

## NORTH SOMERSET COUNCIL DECISION



**DECISION OF:** COUNCILLOR MARK CANNIFORD. THE EXECUTIVE MEMBER FOR SPATIAL PLANNING, PLACEMAKING AND ECONOMY

**WITH ADVICE FROM:** THE DIRECTOR OF PLACE AND HEAD OF STRATEGIC PROCUREMENT

**Decision No:** 23/24 DP 533

**Subject:** Procurement Plan for building works to No 57, No 67, No 69 and No 73 High Street, Weston, for LUF town centre projects.

**Key decision:** NO

### **Reason:**

This procurement plan is covering the route to market only, the Commissioning Plan covered authority to proceed with the project. This commission will not affect more than one community/ward.

### **Background:**

Weston's placemaking vision is focused on the themes of living, learning and lifestyle, with plans to attract more people to live in the town centre creating a lively university town which will further improve the local economy.

A funding bid was put forward in 2022 as part of Levelling Up agenda, which is a national initiative designed to invest in infrastructure that improves everyday life across the UK.

The prospectus for the Fund indicated that funding would be given to support town centre and high street regeneration, local transport projects, and cultural and heritage assets and so the council submitted a bid through its Strategic Placemaking and Development team. This bid emerged from strong partnerships forged through the creation of the Weston Placemaking Strategy, a ten-year vision for Weston's renewal. The investment will make a significant difference to residents, independent businesses, and Weston's economy.

The bid was successful and on 19th January the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that the council has been awarded a total of £19,979,570. There is a match fund value of £3m from North Somerset Council which was confirmed via a report to the Executive on 8 February 2023.

This money will be used to fund a package of placemaking measures for Weston-super- Mare, centred on the themes of:

- Boosting the visitor economy by investing in much-loved but deteriorating heritage assets to create national visitor attractions and creative hubs,
- Reinvesting and diversifying Weston town centre, supporting the creative economy, independent retailers and food & drink innovators,
- Delivering wayfinding and quick win public realm improvements to increase footfall

and spend and boost local pride in the quality of our environment

Investments will be focused on six main areas of work, including:

- a) Tropicana refurbishment and placemaking improvements
- b) Improvements to Grove Park
- c) Wayfinding, including signage, totems and artwork around the town centre
- d) Improving retail units around the High Street
- e) Making necessary repairs to Marine Lake and improving facilities
- f) Birnbeck Pier and Buildings refurbishment and public realm enhancements

This procurement plan pertains to project (d) above – Improving retail units. Their refurbishment will dramatically improve the appearance of this section of the High Street and will improve the commercial performance of the shops by reducing vacancy and improving rental income. From this will flow further benefits such as employment creation, business stimulation and enhanced vitality and vibrancy within the town centre.

Delivering the above will help contribute to the Council's priorities of a thriving and sustainable place to live, as well as empowering people. This is also in line with the following policies from the Core Strategy.

CS10 Transportation and movement  
CS13 Achieving high quality design and placemaking  
CS20 Supporting a successful economy  
CS21 Retail hierarchy and provision  
CS22 Tourism strategy

A procurement workshop held on the 14<sup>th</sup> March 2024 recommended that we launch an open procurement for a contractor with the relevant experience in refurbishing retail units.

**Decision:**

It is requested that the procurement plan be approved to proceed.

**Reasons:**

**Introduction**

The Sovereign is a modern shopping centre developed in the late 1980s providing a range of retail and mixed-use facilities, with a multi-storey car park for shoppers and visitors and loading access above.

The High Street shops are traditional shop units with upper floors. The shops are a mixture of vacant and tenanted and the upper floors of the tenanted units are used for various uses related to the ground floor occupation, primarily storage/office/staff welfare and studio uses.

NSC has provisionally secured Levelling Up Funding for various initiatives including the refurbishment of the High Street shops identified.

A building surveyor (Carter Jonas) have been appointed to assess the properties and produce scope of works, planning application documents. A planning application has now been submitted. NSC now requires a building contractor to advance the High Street element.

The building contractor is required to support NSC in delivering environmental and commercial benefits of refurbishing the properties, through use of the Levelling Up funds. The properties occupy a prominent position on the High Street, close to the main entrance to The Sovereign. They are generally in poor condition, not well presented, and with various items of disrepair.

## **Commissioning Plan**

The Commissioning Plan was incorporated into the Capital Strategy paper published February 2023 and was approved by Council.

