



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Finance & Council Reform
Date:	03 July 2023
Classification:	General Release
Title:	Appointment of a main contractor for works to the Tresham Centre
Wards Affected:	Church Street
Key Decision:	This is a key decision and an entry has been included for 28 days on the list of forthcoming decisions
Financial Summary:	The contract value is £1,648,945 + VAT.
Report of:	Executive Director for Finance & Resources - Gerald Almeroth

1.0 Executive Summary

1.1 The purpose of this report is to obtain approval for award of a contract for works at the Tresham Centre to T&B (Contractors) Limited. Following a competitive tender process, in which four bids were received and evaluated, the contract is proposed to be awarded to T&B (Contractors) Ltd (Companies House registration no, 01667869) as their bid was the highest scoring and is the most economically advantageous tender received.

2.0 Recommendation

2.1 That T&B (Contractors) Ltd (Companies House registration no, 01667869) are awarded the contract for works to the Tresham Centre for a contract amount of **£1,978,734 inclusive of VAT.**

3.0 Reasons for Decision

3.1 The Disabled Resource service operate from part of the Tresham Centre and provide services for disabled children aged 5-18 years of age (the Short Breaks Service). Up until September 2021, the remainder of the building was leased to another occupier who have terminated their lease. Demand for the disabled children's service has been increasing significantly and an opportunity therefore presents itself to expand the service into the entire building following completion of major works. The service currently operate from several locations and consolidation at the Tresham Centre will provide greater efficiencies and a better service for users.

3.2 The procurement was conducted in November 2022 and the route was via a two-stage PCSA and a Design & Build process. The first stage was a limited appointment (a pre-construction services agreement) that enabled the contractor to start working with the professional team and the service to develop the design and engage with their supply chain. As this stage was under the £100k threshold as per the procurement code, it did not require Cabinet Member approval. This first-stage appointment did not obligate the council to proceed to the second stage and the tender documents clearly specified that the contractor would be subject to a separate review of the price for the second work stage. The second stage is subject to a separate contract under JCT Design & Build terms and conditions.

3.3 The second-stage negotiation has used the pricing criteria agreed in the original procurement and first stage agreement. T&B (Contractors) Ltd have worked with their supply chain to secure quotations for each work package for the completed design. The council has reviewed these proposals with advice and support from the Faithful + Gould Quantity Surveyor. This review has concluded that value for money has been achieved and therefore recommended the Council to enter into the second stage Design & Build Agreement with T&B (Contractors) Ltd to deliver the works.

4.0 Background, including Policy Context

4.1 Following the endorsement of the procurement strategy at CGRB, and approval from the Executive Director of Finance and Resources, a Request for Quote was published via the Council's procurement portal. The contract estimates fell below the relevant PCR / CCR thresholds and is classified as a Type B procurement activity under the Westminster City Council Procurement Code. The requirements of the Code in relation to Type B procurements are to proceed with a competitive tender inviting a minimum of 5 suppliers to bid for the opportunity via capitalE-sourcing. Following the tender response deadline, 4 bids were received. The tenders were evaluated in accordance with the award criteria as stipulated in the tender documentation and PCSA contract awarded to T&B (Contractors) Ltd.

4.2 The procurement was conducted in November 2022 with officers from Corporate Property, Finance and Children's Services involved with the assessment with support from the Faithful + Gould Building Surveyor and Quantity Surveyor. The tenders 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)

All tenderers were found to be compliant, and their responses were passed as able to proceed to Technical and Commercial Evaluation.

Commercial submissions were withheld until Technical/Quality scores had been received to ensure the panel were fair and scoring upon the merits of the Technical/Quality proposals only. A moderation session was conducted by Procurement to ensure a robust review of evaluations and to confirm moderated scores. Based on the applied criteria and moderated scores T&B (Contractors) Ltd were identified as the preferred bidder to proceed to stage 1 design award. All bidders were notified of the award decision via the procurement portal on 15/12/2022.

4.3 Following a successful Stage 1 PCSA, T&B (Contractors) Ltd have provided their quote for the stage 2 D&B works. The Council is not obliged to accept this pricing and award the Design & Build contract unless the pricing is reasonable and meets the Council's requirements. Faithful + Gould reviewed the pricing provided by T&B (Contractors) Ltd and have produced a tender sum analysis report. The report states that the majority of the pricing is adequate and reasonable because T&B (Contractors) Ltd have demonstrated value for money by obtaining three quotations in competition for the majority of the works packages. In addition, the m² cost is a fair and reasonable reflection of the works based on benchmarking information.

