

## London Borough of Hammersmith & Fulham

**Report to:** Strategic Director for the Economy, Tony Clements

**Date:** 21/02/2021

**Subject:** Approval of the Procurement Strategy for the restoration, repair and refurbishment works at the Grade II Listed Ravenscourt Park Tea House

**Report author:** Nilesh Pankhania, Head of Capital Projects, Economy

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### Summary

This report seeks approval of the Procurement Strategy for the restoration, repair and refurbishment at Ravenscourt Park Tea House.

This project, which the Council has committed to deliver as part of the Capital Planned Maintenance Programme approved by Cabinet, will now be completed during the financial year 2021/2022.

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### Recommendations

- 1 To approve the Procurement Strategy, attached at Appendix 1, to use the Capital e-Sourcing portal to go out to tender to procure a contractor for the restoration, repair and refurbishment works at the Grade II Listed Ravenscourt Park Tea House, Hammersmith, London W6 0UA.
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**Wards Affected:** Ravenscourt Park

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The procurement strategy will require the supplier to demonstrate their commitment to social value including how they can support local businesses.
Creating a compassionate council	The importance of providing disabled access to all users and staff is to be ensured as well as restoring the building sympathetically
Doing things with local residents, not to them	Residents and Friends of Ravenscourt Park will be consulted where this is viable to ensure repair and restoration work is carried out without causing

	undue noise and disruption and also to meet any specific needs.
Being ruthlessly financially efficient	The Capital e-Sourcing procurement portal will enable the most cost-effective method for the selection of the contractor who is able to demonstrate that they can complete the project within the timeframe in a cost-efficient manner as set out in the procurement strategy. There will be a robust contract in place and an experienced site personnel to ensure quality standards and value for money are maintained
Taking pride in H&F	Contractor will be required to give details of its approach to energy consumption, use of sustainable materials, transport plan, site waste management, and noise pollution
Rising to the challenge of the climate and ecological emergency	It will be encouraged as part of the tender process to reduce carbon emissions as much as possible and to use materials that are obtained from an accredited source and using local labour resources wherever possible

### **Finance Implications**

The estimated costs of the works are £400,000 which will be a charge against the corporate planned maintenance capital programme. Funding for the corporate planned maintenance programme currently stands at £6,343,000 for 2020/21 with a further rolling programme of £2,400,000 proposed for 2021/22. Future decisions on use of the planned maintenance programme will need to take account of this potential commitment.

Reference is made within the report that the works are necessary if the tea house is to be brought back into use. This will generate a potential income stream for the council which will may assist in meeting future financial challenges.

*Implications completed by: Andrew Lord, Head of Strategic Planning and Monitoring*

### **Legal Implications**

This report recommends that the Strategic Director of Economy, in consultation with the Cabinet Member for Finance and Commercial Services approves the Procurement Strategy, attached at Appendix 1, to issue a tender to procure a contractor for the restoration, repair and refurbishment works at the Grade II Listed Ravenscourt Park Tea House, Hammersmith, London W6 0UA.

The contract value for this works contract is estimated above £189,330 and will be considered a High Value Contract in terms of the Contract Standing Orders ('CSO'). However, the contract value is below the threshold for works under the Public Contracts Regulations 2015 (as amended) ('PCR') which is currently £4,733,252. Therefore, the PCR do not apply in full. The PCR remain in place post-Brexit with only minor amendments.

Although the value of the proposed contract is below the threshold set for works by the PCR, the Council is required to comply with the general principles of transparency, equal treatment, non-discrimination and proportionality. Some parts of the PCR in relation to below threshold procurements will also apply.

All high value contracts are required to:

- have a Service Review Team established to oversee the procurement (CSO 17);
- have a Procurement Strategy reviewed at the Contracts Assurance Board and approved by the relevant decision maker before the procurement process commences (CSO 18); and
- have a Tender Appraisal Panel established following approval of the procurement strategy (CSO 19.3).

This report fulfils the requirement for a procurement strategy. Further, under CSO 19.1 (Table 3) a high value contract for works requires either the use of an existing framework agreement or an opportunity listing on the Council's e-tendering portal and publication of a contract notice on Contracts Finder.

