

NORTH SOMERSET COUNCIL DECISION

DECISION OF: THE DIRECTOR OF PLACE, S151
OFFICER AND HEAD OF STRATEGIC PROCUREMENT



IN CONSULTATION WITH: EXECUTIVE MEMBER FOR CLIMATE, WASTE AND SUSTAINABILITY

DECISION NO: 23/24 DP 50

SUBJECT: Contract Award for the Weston Town Hall
Accommodation Strategy Building Works Including Furniture Contract

KEY DECISION: YES

REASON:

The value of the contract will exceed £500,000 in expenditure although does not affect more than one ward within North Somerset.

POLICY:

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

- o A phased transition from Castlewood

Workstream 3: Touch-down locations

- o 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 exercise has been undertaken.

BACKGROUND:

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.

DECISION:

1. To approve the appointment of ETEC Contract Services Ltd via the Crown Commercial Services Framework to deliver the proposed capital works project at the Town Hall for the sum of £890,412.
2. To approve the budget allocation and funding source, which will need to include a £89,041 contingency (10%) in addition to the contract award. The total sum requested for approval including contingency is £979,453.

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 and tender there is now a requirement to appoint a contractor to deliver the works required in the Town Hall in support of this.

Procurement procedure

As agreed in the procurement plan, the route to market was a mini competition off the Crown Commercial Services Framework agreement (RM 6088) Lot 1.1.2 for Construction Works and Associated Services which has 19 pre-approved suppliers on it.

An Expression of interest was issued to the 19 suppliers on the framework agreement in October 2022. Five suppliers expressed interest, and were sent the mini competition documents via the council's procurement portal on 10 March, two bids were received on 11 May 2023. Bidders were given the opportunity of a site visit to the Town Hall in April.

Award Criteria

Bids were evaluated on the basis of 30% Quality, 10% Social Value and 60% price. The quality criteria and weightings are given below:

Method statement outlining how you will meet the project requirements (3 pages maximum A4 font Arial 12)	15%
Programme to include identification of critical path	10%
Assessment of delivery risks and suitable mitigations	10%
Business capability, project controls and reporting - Proposed approach to managing the project to meet project milestones (3 pages maximum A4 font Arial 12)	15%
Professional Expertise - Skills and expertise of your proposed team to satisfy the requirements and deliver the project (CVs	30%

should be supplied of key personnel deployed on the project) 1 page A4 font Arial 12 per CV maximum	
Track record - examples of 3 similar projects delivered (3 pages maximum A4 font Arial 12)	20%

The evaluation panel members consisted of:

- Senior Project Manager, Property Assets & Projects
- Quantity Surveyor, Property Assets & Projects
- Senior Project Officer, Ways of Working

Observed by the Programme Manager, Accommodation Strategy

The moderation was facilitated by the Strategic Procurement Team.

Evaluation outcome

Only two bids were received, however, this is reflective of the market generally, which is in a strong position to cherry pick which opportunities it bids for. Of the two bids, one was compliant, met the council's quality standards, and was within the price estimate. The council Quantity Surveyor assessed the price submissions to assess their validity. The non-compliant bid had significant gaps in the pricing submission making it impossible to ascertain the price. This bidder's quality submission also contained several weak answers.

The winning bidder's scores are shown below:

	<i>ETEC</i>
<i>Quality Score</i>	22.2%
<i>Social Value</i>	6.25%
<i>Price Score</i>	60%
<i>Total Score</i>	88.45%

Social Value

- The Social Value element has been assessed independently by TOMs. In summary the bidder was required provide detail of the intended social value activity, detail organisations the bidder is looking to work with and demonstrate how social value targets have been calculated to included examples of previous social value success.

Contract Management

- The contract will be managed under an NEC4 Option A Engineering and Construction contract utilising the standard NEC contractual documentation for management of the contract. The Contract Manager will be appointed from the Council's Property and Projects team.

Implementation of contract

- On approval of the Director Decision the paper will be published and a 'stand still' period of ten days will need to elapse prior to the notification being issue to the successful bidder. The target date for this is the 30th June.

OPTIONS CONSIDERED:

The CCS Construction Works and Associated Services Framework was the preferred route for delivery. Other options considered included:

- 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. 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 council's office spaces and prevent savings being achieved
- 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

FINANCIAL IMPLICATIONS:

Costs:

The costs for these works will be £890,412 –supplied by ETEC Contract Services Ltd in response to the mini competition issued through the Council's procurement portal. An additional contingency of £89,041 (10%) has been requested in the event further works are required to support delivery of the project.

Invoices received from ETEC Contract Services Ltd will be reviewed by an independent cost consultant and verified prior to payment being advanced by the Council.

Funding:

The total budget for this project is £2m, and all relevant capital costs should be charged to KFA123. The scope of works needs to align as closely as possible to this allocation and may need to be reassessed and prioritised to prevent project or cost slippage. Works on this site may need to be reassessed to ensure that the changes do not exceed the allocated budget unless there is no alternative but to do so. Any projected costs over this amount will be reported at the relevant boards and separate approval sought.

LEGAL POWERS AND IMPLICATIONS

This appointment is in line with North Somerset Council's Contract Standing Orders.

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

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The design has been developed with reference to the Council's policies on climate change and with consideration of the environmental implications.

This decision will contribute to unlocking environmental benefits associated with the Council's accommodation strategy as follows:

- Enable the Council's hybrid working policy to be fully embedded, reducing office space requirements and associated building energy needs
- Reducing staff commuting
- Consolidation to one primary office location for the Council, enabling the redevelopment of Castlewood with associated net carbon benefits over the life of the building

In addition, the reconfiguration work at the Town Hall will contribute to reducing emissions in the building due to:

- Deployment of latest technology including hybrid meeting spaces
- Upgrading to energy efficient lighting systems

The principles of re-use and re-deployment of furniture, fixtures and fittings wherever possible has been guiding this project.

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.

The suppliers on the framework were engaged with early on in this process via an expression of interest.

RISK MANAGEMENT

Description	Impact	Mitigation
Limited funding available for the works	The project not proceeding	The winning bid is within budget and a contingency budget has been allowed for. 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.
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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

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.

APPENDICES

None

BACKGROUND PAPERS

- CSD 099 – Commissioning and Procurement Plan for Capital Works at Town Hall
- 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 - 10th May 2022

SIGNATORIES:

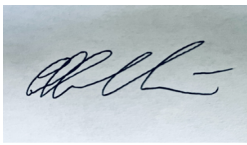
DECISION MAKER(S):

Signed: *Lucy Shomali* Director of Place

Date: 6 July 2023

Signed:  S151 Officer

Date: 6 July 2023

Signed:  Head of Strategic Procurement

Date: 6 July 2023