



City of Westminster

# Cabinet Member Report

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|---------------------------|---|
| <b>Decision Maker:</b>    | Cabinet Member for Finance & Council Reform   |
| <b>Date:</b>              | 24 October 2022   |
| <b>Classification:</b>    | General Release   |
| <b>Title:</b>             | Appointment of a Multi-Disciplinary Consultancy Team for Professional Services for Corporate Property Minor Works |
| <b>Wards Affected:</b>    | All   |
| <b>Key Decision:</b>      | This is a key decision and an entry has been included for 28 days on the list of forthcoming decisions            |
| <b>Financial Summary:</b> | The contract value is estimated at up to £2.5m based on a projected maximum yearly spend of £500k.                |
| <b>Report of:</b>         | Executive Director for Finance & Resources - Gerald Almeroth  |

## **1.0 Executive Summary**

**1.1** The purpose of this report is to obtain approval for a direct award of contract for multi-disciplinary professional services to Faithful + Gould. The contract is for a period of three years with the ability to extend for a further two years. Following a competitive tender process, in which 5 bids were evaluated, the contract is proposed to be awarded to Faithful + Gould Limited (Companies House registration no, 02236832) as their bid was the highest scoring and is the most economically advantageous tender received.

## **2.0 Recommendation**

To award the contract for multi-disciplinary professional services to Faithful + Gould (Companies House registration no, 02236832) for a period of three years with the ability to extend for a further two years.

## **3.0 Reasons for Decision**

**3.1** The management of the operational estate transferred to Corporate Property as part of the move to a centralised Corporate Landlord model. This development revealed opportunities to enhance the previous arrangements for planned works such as enhancements, upgrades, extensions, improvements and construction of properties in the operational estate.

**3.2** This new approach includes the procurement of a dedicated multi-disciplinary professional services contractor to manage and create fit for purpose scopes of service and work with Corporate Property to implement a planned maintenance programme and secure a high-quality contractor to deliver the works.

**3.3** A comprehensive procurement exercise has been conducted via the Direct Award provision through the Crown Commercial Services Framework. This Cabinet Member Report sets out the procurement process undertaken and rationale for recommending Faithful + Gould to be awarded the contract for multi-disciplinary professional services.

## **4.0 Background, including Policy Context**

**4.1** Due to timeframe constraints the route to market utilised a Framework deemed most appropriate. The project team conducted a review of appropriate Frameworks that would be able to provide multi-disciplinary professional services across the operational portfolio. The Crown Commercial Services (CCS) Framework RM6165 - Construction Professional Services (Lot1 Built Environment) was identified as the Framework that best fits the needs of the service.

**4.2** Faithful + Gould (F+G) are ISO14001, ISO9001 and OHSAS 18001 accredited and are Gold Members of the UK Green Building Council (UKGBC). F+G are technical authors of RICS guidance on embodied carbon calculation and the UK's life cycle costing standards PD156865 and RICS NRM3). This will support the

council to provide long-term cost benefits with reduced facilities management risks.

- 4.3** F+G's Social Value Regional Lead (Ilaria Agueci) will meet with the Westminster Employment Service to co-ordinate the local work-related initiatives. Ilaria will develop relationships with community groups and schools to promote and co-ordinate initiatives. Ilaria will provide case studies of completed activities along with feedback received and work with Westminster's communications team to publish good news stories. F+G will embed the social value reporting into "Navigator", their bespoke programme management reporting platform, providing Westminster with visibility and control of the initiatives delivered, including beneficiaries, and the cumulative values (in £'s against the TOMS social value calculator). This will ensure that F+G's committed performance is tracked against KPI's and contractual delivery commitments.
- 4.4** For every £100K spent by Westminster on services, F+G will deliver a minimum of £10,000 worth of social value for Westminster's residents. This will be reported using the National TOMs Framework themes to enable measurement and evaluation by Westminster. Based on our estimated annual framework spend of £400k with F+G they anticipate providing a minimum of £40,000 of Social Value per annum and have set out the nature of these opportunities. F+G's dedicated Social Value Regional Lead, Ilaria Agueci, will manage their social value commitments to maximise social value outcomes. F+G have pledged to upskill and develop our local supply chain and communities to ensure a legacy of built environment skills and network connections.
- 4.5** F+G's collaboration with Loop ([Homepage - Loop](#)) enables them to forecast the social, economic and environmental legacy of a Westminster project or Westminster's full capital programme for a period of 25 or 50 years after completion. Clients currently using F+G's Social Profit Calculator such as the LB of Hammersmith & Fulham, LB of Southwark, and West Sussex County Council, have reported it useful for evidencing business case narratives. For Sussex's Horsham FRS Training Centre, F+G calculated that for every £1 spent by Sussex on the project, £1.76 of social profit was being delivered for local communities.
- 4.6** The London Living Wage will be a contractual commitment, with elements of the service which fall in scope of the Living Wage foundation threshold, being paid accordingly. Faithful + Gould provided full acceptance of the London Living Wage, which was requested as part of the tender qualification process.
- 5.0 Financial Implications**
- 5.1** It is anticipated that most of the projects supported will be capital in nature, where projects are deemed to be revenue, regardless of value, these will be charged to an appropriate revenue account. The total value of the professional services contract is estimated at £500k per annum and will primarily support projects funded for the Landlord Responsibilities budget, which has an approved allocation of £4m in 2022/ 23, and a further £21.1m over the remainder of the capital programme. Please note a revised capital requirement has been

