



## Key Decision Report

### Report to the Strategic Director of Regeneration and Environment

## AUTHORITY TO TENDER FOR CARLTON AND GRANVILLE CENTRES (SOUTH KILBURN)- CONTRACTOR

<b>Wards Affected:</b>	Kilburn
<b>Key or Non-Key Decision:</b>	Key Decision
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt - *Appendix 1 is not for publication as it contains the following category of exempt information as specified in Part 3, Schedule 12A of the Local Government Act 1972, namely: "Information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)"
<b>No. of Appendices:</b>	Appendix 1 - EXEMPT
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Matt Jacobs Project Officer (South Kilburn) Matthew.Jacobs@brent.gov.uk 0208 937 2570

### 1.0 Purpose of the Report

- 1.1 This report concerns the development of the Carlton and Granville Centres (Kilburn) that is scheduled to commence in 2022 and be complete by 2025. This report requests approval to the pre-tender considerations as required by Contract Standing Orders 88 and 89.

### 2.0 Recommendation(s)

That the Strategic Director of Regeneration and Environment in keeping with the delegation contained in the Cabinet report of 06 April 2021:

- 2.1 Approves inviting tenders in an open-competition under the 'Find a Tender' procurement route for a contractor on the basis of the pre - tender considerations set out in section 5 of this report.

2.2 Approves evaluating the tenders using the evaluation criteria set out in section 5 of this report.

2.3. Notes the financial implications as set out in Appendix 1 (exempt).

### **3.0. Background**

3.1 This report concerns the procurement of a contractor to undertake works at the Carlton and Granville Centres in South Kilburn. Carlton and Granville is part of the South Kilburn regeneration programme, and the project has been designed up to RIBA stage 4. The site is 0.4 hectares and is in Kilburn Ward. The site has significant local heritage and interest.

3.2. Cabinet approved continuation of Phase 2 in March 2019 and agreed in-principle that Brent Council and the South Kilburn Trust would be the main funders of the project, with housing grant from the GLA.

3.3. The project will require the following:

- partial demolition of existing structures on site including part of the Granville building,
- refurbishment of the Granville and Carlton Centres
- construction of 3 buildings ranging from one to eight storeys in height, to facilitate the provision;
  - a mixed use development comprising 18 self-contained flats
  - community facilities
  - offices
  - workshops
- creation of play areas for the children's centre, nursery and school
- additional community and event workspaces, outdoor amenity areas, secure cycle and refuse storage.

### **4.0 Key Deliverables**

4.1. This project will seek to deliver the following key objectives:

- Maximise opportunities for a mutually beneficial relationship between community and work space uses,
- deliver a high quality architectural response within the programmatic and budgetary constraints,
- provide 18 social housing units,
- provide a family wellbeing hub within South Kilburn,
- retain nursery,
- retain Enterprise Hub,

### **5.0 Detail**

- 5.1. Brent Council will establish the long-term future of a valuable community asset in South Kilburn through expansion and improvement. An existing GLA supported, award-winning Enterprise Hub will be refurbished and enhanced by two floors of an adjoining building to provide a range of quality, affordable and flexible workspaces for local enterprises, start-ups and creative businesses. Flexible community facilities will be built on the same site, including 2 community halls, meeting rooms, kitchen, event space and areas of new public realm.
- 5.2 The Granville Children’s Centre and the Granville Plus Nursery School will be renovated to a high standard and will both have an increased net floor space. Additionally, 18 new family homes will be built on the site. All will be Local Authority properties with affordable rents. The varied components of this scheme will create a South Kilburn “heart” with local residents benefiting from an attractive range of new facilities.
- 5.3 The requirement for this project is for a contractor to carryout refurbishment work as well as new build. Officers originally sought to procure the works using the Notting Hill Genesis Framework. The procurement was unsuccessful due to a low uptake of the opportunity by suppliers in the Framework. Officers have determined that there would be more interest in the opportunity if it is advertised to all suppliers. The most appropriate next step is to utilise the restricted-tender approach of the Find a Tender Service (FTS).
- 5.4 FTS will ensure that the scheme is seen by many contractors, more than any framework can provide. It has suitable contractors for this type and size of project and offers the most appropriate mechanism to procure a contractor. Given previous challenges faced on the last procurement attempt, and on other schemes in South Kilburn, reaching a wider range of contractors is considered a necessary step.
- 5.5. Officers will initially begin the process by shortlisting suppliers via a ‘selection questionnaire’ where bidders will have to demonstrate their relevant experience.
- 5.6. The project will require further capital funding from Capital Investment Panel and then Cabinet once full knowledge of the overheads, contingencies and risk costs associated with the project are confirmed.

