

## NORTH SOMERSET COUNCIL DECISION

**DECISION OF:** COUNCILLOR ASHLEY CARTMAN. THE EXECUTIVE MEMBER FOR ASSETS AND CAPITAL DELIVERY



**WITH ADVICE FROM:** THE DIRECTOR OF CORPORATE SERVICES (S151) AND HEAD OF STRATEGIC PROCUREMENT

**DIRECTORATE:** CORPORATE SERVICES

**Decision No:** CSD 099

### **SUBJECT: COMMISSIONING AND PROCUREMENT PLAN FOR CAPITAL WORKS AT THE TOWN HALL**

**Key Decision: Yes**

**Reason: The Procurement is over £500k although does not affect more than one ward.**

This decision was not included in the published forward plan. Access to information rules have been followed.

### **Recommendations**

That the Executive Member approves the following commissioning and procurement plan.

#### **1. Summary of Report**

This report sets out the recommended commissioning and procurement strategy for selecting a contractor to deliver the required works to the Town Hall to facilitate advancement of the Council's Accommodation Strategy Programme. The outline scope of works are scheduled in (3) however this is predominantly reconfiguration of the layout including furniture and adjustment of the services to suit the new layout.

#### **2. Policy**

The intended improvement of the Council's retained estate will support the Council's corporate plan objectives to improve Prosperity and Opportunity, Health and Well-being and Quality Place.

The Council published its Accommodation Strategy in February 2021 as a result of changes to ways of working due to the COVID-19 pandemic. The Strategy has identified three workstreams which are:

**Workstream 1:** Re-imagine ways of working and invest in the Town Hall.

- a) Remote working fully adopted along with transformational working practices; and
- b) (i) A reconfigured Town Hall, embracing new ways of working, with the Town Hall embedded as the cultural heart and primary office location of the Council; and
  - o (ii) Backlog maintenance – investing in the building to create a fit for purpose, future-proofed Town Hall.

## **Workstream 2:** Castlewood transition

- A phased transition from Castlewood

## **Workstream 3:** Touch-down locations

- Identification and validation of touch-down locations beyond the Town Hall required to support the provision of council services in communities across North Somerset (subject to future due diligence)

North Somerset Council (NSC) is preparing detailed options about the future of the Castlewood site since two large staff buildings are no longer required. Castlewood is deemed to be prohibitively expensive to retain, exhibits very poor energy efficiency metrics and is poorly located to serve the majority of the population and workforce. Upon decommissioning Castlewood, Weston Town Hall will become the primary office location and civic centre for the Council.

- In February 2022 – Council resolved: That the production of detailed options analysis and an associated development and delivery strategy for the Castlewood site be commissioned, and a further report be brought back to a future meeting of Council.
- In May 2022 – Council resolved to: Transition out of Castlewood to remove it from the council's office requirement, and release it for development

The Council recognises that there is a need to invest in the current Town Hall building to support the plans for the future New Ways of Working Strategy and to unlock the value from releasing the Castlewood site.

Given the budget challenges facing the Council during 2022-23 and the need to review all expenditure, options have been considered to see if savings could be made or the programme deferred. However, to progress the move from Castlewood and release savings of up to £1m per year from 2025, investment will need to be made in the Town Hall. During September 2022, this approach has been re-validated informally with the Executive member for Corporate Services, the Executive, Corporate Leadership Team and the PCOM scrutiny working group and established that there is no appetite for stopping the project, but that opportunities to reduce, recycle and repurpose should be taken wherever possible and a value engineering approach taken.

## **3. Details**

The use of office space by the council has been transformed by the effects of the COVID-19 pandemic which accelerated the transition to flexible and hybrid working. North Somerset Council is now over-accommodating across the main sites in Clevedon and Weston-super-Mare and relies on other public and private sector partners to pay for space within these council buildings.

In July 2020, Arcadis was commissioned to provide North Somerset Council with an optimum long-term Accommodation Strategy that supports remote and flexible working in a post-Covid world. The council subsequently approved the Accommodation Strategy in February 2021, which identified that Castlewood is expensive to retain and exhibits very poor energy efficiency. In May 2022, a Council decision was taken transition out of the site,

with the Town Hall in Weston becoming the primary office location and civic centre for the council.

The Town Hall is in need of works to become the primary location and support the plans for the future New Ways of Working Strategy. The council therefore appointed a consultant design team, One Creative, to develop new layout plans with a view to enhancing the accommodation offer on the upper floors of the Town Hall extension. These plans have been drafted with the initial recommendations from the Arcadis report incorporated to ensure staff workstyles are optimised with reconfiguration of the desking and introduction of new collaborative and meeting spaces. The plans have been developed with the council's corporate policies at the forefront, maximising re-use of existing furniture to minimise waste and capital expenditure.

