



Cabinet
19 October 2015

**Report from the Strategic Director of
Regeneration and Growth**

Wards affected:
Stonebridge

**Bridge Park Leisure Centre – Procurement of an
Architectural Led Design Team**

1. Summary

- 1.1 This report follows on from the three previous reports (see Background Papers) presented to the Cabinet and Executive in respect of the former Unisys office buildings site and Bridge Park Community Leisure Centre (BPCLC) as per the site plans at appendices 1 & 2.
- 1.2 This report seeks approval to commence the procurement process for an architect led multidisciplinary design team to bring forward the design of the proposed new community leisure centre.

2. Recommendations

It is recommended that the Cabinet:

- 2.1 Agree the approach for the procurement of an architect led multidisciplinary design team and an employers agent / cost consultant to bring forward detailed proposals for the proposed new Bridge Park Community Leisure Centre as set out in paragraphs 3.9-3.17 of this report.
- 2.2 Approve inviting tenders for an architect led multidisciplinary design team for the proposed new Bridge Park Community Leisure Centre on the basis of the pre-tender considerations set out in paragraph 3.16 of this report.
- 2.3 Approve the evaluation criteria for this tender exercise as set out in paragraph 3.16 of this report.

3 Detail

- 3.1 Bridge Park Community Leisure Centre (BPCLC – see Appendix 1) is a former bus depot that was converted in the 1980's into a Community Leisure Centre with dry side sports, function hall, conferencing and meetings rooms along with business units for rent. The original scheme was funded by the old GLC. The facility has been directly operated and managed by the Council for at least the last 13 years.
- 3.2 The Bridge Park site has four main elements: a sports hall and associated health and fitness facilities, a large community hall with catering and conference rooms, a number of business units and Technology House - a separate office block that is leased out by the Council from which a children's nursery and church group operate.
- 3.3 Both BPCLC and Technology House have a backlog of repairs and need significant future investment to bring them up to modern standards.
- 3.4 Members have previously agreed a proposal to build a new leisure centre on the site, financed by the land sale of part of the Council site (see appendix 1 & 2) to the owners of the adjoining former Unisys office building site. At the Executive on 17th February 2014, the preferred option (option 3) was approved for the new Leisure Centre.
- 3.5 The ex-Unisys site (adjacent to BPCLC) is owned by Harborough Invest Inc (Harborough). The site has sat empty and derelict for around 17 years.
- 3.6 At Cabinet on Monday 27th July 2015 it was resolved that:
 - (i) authority be delegated to the Strategic Director of Regeneration and Growth in consultation with the Chief Finance Officer and Chief Operating Officer to finalise negotiations and enter into Heads of Terms with General Mediterranean Holding SA as Guarantor and Harborough Invest Inc as Property Owner in substantially the form set out in Appendix 3 of the report from the Strategic Director, Regeneration and Growth;
 - (ii) authority be delegated to the Strategic Director of Regeneration and Growth in consultation with the Chief Finance Officer and Chief Operating Officer to enter into negotiations, finalise and enter into a land sale agreement with General Mediterranean Holding SA and Harborough Invest Inc
- 3.7 The Heads of Terms have been signed.
- 3.8 Officers now need to appoint the services of a full design team and associated professional services in order to work up a detailed design for the proposed new leisure centre, prepare a planning application and develop detailed cost estimates.