[Capital Strategy 2023-2028 and capital budget for 2023/24](#)

## **Lessons Learned from previous projects**

An analysis of the outcomes from similar previous projects was undertaken to identify lessons that could be applied to this procurement exercise.

- Ensure contractors have a thorough understanding of any site restrictions given its a multi-use site.
- Early engagement on supply chains and delivery logistics.
- Ensure contractors have relevant experience of this line of work.

## **Requirement**

The main purpose of undertaking these works is to renew the shop fronts to numbers 57 and 67/69 and refurbish units 57, 67/69 & 73 leaving the units ready for turn-key occupation. Structural work is also required to combine units 67 and 69.

The two key LUF outputs are:

- a) Improve underutilised/vacant retail units.
- b) Undertake Green refurbs improving the energy efficiency of the units.

In relation to 57 and 69 High Street:

- Both units are currently vacant and are in poor condition.
- They require full refurbishment to fabric, M&E, access and final finishes.
- They require the design and installation of new shopfronts to comply with the North Somerset SPD on shopfronts.

In relation to 73 and 67 High Street:

- They require a light touch refurbishment to bring them up to a Category A standard.
- They require the design and installation of new shopfronts to comply with the North Somerset SPD on shopfronts.

## Market / Suppliers

It is understood that there are time pressures to achieve the procurement of a contractor to deliver the desired programme. This means it is important that we commence our procurement process as quickly as possible and make the contractors that we have worked with previously aware of the opportunity so that they can prepare accordingly to bid and deliver if successful.

This is something that the NSC PM team has commenced and will continue to do. In addition, we have commissioned the services of Carter Jonas's project management team to manage the project and they will be discussing the opportunity with suitable contractors in advance of publishing the tender.

Due to the tight timescales, a formal market engagement event is not possible, however, this opportunity is being promoted with the market informally via Carter Jonas's and the Project Management Team and their contacts in the market.

We believe that one of the benefits of the nature of the work being spread over several sites and procured in a short timescale is that it may be more attractive to smaller regional contractors as opposed to a national contractor and as such in-line with NSC's Local Supply policy.

## Insurance Levels

The Main Contractor or relevant sub-contractors will need to maintain Professional Indemnity Insurance (PII), Public Liability Insurance and Employers Liability Insurance with a minimum level of cover of £10 million. The contractor should also hold any other relevant insurances for the duration of the project and at least for the minimum run-off time. Proof of insurances will need to be provided to the Project Manager.

The insurance requirements to be provided by the contractor will be discussed with the council's Insurance & Risk Manager prior to publishing the procurement.

## Route to market

An open tender competition utilising the NSC procurement portal will be used to procure the services of a contractor to complete the works required on the four units on Weston-super-Mare High Street.

The duration of the contract being proposed is 24 weeks. The contract will commence at the earliest appropriate time post appointment of the successful contractor. It will conclude at the end of a 12-month defect period which will commence at the completion of the works, so approximately end of 2025.

## Timescales

Activity	Duration	Dates
Publish ITT		End of April 2024
Bid period	4 weeks	End May 2024

Evaluation & Moderation	2 weeks	By Mid June 2024
Contract award report approved		By End June 2024
Contract signature & start		July 2024

The project will be split into sections by unit to allow for sectional completion and staged handover to the client. Sectional completion is required as we anticipate the units becoming available at different times and it will also allow units to be handed over and let as and when they are complete. We anticipate the section order to be as follows based on when the units will be available to start work from:

Section	Unit	Earliest Anticipated Start	Earliest Anticipated Completion
1	73	03/06/2024	23/08/2024
2	57	25/06/2024	14/10/2024
3	67/69	25/06/2024	11/11/2024

### Governance

To successfully deliver the contract, the Project Manager will liaise closely with colleagues in Property and Projects.

Regular meetings are already held with the Sovereign team and will continue throughout the project.

The contract award report for the appointment of the contractor will be a Director's decision note with advice from the S151 Officer and Head of Procurement. A JCT 2016 Intermediate Building Contract with Contractors Design will be awarded to the appointed Main Contractor.

### Social Value, TOMs, Sustainability & VCSE

In accordance with the Council's Social Value Policy, the contractor will propose their tangible social value commitments.

The contractor appointed will be asked to enter their social value commitments utilising the National Themes, Outcomes and Measures (TOMs) to calculate social value contributions, which enables NSC to gain a greater understanding of the value of the contractor's commitments.

