decision process in respect of the Morland Gardens re-development.

Note the update on the Morland Gardens redevelopment as per paragraphs 3.12 – 3.14.

## **2.0 Recommendation(s)**

That the committee note the report.

## **3.0 Background**

- 3.1 On 14 January 2020, Cabinet approved a number of recommendations relating to the Morland Gardens redevelopment.
- 3.2 A recommendation was made to use the former Stonebridge School Annexe building on Twybridge Way as a temporary building location for Brent Start whilst Morland Gardens was to be redeveloped. This building was identified as the priority site to accommodate Brent Start during a two-year build process based on the indicative programme provided to Cabinet in January 2020.
- 3.3 A multidisciplinary consultancy organisation was appointed to work with Brent Start to confirm their requirements for the Annexe and ensure the refurbishment works met these as well as bringing the building to an acceptable standard for the proposed short-term arrangements.
- 3.4 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations were set out and approved by the Operational Director, Property & Assets on 18 May 2020. The Fusion 21 Construction and improvement framework, lot 2b Education – Internal and External Refurbishment with Build was proposed. The framework was confirmed as legally compliant and the authority to procure.
- 3.5 In accordance with the Framework's rules, all contractors on the Framework Lot were invited to express interest in the opportunity and evaluated on the basis of the contractors' financial viability, technical ability and social values. Eight contractors were invited to tender via the London Tenders Portal and this process was managed by officers in Procurement.
- 3.6 All suppliers were given an opportunity to visit the site to assist them in submitting a bid. Six bids were received by the due date of 3 July 2020.

### **Tender Evaluation**

- 3.7 The instructions to tenderers document stated the contract would be awarded on the basis of the most economically advantageous offer to the Council based on the following evaluation criteria:
- Commercial / Price: 50%
  - Quality: 40%
  - Social Value: 10%

- 3.8 The Council's appointed technical consultants undertook a detailed evaluation of the pricing submissions. This review process included checking for any formulaic or mathematical errors and issuing queries to each bidder to clarify any qualifications or exclusions in order to ensure compliant bids were received.
- 3.9 The quality and social value components were evaluated by a panel of officers from Procurement, Property & Assets and Brent Start. Table 1 below shows the summary ITT evaluation scores of the suppliers and Appendix 1 provides a more detailed breakdown of the full tender evaluation outcome.

Supplier	Price Score %	Quality Score %	Social Value Score %	Total Score %	Ranking
Supplier 1	49.10	24.00	4.00	77.10	2
Supplier 2	47.50	23.60	4.60	75.70	3
Supplier 3	50.00	28.00	4.80	82.80	1
Supplier 4	35.68	18.00	7.00	60.68	6
Supplier 5	37.95	28.40	4.80	71.15	4
Supplier 6	39.40	25.60	4.00	69.00	5

*Table 1 – Tender Evaluation Summary*

- 3.10 Supplier 3 was the highest scoring bidder scoring 82.80% overall. Their quality score was 28%, their social value score was 4.80% and their pricing submission was £1,197,038.48 which scored 50%. This is within the budget assigned to the Stonebridge Annexe refurbishment works within the wider Morland Gardens budget approved by Cabinet in January 2020.

### **Way Forward**

- 3.11 Subject to the satisfactory completion of the Judicial Review of the planning permission decision process for Morland Gardens and subsequent contract award approval for the refurbishment works to Stonebridge Annexe by Cabinet, the next step is to inform supplier 3 of their success and to draft contract documents. Officers will also inform the other five suppliers of the outcome and provide feedback on their respective bids.

### **Morland Gardens Update**

- 3.12 On 12 August 2020, Brent's Planning Committee approved the Morland Gardens redevelopment, subject to Greater London Authority (GLA) approval. The GLA approved the application on 26 October 2020. Planning permission was then granted on 30 October 2020.

- 3.13 A Judicial Review of this decision can be made six weeks after the decision is enacted and this period will run from 02 November 2020 until 14 December 2020. Subject to the satisfactory completion of this process, officers will seek approval of the pre-tender considerations in order to procure the contractor for the Morland Gardens site redevelopment from Cabinet in January 2021.
- 3.14 Following on from the inviting of tenders and subsequent evaluation, officers will seek approval to award the contract in line with the Council's Contract Standing Orders for High Value Works Contracts.

#### **4.0 Financial Implications**

- 4.1 The Morland Gardens project budget was approved by Cabinet on 14 January 2020. The total project budget is £43m of which £1.5m was assigned for the refurbishment and decant costs for Brent Start.
- 4.2 The highest scoring supplier's contract price is £1,197,038.48 which is within the budget for this specific project work stream. Finance officers have reviewed the financial strength of the contractor and they have met the Council's minimum standards.
- 4.3 The cost of this contract will be funded from the allocated budget.

#### **5.0 Legal Implications**

##### **EU Regulations**

- 5.1 The contract falls within the definition of a 'public works contract' under the Public Contracts Regulations 2015 ('EU Regulations') but as the value of the contract is below the EU procurement threshold for works (currently £4,551,413), the procurement is not subject to the requirements of the EU Regulations. However, contracting authorities are expected to comply with the principles of the Treaty of the Functioning of the European Union of transparency, non-discrimination, fairness and equal treatment when procuring, by publishing the contract opportunity and undertaking a competitive procurement process before the contract is awarded.
- 5.2 In this case, an OJEU compliant framework agreement established pursuant to the EU Regulations was used to procure the Contract (namely, the Framework referred to in paragraph 3.4 above) and as permitted under Regulation 33(8) of the EU Regulations.