Procurement Approach

- 3.9 The Executive paper of 17th February 2014 outlined that the preferred option was to procure a professional team via single appointments, providing flexibility for the Council to select and manage its own professional team. The professional team was anticipated to comprise of an architect, project manager, structural engineer, civil engineer and mechanical and electrical engineer.
- 3.10 It was anticipated that the cost of appointing the architect and each member of the professional team would be below the OJEU limit. It was also noted that the proposed spend on consultants would be “at risk” until the Heads of Terms were agreed with Harborough / GMH and subject to negotiation around the detail of the land contract agreement.
- 3.11 A procurement process for the architect was subsequently run and although submissions were made, it was decided not to make an appointment at that stage as the negotiations with Harborough / GMH were not progressing at the anticipated pace. At this time the anticipated design team costs were below the OJEU limit.
- 3.12 Since that time officers have carried out soft market testing and consulted with other authorities that have experience in managing and delivering similar sports and leisure developments. In the light of this consultation, officers are now seeking to procure a single multidisciplinary architecture-led design team that will include mechanical engineering, structural services and other design-led disciplines required to deliver the new leisure centre. A separate cost consultant and Employers Agent will be employed to provide independent cost and management expertise.
- 3.13 The recommendation to make a single appointment of one architecturally led multidisciplinary design team is being made in order to allow the council to transfer design risk to one Lead Designer who will co-ordinate and manage a team of professional design consultants working in other specialist disciplines. This will have the benefits of ensuring that the design team have experience of working together and will give one single point of responsibility through which the council can manage the contract. In this way the council can reduce the internal management resource required and the risk inherent in directly managing a large number of individual, interrelated contracts.
- 3.14 The pre-tender estimate for the architect led multidisciplinary design team is £240,000 and will therefore require that the services are procured through a tender process, with the placing of a contract notice in the Official Journal of the European Union (“OJEU”). It is anticipated that an appointment will be made to take the design through to RIBA stage 3 (detailed design, including a planning application), with the potential to extend the appointment to stage 4 (technical design) at a later date.
- 3.15 It is proposed to procure the services of a Cost Consultant and Employers Agent separately to the architect led multidisciplinary design team in order to

ensure that there is no potential conflict of interest and that the council has independent financial control of the project costs and contract management. The Council will be looking to procure through framework arrangements for these appointments.

- 3.16 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for the procurement of the architect led multi disciplinary team have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service/ works.	To procure an architecturally led multidisciplinary design team to develop the design for Bridge Park Community Leisure Centre.
(ii)	The estimated value.	The value of this contract will be determined through the competitive tender process but the pre-tender estimate is £240,000 for the architect led multidisciplinary design team.
(iii)	The contract term.	The contract period will be approximately 5 years (to include retention option)
(iv)	The tender procedure	OJEU compliant restricted procedure procurement route, in which parts of the procedure may be conducted by electronic means.
v)	The procurement timetable.	<p>The procurement would be undertaken during autumn 2015/winter 2015/6. Indicative milestones/timescales for the architect led multidisciplinary design team are:</p> <ul style="list-style-type: none"> • Contract Notice placed 2.11.2015 • Expressions of interest/Pre Qualification Questionnaire (PQQ) period – end 2.12.15 • Evaluation of PQQ responses in accordance with the Council’s approved criteria - end 16.12.15 • Invitation to tender period 18.12.15 to 29.01.16

Ref.	Requirement	Response
		<ul style="list-style-type: none"> • Panel evaluation, interviews and panel decision – 08.02.16 to 19.02.16 • Approval to award contract 26.02.16 • Minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers end 10/03/16 • Contract Start Date 21/03/16
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the PQQ and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>Officers will evaluate the tenders from the shortlisted bidders on the basis of “most economically advantageous tender criteria” (MEAT) on the basis of percentage quality and percentage price, with a weighting of 40% applied to price and 60% applied to quality criteria.</p> <p>The quality criteria will consider how submissions perform in respect of:</p> <ul style="list-style-type: none"> • Design Approach and Vision (25% weighting) • Expertise and Resource allocation (25% weighting) • Consultation and Stakeholder Management (10% weighting)
(vii)	Any business risks associated with entering the contract.	The Council will ensure the form of appointment and collateral warranty with the preferred architect led multidisciplinary design team is drafted to minimise all business risks.

Ref.	Requirement	Response
(viii)	The Council's Best Value duties.	The procurement process will seek to ensure best value is achieved.
(ix)	Consideration of Public Services (Social Value) Act 2012.	See Section 8 below.
(x)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(xi)	The relevant financial, legal and other considerations.	See Sections 4 and 5 below. This proposed procurement process would be in line with the Council Standing Orders and the Public Contract Regulations 2015.