4.3 A key theme for T&B (Contractors) Social Value Strategy is providing training and employment opportunities, and upskilling the communities in which they work.

T&B (Contractors) Ltd currently have 6 directly employed apprentices. Throughout the Tresham Day Centre refurbishment scheme, T&B (Contractors) Ltd will seek opportunities to work with Westminster City Council, local community groups, schools and the Westminster Employment Service (WES) to invest the skills/knowledge of their staff for mentoring and training. Throughout the project duration, T&B (Contractors) Ltd to commit to the following:

1. Work Placements (on and off-site) - a minimum of 6 weeks Work Experience for local people (through local colleges, schools or WES).
2. 'Taster Trades' experience on site - through local colleges/Westminster University/WES.
3. Site Visits, including H&S Talks - through local schools/colleges.
4. Local Labour - any required labour will be sourced from within the local area (within a 20 mile radius) advertise through WES.
5. Career Talks / CV Training - provided by the T&B Social Value Coordinator and Site Team.
6. Apprenticeships - minimum of 1 Apprentice on site either directly through T&B or through our Supply Chain.

4.6 London Living Wage (LLW) will be a contractual commitment, with elements of the service which fall in scope of the Living Wage foundation threshold, being paid the LLW. The contractors' acceptance of LLW was requested during the tender process as a qualifying Pass/Fail requirement.

5.0 Financial Implications

5.1 The tender price submitted by T&B (Contractors) Ltd is £1.649m (excluding VAT) and, with fees, the total estimated costs of the project is £1.880m. The project will be funded by the following budgets:

- Existing capital allocation of £1.200m for the Tresham Centre project
- Green bonds allocation of £0.516m
- Landlord Responsibilities allocation of £0.164m (total budget in 23/24 of £5.743m) (or capital contingency if this will delay the Landlord Responsibilities programme)

5.2 The council needs to borrow to fund this capital investment which has revenue implications. These borrowing costs are estimated to be £0.103m per annum. It is anticipated that the project will reduce staffing and other costs by £0.320m by consolidating the service in one location and also reduce reactive maintenance by over £0.100m.

6.0 Legal Implications

6.1 The project has been procured via a two-stage tender and a Pre-Construction Services Agreement (PCSA) was awarded to T&B (Contractors) Ltd for obligations during the design development phases of the project. The selected

contractor was to propose pricing for the second stage of the project and the Council was only obliged to proceed to award the second stage D&B contract if it found such pricing reasonable. The report highlights that the prices submitted by the contractor T&B (Contractors) Ltd have been verified with Faithful + Gould MDCT consultants (Quantity Surveyor) for value for money aspects and finance colleagues have also found the prices reasonable.

- 6.2** The stage two works for the delivery of alteration and remedial works at Tresham Day Centre are now proposed to be awarded to T&B (Contractors) Ltd under a JCT Design and Build Contract (2016) incorporating the WCC's standard contract amendments for a contract amount of **£1,978,734 inclusive of VAT**. Such a contract award would be in accordance with the Council's obligations under the Public Contracts Regulations and no separate procurement needs to be carried out for it as this contract award was envisaged in the original procurement carried out.

A contract award notice would need to be published.

The contract would need to be sealed.

8.0 Carbon Impact

- 8.1** Following analysis of the carbon savings generated by changing the Mechanical & Electrical (M&E) system, it is recommended that Green Bond funds are utilised to fund the M&E works at Tresham. The carbon saving is 12.4 tCO₂e per annum and the amount of Green Bond funding proposed to be used is £516,443. The Green Bond funding was marketed as "Westminster Green Investment" and was the fastest green bond raised ever meeting the £1 million target in just 9 days. The purpose of the funding is to support investment in council owned buildings to reduce carbon emissions and as such, this proposed investment fully meets the requirements of the Fund.

APPENDICES

None

BACKGROUND PAPERS

None

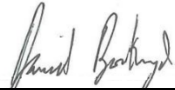
If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Claire Nangle cnangle@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: 03 July 2023
NAME: **Councillor David Boothroyd**

State nature of interest if any:

(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: 03 July 2023

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.