Further detail on the financial implications are set out in section 6.

- 5.7. In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>
(i)	The nature of the works	<ul style="list-style-type: none"> <li>• Partial demolition of existing structures on site including part of the Granville building,</li> <li>• Refurbishment of the Granville and Carlton Centres</li> <li>• Construction of 3 buildings ranging from one to eight storeys in height. Includes 18 housing units.</li> </ul>
(ii)	The estimated value.	£16-18m
(iii)	The contract term.	Estimated 3 years

Ref.	Requirement	Response																							
(iv)	The tender procedure to be adopted.	'Find a Tender' service. Restricted procedure.																							
v)	The procurement timetable.	<b>Indicative dates are:</b>																							
		Issue Selection Questionnaire (SQ) to 'Find a Tender'	29 June 2021																						
		Deadline for SQ returns	29 July 2021																						
		SQ evaluation, governance, and financial review of successful bidders	30 July – 12 August 2021																						
		Full Invite to tender	13 August 2021																						
		Deadline for tender submissions	29 October 2021																						
		Moderation Mtg	8 November 2021																						
		Interviews/ Clarification meetings	w/c 15 November 2021 (if required)																						
		Capital Programme Board	November 2021																						
		Cabinet	December 2021																						
		Issue decision letters, and standstill period	December 2021																						
		Award Contract	December 2021/January 2022																						
		Contract start date	February 2022																						
		Start on site	March 2022																						
(vi)	The evaluation criteria and process.	<table border="1"> <thead> <tr> <th>Technical / Quality</th> <th>Area weighting</th> <th>Overall weighting</th> </tr> </thead> <tbody> <tr> <td>Delivery Statement</td> <td>30%</td> <td rowspan="6"><b>35%</b></td> </tr> <tr> <td>Programme</td> <td>25%</td> </tr> <tr> <td>Resources</td> <td>20%</td> </tr> <tr> <td>Working within a live environment and with the Key Stakeholders</td> <td>15%</td> </tr> <tr> <td>Traffic Management</td> <td>10%</td> </tr> <tr> <td><b>Total for Quality/Technical</b></td> <td><b>100%</b></td> </tr> <tr> <td><b>Social Value</b></td> <td><b>Area weighting</b></td> <td><b>Overall weighting</b></td> </tr> <tr> <td>Strong Foundations</td> <td>2%</td> <td><b>10%</b></td> </tr> </tbody> </table>		Technical / Quality	Area weighting	Overall weighting	Delivery Statement	30%	<b>35%</b>	Programme	25%	Resources	20%	Working within a live environment and with the Key Stakeholders	15%	Traffic Management	10%	<b>Total for Quality/Technical</b>	<b>100%</b>	<b>Social Value</b>	<b>Area weighting</b>	<b>Overall weighting</b>	Strong Foundations	2%	<b>10%</b>
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		A future built for everyone, an economy fit for all	3%										
		A cleaner, more considerate Brent	2%										
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		<b>Total</b>		<b>100%</b>									
(vii)	Any business risks associated with entering the contract.	The works will take place on a live site and across the two buildings where there are numerous groups that will continue to operate. This includes all businesses in the Enterprise Hub.											
(viii)	The Council's Best Value duties.	An open market procurement satisfies the requirement for competition and meets the Council's Best Value duties											
(ix)	Consideration of Public Services (Social Value) Act 2012	10% of the evaluation is included for Social Value											
(x)	Any staffing implications, including TUPE and pensions.	Not applicable – see Section 10											
(xi)	The relevant financial, legal and other considerations.	See sections below.											