3.17 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4 Financial Implications

4.1 The Heads of Terms include provision for Professional Fees capped at 9.5% of build costs to be reimbursed to the Council by GMH as they are incurred. The current estimated value of fees as laid down in the pre-tender considerations set out in paragraph 3.16 of this report are within the forecast capped level. Should this provision fall short when further professional service costs become known, then the differential in cost would need to be financed from an alternative source which could have additional budgetary implications and would be subject to Cabinet approval.

4.2 Heads of Terms have been signed. Until the conditional Land Sale Agreement is agreed and a process is in place to recover costs, spend on consultants will remain at risk.

5. Legal Implications

- 5.1 As indicated in paragraphs 3.9 – 3.13, the appointment of an architect led multi-disciplinary team is a departure from the approach previously reported to the Executive on 17 February 2014 and it was therefore considered appropriate to seek Cabinet authority to a revised procurement approach.
- 5.2 The estimated value of the contract for an architect led multi-disciplinary team is £240,000 and therefore is over the threshold for services contracts under the Public Regulations 2015 (the “EU Regulations”). As such, the contract must be procured in accordance with the EU Regulations, to include advertising in OJEU.
- 5.3 Under the Council’s Contract Standing Orders, the proposed contract for an architect led multi-disciplinary team is classed as a Medium Value Contract. Officers have delegated authority to procure Medium Value contract and would not ordinarily seek Cabinet approval for authority to procure such a contract. However, in view of the need to seek Cabinet authority to the revised procurement approach and given the estimated value of the contract at £240k is only a little below the High Value Contract threshold, Officers considered it appropriate also to seek approval to the pre-tender considerations and evaluation criteria set out in the table at paragraph 3.16.
- 5.4 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the EU Regulations before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council’s decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council’s award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.
- 5.5 As detailed at paragraph 3.15 of the report, the intention is for the Council to procure the services of a Cost Consultant/Employer’s Agent. Officers intend to procure the contract from a framework.

6. Diversity Implications

- 6.1 An equality analysis has been carried out in respect of the proposed procurement of professional services, both the multidisciplinary design team and Cost Consultant/Employers Agent. A copy of the assessment is at Appendix 3. The appointments themselves should not impact the 9 equality characteristics however the work they produce will have impacts. As part of the selection process Officers intend to ask applicants of their approach to equality, including details of past experiences/interventions together with their early high level thoughts in respect of the proposed new Bridge Park leisure centre.

7. Staffing/Accommodation Implications (if appropriate)

7.1 There are no implications for council staff arising from the proposed contract.

8.0 Public Services (Social Value) Act 2012

8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 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. This duty applies to the procurement of the proposed contract.

8.2 The services being procured aim to improve the economic, social and environmental well-being of residents within the Stonebridge Area through the preparation of a planning application for a new Leisure Centre, which will provide a new modern fit for purpose facility. The services of the multidisciplinary team are highly specialised and as a result there are a limited number of organisations that can provide the services. The Council will however include as part of the procurement process an assessment of the social, economic and environmental benefits organisations are able to bring to the development as well as a requirement for organisations to consult with the local community and to include the result of such consultation in the development. As part of the design process, at least two design workshops will be undertaken with the local community.