Following approval of the RIBA Stage 3 new layout plans by the Accommodation Strategy Programme Board this paper sets out the proposed strategy for appointment of a main contractor to carry out the works to the Town Hall in accordance with the approved design and specification.

It is requested that this Commissioning and Procurement Plan be approved for a tender to appoint a main contractor to deliver the following works:

- Review design and specification supplied by the Council's consultant One Creative detailing the required new layout and arrangement of the Council's office accommodation
- Undertake any design development identified/required
- Carry out a 'lift and shift' of existing furniture identified for retention in the scheme from both the Town Hall and the Council's wider estate
- Supply and install new furniture as required
- Carry out modifications/installation of new electrical circuits and lighting as required to suit the new layout
- Carry out modifications/installation of new data cabling as required to suit the new layout (final patching/connections to be carried out by others/embedded client team)
- Minor modification/reconfiguration of WCs as required, as detailed on plans
- Undertake BWIC (builders works in connection) and minor decorative works as specified in relation to the new layout.

## **Reasons**

The council recognises that there is a need to invest in the Town Hall building to support the plans for the future New Ways of Working Strategy, to accommodate a more intensive use of the building through flexible and hybrid working as the council's primary office location. With this in mind the council plans to optimise the accommodation in accordance with the New Ways of Working Strategy reflecting the workplace transitions and considering the council's Strategic Priorities and Climate Emergency Action Plan. Following approval of the new design/layout there is now a requirement to appoint a contractor to deliver the works required in the Town Hall in support of this.

## **Programme**

The key milestones are indicative and the project team will seek and progress any opportunities to deliver these earlier.

Key Milestones (indicative)	Timescale
Mini competition	Jan 23
Evaluation	Feb 23
Contractor Appointment	Feb 23
Contractor Materials Procurement / Lead In	Mar - June 23
Phase I Construction	June – July 23
Phase II Construction	July – Aug 23
Phase III Construction	Aug – Sep 23
Completion	Oct 23
Staff Occupation	Oct/Nov 23

### Route to market

It is proposed to run a competition off Lot 1.1.2 of the Crown Commercial Service (CCS) RM6088 Construction Works and Associated Services Framework Agreement, as this covers the range of building works required and will allow for the purchase of furniture and the co-ordination of the work and furniture installation to be undertaken by one contractor. In addition, using a framework agreement will be a quicker route to market. As is it a multi supplier framework with capped rates, carrying out a mini competition will ensure value for money. The framework is free of charge for the council to use.

### Timescales

Publish Capability Assessment/EOI	24/10/2022 Completed
Capability Assessment/EOI closes	28/10/2022 Completed
Publish Mini competition	Jan 23
Mini competition closes	Feb 23
Mini competition Evaluation/Moderation	Feb 23
Internal Approval	Feb 23
Bidder Award Notification	Feb 23
Contract Start Date	Feb/Mar 23

### Governance

This Commissioning and Procurement Plan will be subject to approval by the Executive before the procurement is undertaken.

The contract award report will be a Key Decision approved by the Director, in consultation with the Executive Member for Assets and Capital Delivery, with advice from S151 Officer and Head of Strategic Procurement'

The project delivery team will be required to report to the Accommodation Strategy Project and Programme Boards.

### **Relevant Council Information and Policies:**

All work to be undertaken will refer to the following Council policies:

- North Somerset Climate Change Strategy
- North Somerset Climate Emergency Action Plan
- Arcadis Accommodation Strategy Report
- New Ways of Working Strategy

### **Market / Suppliers**

Lot 1.1.2 - Building Works & Associated Services (£0-£3m) Southern region is proposed. The suppliers are listed below:

AMEY DEFENCE SERVICES LIMITED
ASHE CONSTRUCTION LIMITED
BORRAS CONSTRUCTION LTD.
CONAMAR BUILDING SERVICES LIMITED
D. MCLAUGHLIN & SONS LIMITED
E.W. BEARD LIMITED
ETEC CONTRACT SERVICES LIMITED
FES SUPPORT SERVICES LIMITED
GLENMAN CORPORATION LIMITED
H.A.MARKS LIMITED
J C A ENGINEERING LTD
Kier Services Limited
LOGAN CONSTRUCTION (SOUTH EAST) LTD
M.D. Building Services Limited
MICHAEL BRADY LTD.
NFC HOMES LIMITED
PENTACO CONSTRUCTION LIMITED
STANDAGE & CO. LIMITED
STEPNELL LIMITED

### **Framework Further Competition Procurement Process**

The process for undertaking a further competition using the CCS Construction Works and Associated Services Framework is as follows:

1. Complete application with CCS to access the framework
2. Notify CCS of the project and obtain a project reference number
3. Commence market engagement with suppliers via EOI
4. Publish mini competition on the council's procurement portal, inviting all Lot 1.1.2 suppliers who successfully completed EOI to submit a tender based on the project brief.