5.8 The Strategic Director of Regeneration and Environment is asked to give approval to these proposals as set out in the recommendations and in accordance with Standing Order 89 and in accordance with the cabinet report of 6 April 2021.

## 6.0 Financial Implications

6.1. Financial implications are contained in Appendix 1. Appendix 1 is not for publication as it contains the following category of exempt information as specified in Part 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)".

## 7.0 Legal Implications

7.1 The Contract falls within the definition of a 'works contract' under the Public Contracts Regulations 2015 ('PCR 2015'), the estimated value of the Contract is above the procurement threshold for works (currently £4,551,413), and therefore the full rules of

the PCR 2015 will apply to the award of the Contract. Officers are also required to observe the rules set out in the Council's Contract Standing Orders (CSO).

- 7.2 The contract is a High Value Contract under the Council's CSO and Financial Regulations. Paragraph 89 (i) to (xi) of CSO provides that for contract of this value the Cabinet shall approve the authority to tender. The cabinet on 6th April 2021 delegated the authority to approve the invitation of tender, evaluate, and award the contract to the Strategic Director Regeneration and Environment. This report seek the approval of the relevant Strategic Director to proceed with the invitation to tender.
- 7.3 Officers have opted to conduct an open tender using the government Find a Tender Service (FTS) using the Restricted Procedure. This is in full compliance with PCR 2015 and the Council's Contract Standing Orders.
- 7.4 In consideration of paragraphs 7.2 and 7.3 above, this report seeks the approval of the Strategic Director Regeneration and Environment to invite tenders and evaluate same in accordance with pre-tender consideration set out in section 5.7. Subject to the approval sought by this report, it is legally permissible for the Strategic Director Regeneration and Environment to approve the pre-tender considerations set out in paragraph 5.7 above and to approve the undertaking of a Restricted Procedure procurement using the FTS.
- 7.5 On completion of the tendering process, Officers will report to the Strategic Director Regeneration and Environment in accordance with the Cabinet report of 6 April 2021, explaining the process undertaken in tendering the contract and recommending an award.

## **8.0 Equality Implications**

- 8.1 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

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

- 9.1 Regular stakeholder engagement occurs through the monthly Key Stakeholders Group. Membership includes ward councillors and all the relevant occupiers of the building who will be impacted through the construction.
- 9.2. The Key Stakeholder Group have been involved in elements of the procurement process, including the formation of the Social Value document as well as the Invitation to Tender questions to contractors.
- 9.3. The Lead Member for Regeneration, Property and Planning has been kept up to date throughout.
- 9.4. All relevant parties have been notified about the failed previous procurement, and the upcoming plan to try again via 'Find a Tender'.

## **10.0 Human Resources/Property Implications (if appropriate)**

10.1 This is a refurbishment/demolition/new build requirement and external contractors are required for the works. As a result, there are no implications for Council staff arising from the procurement save that following award, the contract will be managed by the South Kilburn regeneration team supported by consultants.

## **11.0 Public Services (Social Value) Act 2012**

11.1 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.

11.2 10% of the overall evaluation criteria is allocated to Social Value. It is envisaged that the successful contractor should be able to offer local employment, apprenticeships, work experience to residents in Brent. It would be expected that the successful contractor would offer other community benefits to the residents in Brent. Bidders are required to identify a monetary value (or cash value) for each element of the Social Value that they offer. The monetary value should be 10% of the contract value. If suppliers do not delivery on the social value the council will look at claim on the monetary value.

I have considered the above report and would confirm the following:

### **A Any conflict of interest declarations by members consulted:**

There are no conflict of interest declarations by members consulted

### **B Any dispensations to be granted by the Chief Executive:**

Not Applicable

### **Relevant documents:**

March 2019 ‘Carlton and Granville Centres Site- South Kilburn’

April 2021: ‘South Kilburn Regeneration Programme: Approval of Procurement Processes for Future Phases and Associated Matters

#### **Report sign off**

Alan Lunt

*Strategic Director Regeneration and Environment*