9. Background Papers

9.1 17th February 2014 Executive - Proposed Redevelopment of Bridge Park Community Leisure Centre

9.2 17th June 2013 Executive - Bridge Park-Redevelopment Proposals

9.3 27th July 2015 Cabinet - Bridge Park – to enter into Heads of Terms

10. Appendix

1. Bridge Park Current Ownership
2. Bridge Park Ownership After Land Sale and CPO
3. Equality Impact Assessment

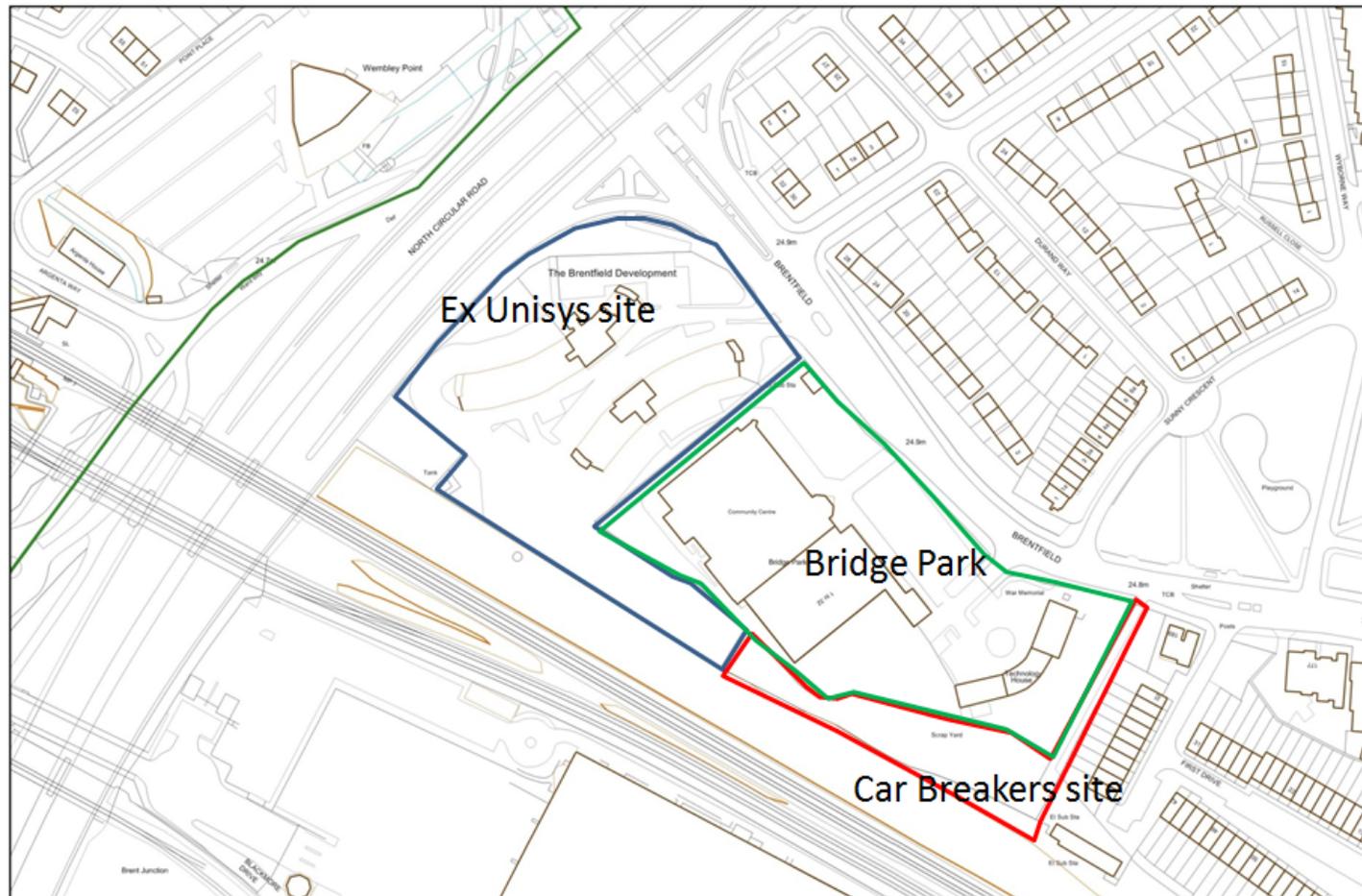
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Appendix 1 Bridge Park Current Ownership