##### **Council CSOs**

- 5.3 The award of the Contract is subject to the Council's own CSOs in respect of Medium Value Contracts and Financial Regulations. In this respect, it is noted that, in satisfaction of CSO 86(e)(ii), the Council's participation in the Framework has been confirmed as legally permissible by the Director of Legal, HR, Audit & Investigations (by way of report dated 26 March 2020) and considered appropriate for use in respect of this Contract. The relevant Chief Officer (Operational Director, Property & Assets) also approved the pre-tender considerations raised in respect of this Contract as set out in CSO 89 and the

inviting of tenders for the Contract in accordance with CSO 88, and has confirmed there is sufficient budgetary provision for the Contract as required by CSO 86(e)(ii) (as provided in the report dated 18 May 2020).

### **Authority to Award**

- 5.4 The original decision was made on August 26 2020 under powers delegated to the Strategic Director, Regeneration and Environment. The decision was called in for Scrutiny for the following reasons;

The decision should be deferred until:

1. It is certain that the proposals for 1 Morland Gardens comprised in the 1 Morland Gardens Application have received all necessary consents, including GLA consent; and
2. The legislatively required minimum of three bat emergence/re-entry surveys between May and September in one year have been undertaken, consequent assessments undertaken, the results considered and appropriate response actioned; and
3. The potential requirement of bat surveys for the Stonebridge Annexe considered and (if necessary) dealt with as above.

So that (in the case of 2 and 3 above) the Council as landowner can be certain it is not in peril of committing a criminal offence.

- 5.5 The GLA subsequently approved the scheme for Morland Gardens and Planning Consent was issued on October 30 2020. Bat Surveys will be required at Morland Gardens before the works commence on site in order to ensure no construction activity disturbs any potential bat activity on site. Surveys will be completed in line with industry guidance (Bat Conservation Trust “Bat Surveys for Professional Ecologists”). Any bat activity identified will require construction related activities to be carefully managed and licences in place before works can commence. These surveys are part of the planning conditions that will have to be satisfactorily released before works on site can commence. Ecological Surveyors have completed a bat survey at the Annexe and determined there is no bat activity on site that would prohibit the internal refurbishment works to the building. Should any bat activity be identified whilst the contractor is on site, works will stop and the contractor will seek the relevant approvals to continue work whilst protecting the bats. Colleagues in the Council’s legal service have confirmed that the process utilised complies with statute and the Conservation of Habitats and Species Regulations (2017) (as amended).
- 5.6 Despite this being a medium value works contract and Chief Officers and Operational Directors having delegated powers to award contracts of this size (paragraphs 9.5 and 9.7, Part 3 of the Constitution), officers are requesting Cabinet to approve the contract award for the refurbishment works at Stonebridge Annexe to Engie Regeneration UK & Ireland for £1,197,038.48.

## **Contract Terms & Conditions**

- 5.7 The contract will be administered using the 2016 JCT Intermediate Building Contract with Contractor's Design with the Council's amendments.

## **6.0 Equality Implications**

- 6.1 Members are referred to the Equalities Implications described and appended Equality Impact Assessment from the Morland Gardens Cabinet Report from January 2020.
- 6.2 Specific to the contract award for the refurbishment works at Stonebridge Annexe, Brent Start learners will need clear notice of the changes to the venue of the provision along with significant advance notice.

## **7.0 Staffing/Accommodation Implications**

- 7.1 Clear and ongoing communication with staff will be required to ensure they understand the interim arrangements during Brent Start's time at the Annexe whilst the delivery of the new building takes place. For example, staff will need to adjust their travel to work plans.
- 7.2 The intended use of the Annexe (former school building) for adult education purposes constitutes a change of use and the Council is therefore under an obligation to advise the Secretary of State for Education of the change of use in accordance with schedule 1 of the Academy Act 2010. A letter was sent to the Department for Education (DfE) to inform them of the change of use prior to occupation and this was acknowledged.

## **8.0 Consultation with Ward Members and Stakeholders**

- 8.1 The Lead Members for Regeneration, Property and Planning and also for Schools, Employment and Skills have agreed to the proposed process outlined within this report.
- 8.2 Ward members were advised of the Morland Gardens project progress and planning committee decision in September 2020. Further consultation will take place following the satisfactory completion of the Judicial Review of the planning permission decision process.

## **9.0 Social Value**

- 9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how 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. This duty does not strictly apply to the proposed contract as it is not a services contract. Nevertheless, Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.
- 9.2 Ten per cent of the evaluation criteria is assigned to evaluating the suppliers'

social value proposals. The highest scoring supplier included a number of initiatives in their bid including CV Clinic, accredited training courses, targeting BAME contractors in the local supply chain as well as community support to tackle antisocial behaviour and crime.

**Report sign off:**

**ALAN LUNT**

Strategic Director, Regeneration  
and Environment