submitted that would increase the cash allocation from £25.1m to £26.5m, but over an additional year (see table below for the proposed revised allocation).

| Financial Year<br>Current | Capital<br>Allocation<br>£'000 | Proposed<br>Capital<br>Allocation<br>£'000 |
|---------------------------|--------------------------------|--|
| 2022-23                   | 4,000                          | 1,500                                      |
| 2023-24                   | 6,096                          | 5,000                                      |
| 2024-25                   | 5,000                          | 5,000                                      |
| 2025-26                   | 5,000                          | 5,000                                      |
| 2026-27                   | 5,000                          | 5,000                                      |
| 2027-28                   |                                | 5,000                                      |
| Total                     | 25,096                         | 26,500                                     |

- 5.2** Some of the works could potentially be funded from other capital allocations for the maintenance of assets relating to specific portfolios or specific properties. The procurement of the multi-disciplinary team will also help with the efficient running of the capital programme and help mitigate against the risk of projects being delayed and hence the need to re-profile capital allocations.
- 5.3** Expenditure and commitments will be monitored to aid financial management, forecasting, and reporting particularly as a number of programme lines and project managers will be accessing monies from the Landlords Responsibility Budget. This may require monies to be reprofiled between financial year.
- 5.4** Marginal Revenue Provision and Interest on Borrowing: as with other capital allocations a Marginal Revenue Provision will need to be accounted for. It is assumed that the life of the assets supported will be 40 years (Land and Buildings) with a corresponding MRP rate of 2.5% per annum over the life of the asset supported. If the multi-disciplinary team will contribute £0.5m to the cost of capital schemes this would amount to £0.013m. The cost of borrowing at the time of writing is 4%, this would add a further £0.020m per annum. The total revenue implications of £.033m would be budgeted for within the Medium-Term Financial Plan as this would include the revenue implications of servicing the approved capital programme.
- 5.5** Risks and Opportunities: the contracts in place for professional services can be terminated at each RIBA stage limiting financial risk and potential overspends that may occur as a result.
- 5.6** Value for Money By procuring via The Framework, WCC have a quicker route to market with no fees. As per the pricing instructions issued at tender the 'Rates and percentages shall remain fixed for the duration of the agreement' 5 bids were received, all of which were compliant and assessed on the basis of price and quality by the project team. Following evaluation and moderation from a panel of

separate quality and price evaluators, Faithful + Gould, were the clear winners with an overall score of 90.8%. The 2nd placed bidder scored 79.2%. Faithful + Gould were the highest scoring bidder for both price and quality.

Finance comments provided by Jab Mir 13/10/22

## **6.0 Legal Implications**

The report is seeking authority to award a contract to Faithful + Gould Limited for the purposes of provision of multi-disciplinary professional services. This is a contract for services whose value is estimated at circa £2,500,000 over a five-year period. The initial contract is for a period of 3 years with the option to extend for a further period(s) of up to 2 years. The value of the contract places it in scope of key decision threshold, therefore, requiring a cabinet member approval.