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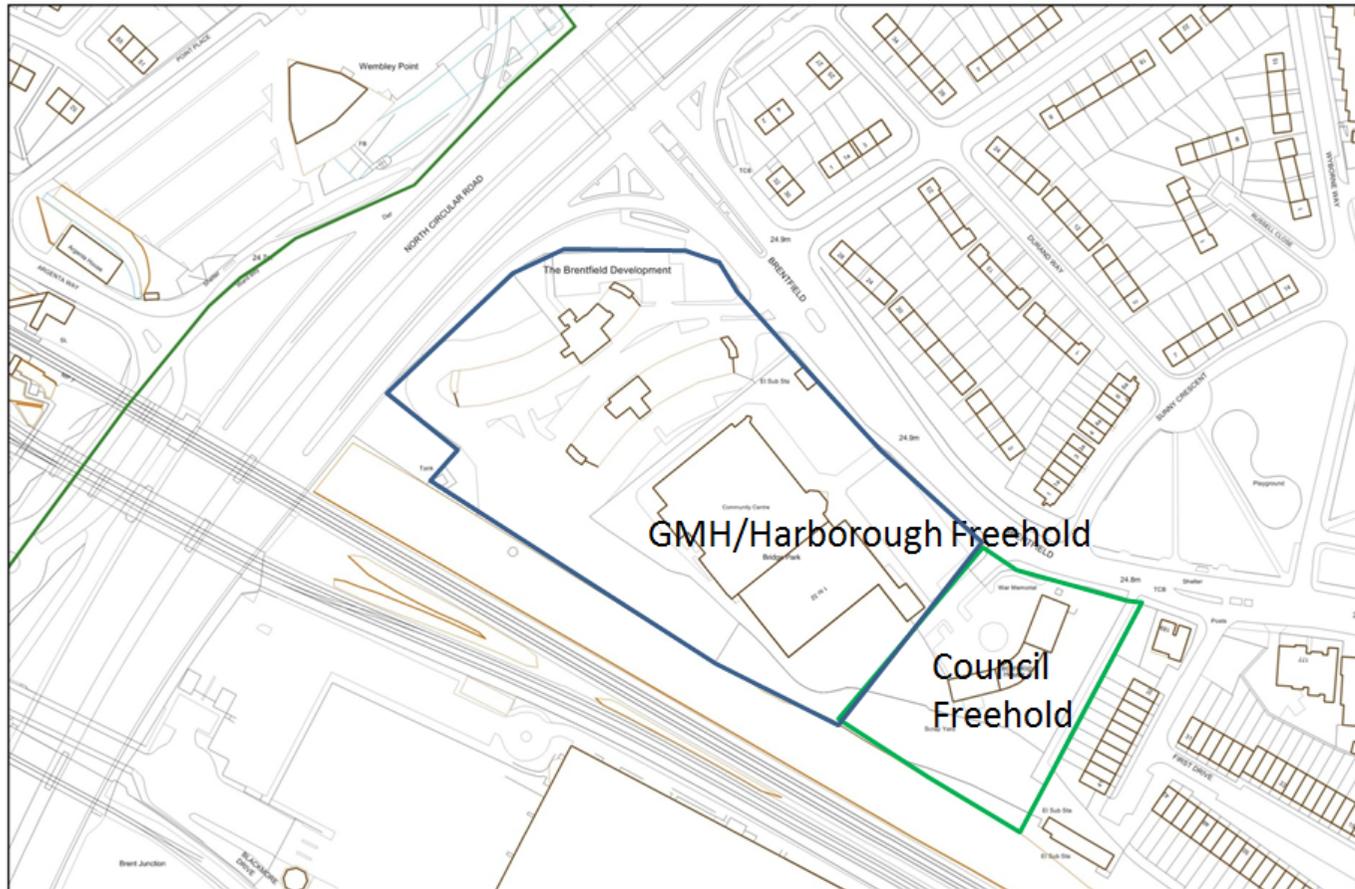
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Appendix 2 Bridge Park Ownership After Land Sale and CPO



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