The appropriate decision maker for procurement strategies for capital contracts between £189,339 to £1.5 million is the SLT Member in consultation with the relevant Cabinet Member. The decision maker therefore needs to be satisfied that the recommended decision is in the best interests of the Council. The implementation of this decision will then be in accordance with the PCR and the CSOs.

Tenders will be evaluated on the basis of the most economically advantageous tenderer to the Council. Evaluation methodology has been agreed by the project team and is set out in the procurement strategy. The split between quality and price is 60:40.

Legal will advise on the appropriate tender documentation. The contractor proposes to use the JCT Intermediate contract.

As the estimated value of the contract is above £300,000 the procurement strategy report is a Key Decision and has been submitted to Committee Services for the publication on the Council's website.

The Council is also under an obligation under the Public Services (Social Value) Act 2012 to consider how the letting of services contracts can benefit the social, economic and environmental well-being of their area. These are factors which will be considered and built into the contract and procurement documents. The Council has recently adopted a Social Value policy which applies to all its contracts above £100,000, and this requires that 10% of the total scoring is for social value, which will

be subject to assessment by an external assessor, a company called Social Value Portal. The requirements of the assessor and the Council's policy will need to be built into the tender documents.

*Implications completed by: Harry Forsythe, Solicitor at Sharpe Pritchard  
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Verified by Emily Hill, Director of Finance

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### **Background Papers Used in Preparing This Report - None**

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### **DETAILED ANALYSIS**

#### **Proposals and Analysis of Options**

1. The proposals and analysis of options are set out in Appendix 1. Works need to be undertaken to restore, repair and refurbish the Tea House (a Grade II building) in a manner compliant with the Tea House's Listed Building consent, as well as allowing disabled access.

#### **Property**

2. The Tea House is located along the eastern boundary within Ravenscourt Park that had been used recently as a commercial café on the ground floor. It is a Grade II Listed building, constructed with London stock bricks with timber windows and doors and a hipped roof.

#### **Proposed Works**

3. The proposed works are to restore and repair the external brick façade and main roof slates, lantern roof, gutters, downpipes, as well as the timber roof truss, and fully refurbish the public toilets. There is a possibility of replacement if the state of the building deems it necessary.

## **Reasons for Decision**

4. This project is one which the Council has committed to deliver as part of the Capital Planned Maintenance Programme approved by Cabinet in September 2019. The development of the programme has been guided by the principles of that strategy and the priorities were agreed by the Economy Department's Capital Board, chaired by the Assistant Director of Leisure, Sport & Culture in May, 2020. The Tea House has suffered a significant degree of deterioration over recent years as it has not been maintained to an acceptable standard. This building is now vacant and derelict.
5. The decision is required to allow the use of the Capital e-Sourcing procurement route, using an open tender procedure. This will allow a suitable contractor, that has the required experience gained on similar conservation projects, to be appointed and to ensure the overall programme is achieved. Contractors will need to demonstrate previous conservation work carried out.

## **Equality Implications**

6. It is considered that there are no equality implications in the decisions required in this report.

## **Risk Management Implications**

7. Tendering is being undertaken in accordance with the Council Value, Being Ruthlessly Financially Efficient. An empty and derelict property is a vulnerable property with many potential hazards that can make the place unsafe and reduce its value. For example, a trespasser raises the potential risk of a liability if they are injured on the premises due to an empty building being poorly maintained. The owner of the building could be held liable for example if there are broken walls, rubble, protruding nails, falling objects, live wiring all of which are potential causes of such incidents. Associated risks include the potential asset stripping, including theft of metals or cabling, squatting, arson and vandalism, vacant properties are therefore inherently higher risk. Works therefore contribute positively to the management control of these risks whilst also providing an opportunity to benefit from the eventual re-opening and use. All works must be undertaken in accordance with the HM Government, Health and Safety and sector Covid guidelines applicable through this pandemic.

*Implications completed by: Michael Sloniowski, tel 020 8753 2587*

## **Implications for Local Businesses**

8. The contractor appointed will be encouraged to use local businesses where possible and will be made aware of the Council's business support programme, HF Brill Bizz Supply Chain, which assists local small and medium-sized firms to win contracts for works, supplies and services in the borough.