### Evaluation

The evaluation methodology for the Open Tender will ensure pre-qualification checks are carried out on all pertinent elements, such as Health & Safety, Equality & Diversity etc. The quality questions will test the bidders' approaches to meeting the quality criteria

Weightings will be as follows:

- Price 65%
- Quality 25%
- Social Value 10%

These weightings were chosen due to the clear need, echoed throughout consultation, to drive good value for money through this project. The inclusion of technical quality questions and minimum quality scores allow us to maintain a high minimum quality standard whilst prioritising price.

Price and quality assessment will be scored as follows:

**Price:** Price will have a weighted score of 65% and will be based on the submission of a pricing schedule. Price will be calculated using a fixed price lump sum model, which asks suppliers to price the project and provide a breakdown of these costs, including labour, materials, overheads, preliminaries, trade staff and site supervision costs, with an allowance for inflationary increases, as is required within this market at the moment. 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. Project delivery approach and management – 30%
2. Lead Officer and Key Staff CVs – 15%
3. Programme of key milestones to deliver the project - 30%
4. Risks and Mitigations – 13%
5. Environmental Impact and Mitigations – 12%

There will be sub criteria to test bidders’ ability to meet some of the Lessons Learned issues we have encountered on other council projects (see below).

Quality will have a weighted score of 25% and will be evaluated in accordance with the following scoring guidelines:

Table 1 Assessment and Scoring Criteria

Score	Classification	Award Criteria
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.

Suggest that a minimum score per question is used to weed out poor quality but low priced submissions eg must score 3 or above.

The evaluation panel will consist of:

North Somerset

LUF Programme Lead or Sovereign Centre Development Manager – Projects & Property  
Senior Project Manager - Projects & Property

Carter Jonas

Building Surveyor / Project Manager The procurement will be moderated by a Procurement Officer.

**Contract Management**

The award will be a JCT Intermediate Building Contract with Contractors Design 2016 Edition.

Following its award, the contract will be managed by our employer's agent Carter Jonas with additional scrutiny from NSC Property and Projects team.

Regular meetings will be chaired by Project Manager with the contractor and it is anticipated that these meetings will be held fortnightly.

**Options Considered:**

3 alternative options were considered over going through an open procurement. Using an existing NSC framework, the high street DPS and using an existing external framework.

1. Procuring this work through the NSC's Repair and Maintenance & Minor Works framework. The principal reasons this option has been discounted on this occasion after review are:

The maximum budget for this framework is £1 million per annum and the cost of works for this project would have exceeded this.

2. Procuring this work through the NSC's Highstreet Dynamic Purchasing System. The principal reason this option has been discounted is:

The value of this project exceeded the limits of this framework. This framework is for a maximum of £190,000 per project.

3. Procuring the work through an external framework. The reasons this option has been discounted as appropriate on this occasion are that a framework will limit the accessibility of the work to smaller, local contractors which we believe are well positioned to carry out this type of work. Related to this is that we anticipate that the larger contractors, who are typically on frameworks, may not be interested in bidding for this work, and if they do, may seek to deliver via a sub-contractor – adding a layer of cost and complication to project delivery.

It is acknowledged that a framework would have the advantage of pre-qualifying bidders for important issues such as financial stability, equality and health and safety however on balance we believe our chosen approach of an open tender is preferable.

## Financial Implications:

### Costs:

Below is an outline of the project costs allocations. These forecast costs have been provided by consultants Carter Jonas.

OVERALL TOTAL PROJECT COSTS				
Budget cost for the works				£521,000
Professional fees already incurred				£15,957.84
Forecast professional fees				£39,000.00
			<b>Total</b>	<b>£575,957.84</b>
<b>Total Project Cost Say</b>				<b>£580,000.00</b>

The anticipated construction budget for all four projects is £521,000. Allowing for external professional fees and contingency of 10% this gives a total anticipated project budget of = £638,000 which is within the LUF parameters for this sub project.

### Funding:

In January 2023, the Department for Levelling Up, Housing and Communities announced that the council had been successful in a bid to the Levelling Up Fund, awarding £19,979,570 for a programme of works across Weston. This funding is matched by £3.04m from NSC. The total programme value is £23,019,797.

Formal approval for the addition of the expenditure to the Council's Capital Programme was agreed as part of budget reports in February 2023.