**6.1** Whereas paragraph 3 sets out the procurement process and procedure for the purposes of compliance with both the Procurement Code and Public Contracts Regulations 2015, we understand that external lawyers, Pinsent have been involved with the procurement, drafting of the JCT Consultancy Agreement and will be responsible for the engrossment. The resultant contract will be in the form of a Joint Contracts Tribunal (JCT) Consultancy Agreement (Public Sector) 2016 contract with amendments.

**6.2** A cabinet member decision is required for the award and the contract must be sealed.

Legal comments provided by Andrew Ogalo 13/10/22

## **7.0 Procurement**

**7.1** Following the endorsement of the Procurement Strategy at CGRB, and approval from the Executive Director of Finance and Resources, the recommendation was to publish a further competition procurement process via a Framework procurement procedure, under the CCS RM6165 - Construction Professional Services Framework - Lot1 Built Environment. The ITT was published on the Councils E procurement portal via Capital E Sourcing on 1 August 2022 with a submission date of 9 September 2022. All bidders listed on the Lot were invited to submit a response to this opportunity and following the tender response deadline, 5 bids were received.

**7.2** A technical and commercial evaluation panel comprising the Head of Capital Programmes, the Senior Delivery Manager and the Interim Programme Lead scored all bids separately. Tenders received were reviewed in 2 stages:

Stage 1 – Compliance with the qualification envelope – led by Procurement  
Stage 2 - Quality and Price Award criteria (Technical & Commercial Envelopes) – scored by the panel.

Commercial submissions were withheld until Technical/Quality scores had been received to ensure that the panel were fair and scoring upon the merits of the Technical/Quality proposals only.

**7.3** The tenders were evaluated on the following award criteria as stipulated in the ITT:

| <b>Technical Questions Evaluation Criteria</b>  | <b>Weighting</b> |
|---|------------------|
| <b>Total</b>                                    | <b>60</b>        |
| 1. Equality, Diversity & inclusion              | 4%               |
| 2. Mobilisation of Resources                    | 4%               |
| 3. Key Personnel                                | 4%               |
| 4. Knowledge, skills, expertise                 | 5%               |
| 5. KPIs approach                                | 3%               |
| 6. Approach to delivering maintenance programme | 6%               |
| 7. Risks & Mitigation                           | 6%               |
| 8. Communication Management                     | 6%               |
| 9. Quality of Service and Works                 | 12%              |
| Responsible Procurement (10%):                  |                  |
| 10. Environment                                 | 4%               |
| 11. Work related opportunities                  | 3%               |
| 12. Social Value                                | 3%               |

| <b>Commercial Questions Evaluation Criteria</b>                 | <b>Weighting</b> |
|---|------------------|
| <b>Total</b>  | <b>40</b>        |
| <b>Fee for the purpose of Evaluation based on Core Services</b> | 40               |

**7.4** A moderation session was conducted by Procurement to ensure a robust review of evaluations and confirm moderated scores.

**7.5** Adherence to the competitive tender process outlined above has enabled value for money to be demonstrated. The process has ensured that the supplier's quality and pricing was competitively submitted and evaluated to allow the council to appoint a suitable supplier

**7.6** The Commercial Gateway Review Board (CGRB) on 11 October 2022 considered a paper outlining the procurement exercise and endorsed the recommendation to

progress the appointment of Faithful + Gould Limited subject to Cabinet Member approval.

## **8.0 Carbon Impact**

**8.1** Maintaining our properties and reacting quickly when the fabric or components fail, ensures that the buildings operate as efficiently as possible. As components reach the end of their life, and in particular Mechanical & Electrical components, the Corporate Property team will assess the best replacement parts, technologies, and strategies, having due regard to initial capital costs, lifecycle, annual maintenance costs and carbon impact.

## **APPENDICES**

None

## **BACKGROUND PAPERS**

None

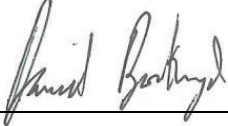
**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

Beth McNeil [bmcneil@westminster.gov.uk](mailto:bmcneil@westminster.gov.uk)

For completion by the **Cabinet Member for Finance & Council Reform**

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed:  Date: 24 October 2022  
NAME: **Councillor David Boothroyd**

State nature of interest if any:

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\_\_\_\_\_

*(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled “The appointment of a reactive repairs contractor” and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Finance & Council Reform

Date: 24 October 2022

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comments:

\_\_\_\_\_

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.