*Implications verified/completed by: Dominic D'Souza, Commercial Manager,  
Tel: 07769 197 655*

**List of Appendices:**

Appendix 1 – Procurement Strategy – Contract for Repair and Replacement of Ravenscourt Park Tea House

## APPENDIX 1

### **Procurement strategy - Contract for Restoration, Repair and Refurbishment of Grade II Ravenscourt Park Tea House (“Tea House”)**

#### **1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED (approved by Dominic D’Souza, Tel: 07769 197655)**

The Tea House was formerly the eastern wing of the original stable block that formed part of the overall Ravenscourt Park Estate and dates from the eighteenth century with various later extensions. The Council is the freehold owner of the building.

The building was converted to a refreshment room in the late nineteenth century and the ground floor has been running as a well-loved and popular café, serving tea and cakes, as well as pastries and organically-grown hot served food. The first floor has been used for ancillary storage and is inaccessible other than through a hatch in the ceiling of the café because the independent access from the rear yard was removed in the 1980s. The building provides a focus for Ravenscourt Park and much needed amenities in the form of the café and public conveniences. The whole building is now vacant since the last café tenant stopped trading in, April 2020.

The building has endured a long period of deterioration, resulting in damage to many areas both externally and internally and now requires a much-needed programme of improvement to render a longevity for its’ continued presence and ensure it provides many more years of adoration where patrons can visit and use the building as a quality tea room. It’s heritage significance is very much appreciated by local people and with a programme of restoration works, it will be a popular place of attraction for people to visit and cherish.

The building is currently unoccupied which provides an ideal opportunity to embark on a programme of works both internally and externally to bring it back into viable commercial use as a café well as for social gathering.

The building has suffered considerable damage to the structural timber truss and internal flooring as well as decorations on the 1st floor and has also suffered damage to the ground floor from water ingress through the roof.

As a result, it is envisaged to repair, wherever viable, or to replace (if repair is not cost-effective) roof timbers, floor joists, roof covering, rainwater goods, windows and doors and structural members (dragon ties).

It is not envisaged this procurement and subsequent contract will have other policy objectives to deliver or contribute towards.

## **2. MARKET ANALYSIS**

- 2.1 The current market under Covid-19 environment is considered a very uncertain period. The Government has indicated that construction is one sector that can continue during the new 'lockdown' that has come into force again from December, 20<sup>th</sup>, 2020. Those working during this period have to adhere all guidance on safe working.
- 2.2 Prior to this date and, particularly, during previous lockdowns in 2020, the construction industry had been working under very strict distancing guidance, where there is little or no interaction with the public.
- 2.3 Heritage building works requires specialist construction techniques and calls for a specialist set of skills and expertise to successfully deliver a project. The market is relatively buoyant, with a strong network of suitable contractors actively engaged on contracts and seeking new tenders. A Webinar presentation to local contractors was made on 19th January 2021 to make them aware of this scheme so they can note their interest when the opportunity is published.

## **3. PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS**

3.1 In reviewing the route to the market, the following options were reviewed:

- **Option 1: Do nothing**

This option will result in the continuing deterioration and decline in the quality and standard of the Tea House. A preventive planned maintenance regime will provide a small degree of assurance but will not address keys elements of repair and restoration that is needed to the fabric of the building. Therefore, this is not an option.

- **Option 2: Open Procedure Tender (Preferred Option)**

This is the preferred option because it would allow the Council to open the competition to the entire market. The value of the contract is below the EU threshold for works contracts under the Public Contracts Regulations 2015 so, if chosen, the opportunity will be advertised on the Council's e-tendering system, capitalSourcing and Contracts Finder.

The value of the contract is below the threshold of works set by the PCR (i.e. previously known as the EU threshold) so, if chosen, the opportunity will be advertised only on Capital e-Sourcing and Contracts Finder. The Minimum Standards will be instigated as part of qualification envelope. This option is to be recommended as it will be applicable to contractors from a wider network.

- **Option 3: Restricted Procedure Tender**

This is similar to Option 2, in that it would also open competition to the market, but with a pre-qualification stage when unsuitable tenderers are eliminated. This option is not to be considered as it is a two-stage process and may not provide a full appraisal of tenders with a higher degree of diligence than Option 2.