The delivery of these works will be funded by the LUF funding and charged to cost centre KDP704 LUF Town Centre. Suitable budget has been identified to deliver these works and an appropriate risk allowance has been made.



## Legal Powers and Implications:

The procurement is below the Public Contract Regulations 2015 works threshold. The procurement will be compliant with Council's Contract standing Orders.

Award of contract will be reported to Department of Levelling Up, Housing and Communities via the LUF quarterly reporting process in accordance with the LUF Memorandum of Understanding between DLUHC and NSC.

## Climate Change and Environmental Implications:

There are limited climate change or environmental implications directly impacted by this contract. The design portion of this project as per the LUF funding agreement has included for green retrofits in terms of upgrading shopfronts and lighting to minimise energy costs.

The councils Climate Risk Assessment has been completed. And the following steps incorporated.

- *Pre-qualification – An environmental impact question will be added to the ITT to ensure that all suppliers who bid for the contract meet the minimum required standard in terms of their own overall environmental performance.*
- *Specification – Carter Jonas have produced a specification for the works based on the LUF funding requirements and outputs to deliver green retrofits.*
- *Tender Evaluation – see tender evaluation section.*
- *Social Value – see social value section.*
- *Contract Management – An independent consultant will be appointed to manage the contract in line with the councils climate emergency policy's and outputs from the Levelling Up Fund MOU. There are no specific residual risks from the climate risk assessment that need to be managed.*

## Consultation:

Consultation has taken place with NSC's Development Manager (Projects and Property) and our appointed retail marketing agents (Carter Jonas) to ensure the proposals fit the council's needs in terms of maximising future revenue.

Targeted updates have also been sent to the LUF Steering group, the economic team and the LUF Members Group. The project has also been submitted for planning with consultations with the public currently ongoing for changes to shopfronts to 57, 67 and 69. Any changes resulting from the planning process will be added to the contract prior to works commencing on site for the units concerned.

## Risk Management:

A wider LUF projects risk register has been produced. And procurement of a Contractor will formalise wider strategic risk register. The following procurement risks have been identified and mitigating actions proposed, as summarised in the below Table:

Risk	Inherent risk score	Residual likelihood	Residual impact	Residual risk score	Comments
Construction not completed in time to	<b>MEDIUM</b>	1	3	<b>LOW</b>	Project team and Carter Jonas will work closely with the appointed contractor to

meet funding requirements.					monitor the works and a suitable buffer (3 months) has been allowed for.
Lack of bids due to tight time constraints during tender period / summer build.	MEDIUM	2	2	LOW	Carter Jonas and project team to engage with the market prior to publishing to check their appetite.
Supply issue with materials / construction	MEDIUM	2	2	LOW	Long lead times for key items / materials to be ordered early or alternative products explored
Costs exceed budget	MEDIUM	1	3	LOW	Appointment of Employer's Agent role will monitor contract and construction delivery to mitigate overspends. Suitable risk allowance to be made within the budget.

### Equality Implications:

Have you undertaken an Equality Impact Assessment? No

Protected characteristic groups will not be impacted by the award of this contract. As part of the LUF Programme of works more generally, an EqIA will be undertaken.

### Corporate Implications:

The provision of key infrastructure improvements widely supports the Corporate Plan objectives in all areas of Prosperity and Opportunity, Health and Wellbeing and Quality Place.

The project will bring back into use 2 vacant properties in poor condition and 2 soon to be vacant properties in poor condition. With improvements to shop fronts and upgrades improving the look and feel of the high street in Weston.

The contract will be managed by an external employers agent (Carter Jonas) with oversight from a Project Manager (LUF Town Centre) within the Property and Projects team.

The works are scheduled to begin in the summer. This will have a small impact on the High Street in Weston, but these impacts are unavoidable if we are to meet the grant funding deadlines. There is also a commercial argument to complete the works as quickly as possible in order to let out the vacant units. To mitigate the potential impacts on the Highstreet the works will be staggered as described earlier in this report.

### Appendices:

N/A.


**Background Papers:**

[Capital Strategy 2023-2028 and capital budget for 2023/24](#)

The Commissioning Plan was incorporated into the Capital Strategy (02/23)

**Signatories:**

**Decision Maker:**

Signed:  Executive Member for Spatial Planning,  
Placemaking and Economy

Date: 3 May 2024

**With Advice From:**

Signed:  Director of Place

Date: 3 May 2024

Signed:  Head of Strategic Procurement

Date: 3 May 2024