5. Set a time limit for the receipt of tenders, taking into account the size and complexity of the project.
6. Undertake tender procurement process.
7. Assess bids in a fair and transparent manner through application of the evaluation criteria. Moderation session to agree consensus evaluation scores.
8. Award the contract to the preferred supplier. Provide unsuccessful suppliers with written feedback on why their tenders were unsuccessful.
9. Notify CCS of Contract Award.

## **Social Value**

In accordance with the council's Social Value Policy, 10% of the overall weighting will be for bidders to propose their tangible social value commitments.

During the tender process, bidders will be asked to enter their social value commitments on the Social Value Portal using a unique registration link included in the mini competition documents. Social Value Portal utilises the National Themes, Outcomes and Measures (TOMs) to calculate social value contributions, which Enables North Somerset Council to gain a greater understanding of the value of bidders' commitments and to evaluate social value tender responses quantitatively as well as qualitatively. The Main/Full list of TOMs will be used for this commission.

For this commission the project team are proposing the use Social Value Portal to undertake both the evaluation of the social value responses and ongoing contract management of the social value commitments provided by the appointed supplier. This service will cost 0.20% of the contract value and will be paid by the winning bidder direct to the Social Value Portal.

## **Evaluation**

The evaluation of the tender responses will be undertaken in two stages based on the following:

Capability Assessment Stage – This will allow prospective bidders to review our initial requirements and consider whether they are likely to bid at further competition stage, or rule themselves out of the bidding process. We can then potentially invite only those suppliers interested in bidding for their requirement at further competition stage, if an explicit response is cited as a requirement for invitation to tender.

All bids will be evaluated on the basis of 60% Price and 30% Quality and 10% Social Value.

The CCS Construction Works and Associated Services Framework consists of pre-qualified bidders who have gone through a testing process to get onto the framework, so will have the technical, commercial and project management skills required. Therefore, a weighting of 60% price and 30% quality will ensure the correct and appropriate balance of quality versus price.

The project team will provide a clear specification with set deliverables and bidders will have to demonstrate their skills and methodology to achieve the requirements within the specified timeframe.

Price and quality assessment will be scores as follows:

**Price:** Price will have a weighted score of 60% and will be based on the submission of a pricing schedule. The lowest total price will receive the maximum score of 100% and the prices of all other tenders will be expressed as a percentage of the maximum score

**Quality:** Quality will be assessed against the project outputs, behaviours and project management including assessment on the following topics:

1. Method statement outlining how you will meet the project requirements
2. Programme to include identification of critical path
3. Assessment of delivery risks and suitable mitigations
4. Business capability, project controls and reporting
5. Professional expertise
6. Track record

Quality will have a weighted score of 30% and will be evaluated in accordance with the following scoring guidelines:

<b>Score</b>	<b>Classification</b>	<b>Award Criteria</b>
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

The evaluation panel will consist of:

- Senior Project Manager, Property Assets & Projects
- Quantity Surveyor, Property Assets & Projects
- Programme Manager, Accommodation Strategy

The moderation will be facilitated by the Strategic Procurement Team.



## Contract Management

It is proposed the contractor will deliver the works through an NEC4 ECC contract, pricing option A. This is considered to be the optimum contract in terms of providing cost certainty and minimising risk to the Council during the delivery phase.

Day to day contract management will be undertaken by a Project Manager in the Property Assets & Projects Team supported by the Design Team.

The use of Key Performance Indicators (KPIs) will be used as a tool to measure performance of the supplier. These will be based around the core principles of time, cost and quality but will also link back to the quality element of the original submission.

Monthly bespoke reports will be produced by the supplier to monitor their progress against the key criteria in addition to the measurement requirements that form part of the call-off contract.

Formal monthly meetings will be held to monitor progress and review risks and issues to the project. The progress of the project will be summarised in a highlight report and presented to the Project Board.

## 4. Consultation

Colleagues and key stakeholders have been engaged, as part of the programme's ongoing activity and governance process. The programme sponsors have been engaged in the process and updates will continue to be provided to the Project and Programme Board.