- **Option 4: Deliver by Dynamic Purchasing System ,**

A DPS is like a framework agreement except that unlike a framework



agreement it remains open and contractors can be added to the DPS at any time over the life of the DPS. Contractors have already pre-qualified to join the DPS by demonstrating that they have the necessary skills and resources to join the DPS. Value for money can be demonstrated by running a mini-competition amongst approved contractors. However, this option would restrict competition to a pool of shortlisted contractors, hence, this option is not preferred.

#### **4. RISK ASSESSMENT AND PROPOSED MITIGATIONS**

<b>Risks</b>	<b>Possible Impact</b>	<b>Rating</b>	<b>Mitigation</b>
Market under Covid-19 conditions dampen the interest from potential suppliers	Delayed delivery of the project	Low	Engage with local contractors to communicate opportunity and also hold consultations prior to publishing on Capital e-Sourcing
Increased costs due to uncertainty of pre-tender estimate and uncertainty of working conditions (including the imposition of strict social-distancing working conditions as a result of the Covid-19 pandemic).	Cost overrun and delayed delivery of the project	Low	Fixed price contract will ensure cost certainty and reduce the potential of any variance at a later date. The use of a JCT Intermediate contract will mean that a contract is awarded to the most cost-effective tender on a lump sum basis.
Project delay	Delayed delivery of the project, cost overruns and contract termination	Low	Document risk management plan to mitigate delay and disruption losses.
Procurement challenge	Delayed delivery of the project including possible suspension of procurement	Low	Adherence to procurement regulations.

#### **5. FINANCIAL INFORMATION**

5.1 Funding for the full tender will be made available from the capital planned maintenance programme budget for this and next financial year based on completion dates for the works outlined in this report.

5.2 The budgets are adequate to carry out the anticipated works currently proposed to be implemented. The pre-tender estimate is circa £400k.

## **6 COMPETITION PROCESS**

6.1 The Council's preferred option is to use the Open Procedure, which will possibly attract bids from a wide range of specialist contractors and will demonstrate the best value for money solution for the Council.

6.2 The following indicative timetable has been set for running the procurement exercise. The dates are subject to change at any stage in the process.

<b>Activity</b>	<b>Completed by</b>
Submit Procurement Strategy to Contracts Assurance Board	3rd February 2021
Strategic Director Approval	12th February 2021
Publish Decision and Call-in	15th February 2021
Implement Decision	18th February, 2021
Invitation to Tender (ITT) and tender documents issued	23rd February 2021
Tenderers Site Visit week commencing	1st March 2021
Closing date and time for ITT Clarifications ("ITT Clarifications Deadline"):	18th March 2021
Closing date and time for submission of Tenders ("Tender Submission Deadline"):	25th March 2021
Evaluation and moderation of tender returns	30th March 2021
Tender Evaluation Completion on or around:	2nd April 2021
Internal Approval to award Contract to successful tenderer on or around:	9th April 2021
Outcome Notification (i.e. Intention to Award) issued to successful and unsuccessful tenders on or around:	16th April 2021
Confirm and finalise Contract on or around:	30th April 2021
Estimated Go-Live Date for Contract ("Commencement Date") on or around:	10th May 2021

## **7 SELECTION AND AWARD CRITERIA**

7.1 The headline Quality/Price ratio is to be 60/40. The reason for this is to ensure suppliers have the pre-requisite experience in this specialised heritage

refurbishment area as well as being able to be competitive with their tender submissions. Being a Grade II building, attention to detail finishes is critical that drives the quality ratio higher than cost.

7.2 Social Value will be included in line with the Council's Social Value policy and all contractors will be required to make a social value proposal, join the Social Value Portal and fill in the matrix to be managed accordingly during the lifetime of the contract

7.3 The quality evaluation will be made up of the following criteria:

<b>Sr.</b>	<b>Criterion</b>	<b>Weighting %</b>
1.	Project Delivery - Understanding of Technical aspects of the project	20
2.	Management Structure and Technical Competence	15
3.	Project Risks and Mitigation	10
4.	Programme	18.4
5.	Health and Safety	15
6.	Communication and Stakeholders	5
7.	Social Value	16.6

7.4 Commercial Evaluation: The Tender with the lowest submitted total price will receive the maximum score of 100% of the price element in the commercial evaluation. Thereafter, each other Tender will be compared against the lowest priced Tender in accordance with the following formula to arrive at a score up to two decimal points:

$$(A \div B) \times C = X$$

Where,

A = the lowest submitted price of all Tenders

B = the total price submitted by the Tenderer

C = the maximum percentage score i.e. 100%

X = the score for Price

7.5 Based on a notional figure of £60,000 for the lowest submitted Tender price and using the formula above, the Commercial Envelope score for price would be as set out in the table below and then weighted at 40% to arrive at the price score.

<b>Tenderer</b>	<b>Price</b>	<b>Score Awarded (X)</b>
1	£60,000 (A)	100.00%
2	£70,000 (B)	85.71%
3	£80,000 (B)	75.00%
4	£90,000 (B)	66.67%

7.6 The scores awarded to each tender for the Quality and Commercial elements of

the evaluation will be added together to establish the most economically advantageous tender, which is the tender with the highest combined score for price and quality.

## **8 CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

- 8.1 The contract package will involve carrying out remedial repair work to the external fabric of the building including all external repairs such as roof tile replacement, brick façade repair, gutters, downpipes & lead flashing replacement, clock tower repairs, clock restoration, windows, doors replacement and toilet roof lantern. Internal work to be undertaken to the 1st floor include structural remedial repairs to roof truss, new insulation, floor joists, brick repairs.
- 8.2 Contract length is expected to be around 26 weeks under a lump sum contract. The expected start date is 1<sup>st</sup> May, 2021 and the end date is 30<sup>th</sup> October, 2021. It is expected the contractor will provide a programme of works to show all key milestones and an agreed completion date.
- 8.3 The main specification covers Restoration, Repairs and Refurbishment and includes the works stated in paragraph 8.1 above.

## **9 CONTRACT MANAGEMENT**

- 9.1 The contract is to be managed by the Project Manager (Anthony Baffi) and overseen by Head of Capital Projects (Nilesh Pankhania). Quality control will be undertaken by an external consultant (Burrell Foley Fischer) who will act as Contract Administrator and issue a completion certificate once all works have been completed satisfactorily.
- 9.2 The works on site are to be monitored on a weekly basis to ensure quality and progress are to programme criteria set with regular site meetings with the contractor to resolve any issues that may arise.
- 9.3 As part of the defects period, monthly site visits will be carried out in the 12 months following handover back to LBHF.
- 9.4 Payment of service will be based on a valuation basis to ensure progress is well-maintained. Final payment less retention will be made at the issue of a completion certificate. Retention is standard in JCT contracts to ensure there is a residual amount left in case defects remain unresolved and is released when defects are all signed off at the end of the defects liability period.
- 9.5 The Council's main objectives when considering the contract terms to include are:
- 9.5.1 To ensure the key elements of the Council's Social Value policy will be adopted and implemented
- 9.5.2 Ability to carry out conservation restoration work and have the management and site personnel to deliver a quality finish that meets Listed Building and Historic England criteria.
- 9.5.3 To ensure the contractor can work in a proactive manner to reduce carbon footprint as well as employ locally based staff.
- 9.6 A suite of KPI's will be used to monitor, measure and report on the performance

of both consultants and contractors. Example, KPI's will include:

- (a) Resident satisfaction of contractor performance
- (b) Defects – condition of each property/block in respect of number of defects at the point of handover
- (c) Safety (Main Contractor) – number of reportable accidents each month; average number of people on site
- (d) Construction time taken within properties
- (e) Percentage of properties completed to programme
- (f) Time to produce pre-construction cost information
- (g) Predictability of costs
- (h) Environmental impact, waste control, noise, dust during construction
- (i) Local labour and training
- (j) Time to complete scope of works and outline specification (multi-disciplinary consultant)
- (k) Time to complete final account (Quantity Surveyor)
- (l) Time to produce health and safety files (multi-disciplinary consultant)
- (m) Client satisfaction

## **10 STAKEHOLDER CONSULTATION**

- 10.1** Prior engagement with stakeholders (e.g. Friends of Ravenscourt Park) and residents will be undertaken to ensure key points are implemented.
- 10.2** Friends of Ravenscourt Park have been consulted and we have received letters in support of the proposed works to be carried out.
- 10.3** Consultations with all relevant stakeholders will occur at the appropriate time.