## 5. Financial Implications

The financial implications are set out below along with confirmation that funding is in place to proceed with the works.

### Costs:

The estimated cost of this procurement is as follows:

Works	Estimated Cost £
Delivery of specification/scope of works (incl provision of furniture)	£777,000
Contingency at 15%	£116,550
<b>TOTAL</b>	<b>£893,500</b>

### Funding:

Capital project funding of £2m has been identified and approved for the project. This is funded under KFA123.

## **6. Legal Powers and Implications**

The CCS Construction Works and Associated Services Framework is compliant with the Public Contract Regulations 2015 and expires 30/10/2026. It is proposed that the appointed contractor will deliver the works under an NEC4 ECC Option A (Activity Schedule) form of contract.

## **7. Climate Change and Environmental Implications**

### **1. Pre-qualification**

Due to using an existing Framework Agreement, our influence at this stage is limited as the suppliers are pre-qualified.

### **2. Specification**

Any design or specification output will be developed with reference to the Council's policies on climate change and with consideration of the environmental implications. The Mini competition references the requirement to incorporate and consider the output from the Council's decarbonization surveys which are currently being progressed under a separate instruction/procurement tasking. Any new furniture required will be specified with regard to the Council's sustainability and environmental policies.

### **3. Tender Evaluation**

The procurement process will challenge the suppliers on their own carbon footprint, their designs and recommendations, as well as how they will monitor the appointed contractor during the works ensuring it is delivered in the most sustainable way. This works contract will include project specific requirements around communications and meetings, and also at an organisational level with their corporate approach and initiatives to sustainability, including the use of energy, transport, purchasing and staff.

### **4. Social Value**

A Social Value question worth 10% & will form part of the evaluation. Suppliers will be encouraged to provide social value commitments relating to the outcome of reducing negative and promoting positive environmental impacts.

### **5. Contract Management**

The contract will be managed by the relevant workstream lead for the Accommodation Strategy programme, who will ensure adherence with the specification, including carbon management, sustainability, and mitigation of environment impacts. Social Value Portal will monitor the supplier's progress on their Social Value commitments.

## 8. Risk Management

Description	Impact	Mitigation
Lack of market appetite	Limited returns and reduced value for money	The CCS Construction Works and Associated Services Framework has a range of potential suppliers, offer is favourable to the market, the use of market engagement prior to further competition will be providing greater assurance of success.
Lack of market capacity	Limited returns or of poor quality.	Use of the CCS Construction Works and Associated Services Framework provides assurance of a depth and breadth of qualified, experienced suppliers.
Limited funding available for the works	The project not proceeding	Further value engineering may be required to facilitate advancement of the project.
The actual spend exceeds the contract value due to compensation events or unforeseen matters	The project budget is insufficient	Robust Budget monitoring and Project Management during the delivery phase to minimise risk along with provision of a suitable contingency at project initiation.

## 9. Equality Implications

Have you undertaken an Equality Impact Assessment? Yes / No

An Equality and Impact Assessment (EIA) has been undertaken as part of the project design and development phase which has informed the specification and scope of works.

## 10. Corporate Implications

The intended improvement of the Council's retained estate will support the Council's corporate plan objectives to improve Prosperity and Opportunity, Health and Well-being and Quality Place.

## 11. Options Considered

The CCS Construction Works and Associated Services Framework is the preferred route to market. Other options considered include:

- An open tender – This was discounted due to being more a resource intensive and time-consuming process when there are suitable frameworks available for works.
- In-house resource – There is a lack of capacity and specialist skills to undertake the work involved.

- ESPO and YPO Furniture Framework Agreements, but these were discounted as the majority of the contract is for building works with furniture, rather than predominantly furniture. These frameworks do not allow for the quantity of building works required.
- Do nothing/ not proceed with the project: as outline in the introduction to this plan, this is not a viable option as stopping at this time would prevent the amalgamation of the councils office spaces and prevent savings being achieved.

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**Appendices:**

None

**Background Papers:**

- Accommodation Strategy – COU 168 Council 23rd February 2021
- Accommodation Strategy Update – Strategic Outline Business Case: The future of Castlewood – COU 15th February 2022
- Accommodation Strategy Update - 10<sup>th</sup> May 2022

SIGNATORIES:

DECISION MAKER(S):



Signed:

Executive Member for Assets and Capital Delivery

Date: 16 February 2023

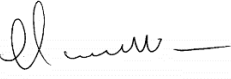
WITH ADVICE FROM:



Signed:

Director of Corporate Services (s151)

Date: 16 February 2023

Signed:  Head of Strategic Procurement

Date: 16 February 2023