

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** The Cabinet Member for the Economy

**Date:** 30/06/2023

**Subject:** Approval of the contract award for the repair and replacement of roof works at 2 locations (Macbeth Centre and Fulham Central Library)

**Report author:** Chris Nolan, Property and FM Head of Hard Services Manager

**Responsible Director:** Strategic Director for the Economy, Jon Pickstone

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## SUMMARY

This report sets out the recommended contract award for the repair and replacement of roof works at Macbeth Centre and Fulham Central Library. This project went to open market twice via the e tendering portal and forms part of the approved Capital Planned Maintenance Programme in the financial year 2022/2023. The work will be completed during the financial year 2023/2024.

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## RECOMMENDATIONS

1. To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
  2. To approve the award of contract following a successful procurement exercise, to the Breyers Group PLC to undertake the repairs and replacement roofing works for a period of six months at the following sites:
    - a) Macbeth Centre - Macbeth Street, Hammersmith, W6 9JJ
    - b) Fulham Central Library - 598 Fulham Road, Fulham, SW6 5NX
  3. To note that works commence on 3<sup>rd</sup> July 2023.
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**Wards Affected:** Hammersmith Broadway, Fulham Reach.

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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 ensuring all works are carried out diligently and carefully
Doing things with local residents, not to them	Residents and stakeholders near the locations will be consulted where this is viable to ensure repair and replacement roof work is carried out without causing undue noise and disruption and to meet any specific needs.
Being ruthlessly financially efficient	Tendering has enabled the assessment and weighting of the most cost-effective bids for the selection of the contractor who is able to demonstrate that they can complete the projects within the timeframes in a cost-efficient manner as set out in the procurement strategy.
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

## Financial Impact

The cost of the works will be funded from the Capital Planned Maintenance Programme (CPMP) within this financial year 2023-24.

The cost of the works of £1.25m will be funded from the Capital Planned Maintenance Programme (CPMP) within this financial year 2023-24. The funding will be provided specifically from borrowing. Given current PWLB rates of c4.8%, together with the Council's Minimum Revenue Provision of 3.2%, this suggests an annualised interest cost of £100,000. This cost would be funded from existing budgets held corporately for debt servicing costs.

The proposed contract spend is £1.25m as set out in the tender evaluation, below. The preferred bidder, Breyers Group, have a CreditSafe credit score of 73 indicating 'very low risk' and a contract value limit of £16m. Payment will be in arrears at valuation milestones.

*Completed by: Will Stevens, Finance Manager (ECO), 12<sup>th</sup> May 2023*

*Verified by: Danny Rochford, Head of Finance (Economy & HRA), 15<sup>th</sup> May 2023*

## Legal Implications

The Council has power to undertake these works as they are incidental to the functions undertaken from these buildings.

The estimated value of the contract is below the threshold for the Public Contracts Regulations 2015 to apply. There are therefore no statutory requirements governing the procurement.

This is a high value contract for the purposes of the Council's Contract Standing Orders. The procurement was undertaken by way of an open competition which is one of the means of procurement allowed for under the CSOs for procurements of this value. The requirements of CSO 18 have therefore been complied with.

As the value of the contract is above £300,000 the award of the contract for these works is a Key Decision and will need to be submitted for publication on the Council's website.

*John Sharland, Senior solicitor (Contracts and procurement) Dated 9<sup>th</sup> May 2023*

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## BACKGROUND DOCUMENTS

None.

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## DETAILED ANALYSIS

### Tender Evaluation

1. Tender went live on the 27<sup>th</sup> February 2023 on our e-tendering portal as an open market procurement to all. It ran for a month with a closing date of 27<sup>th</sup> March 2023 which gave all potential bidders: site access and plenty of opportunity to ask questions to submit their tenders.
2. Initially there were 19 interested parties that opened the envelope on Capital E to review the documents provided. Of the 19 potential contractors 16 declined to tender and 3 provided acceptable tenders.
3. All 3 tender submissions met all minimum quality requirements. Tender evaluations were based on price submitted for the repair and replacement of roof works at 2 locations and quality response to technical questions. Split was 60%:40% respectively and the results are as follows:

Tenderer	Quality Score	Price Score	Total Score	Ranked
Breyers Group PLC	72.68%	90%	83.35 %	1

Bidder 2	23.66%	100%	69.46%	2
Bidder 3	8%	*0%		3

\*Bidder 3 was rejected as they failed to submit a detailed price using the tender pricing matrix schedule as per the tender instructions.

### **Proposed Works**

1. The roofs are reaching the end of their usable economical life and liable to suffer continual failures until upgraded / overhauled. In the case of the pitched roofs this means stripping off the roof coverings and re-fixing them. The flat roofs were tested and found to have dry substrates which indicates that these roofs can be overlaid with a new waterproof membrane.
2. The proposed works are to repair and replace the roof membranes at these 2 locations with a method of application of works against the prescribed specification as detailed in the recommendations by the appointed specialist and accredited Architect and/or Building Surveyor.

### **Reasons for Decision**

1. To award a contract to repair roofs at Macbeth Centre and Fulham Central Library as part of the Capital Planned Maintenance Programme approved by Cabinet in September 2019. The roofs have suffered a significant degree of deterioration over recent years as they have not been maintained to an acceptable standard, making it susceptible to further damage, if remedial actions are not implemented.
2. To award the contract to Breyers Group PLC which has provided the most viable tender bid, scoring high on quality at a competitive price.
3. Failure to award will mean the roofs will fall further into disrepair and eventually the closure of the buildings with the services having to relocate or cease providing services to the residents of Hammersmith & Fulham as well as the general public.

### **Risk Management Implications**

1. In order to ensure adequate insurance arrangements are in place for the proposed works, early consultation pre-tender with the insurance service will need to take place. Assuming JCT or similar will need to be Option C with LBHF ensuring existing structures in sole name not joint to protect recovery against contractors.

*Ray Chitty, Head of Insurance, 9<sup>th</sup> May 2023*

## **Climate and Ecological Emergency Implications**

1. The Climate and Ecological implications are positively associated with the procurement for the repair and replacement of roof works at 2 locations (Macbeth Centre, Annexe and Fulham Central Library). The program will ensure the watertightness of the building, leading to a reduction in heat loss and improvement in the building's EPC ratings (Forecasted reduction from "B" to "A"). This should also be further reduction of about 10% or 15% in energy consumption depending on the specified material and thickness. The programme contributes positively to the management of property, environmental risk and maintaining our statutory environmental compliance.
2. Other measures were considered in the repair and replacement program such as solar panels, bio solar roof, etc, however they will be considered as phase 2 of this program.
3. Demolition/disposal of the existing roof, transport and machinery used for the works, and any associated travel shall remain the responsibility of contractor, who will be required to submit a method statement for approval, delineating the strategy essential to contributing positively to the management of carbon management and environmental compliance.

*These implications must be drafted by the report author and approved with Hinesh Mehta. 10<sup>th</sup> May 2023*

## **Procurement Implications**

The results of the evaluation process [jtt\_16807] have been verified against the e-tendering system on 19th May 2023 by Waheeda Soomro, Commercial Manager, Corporate Procurement. 31/05/2023

## **Local Business and Social Value**

It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed. In addition, the evaluation of social value should account for a weighting of a minimum of 10% of the overall score.

Breyers Group proposed 49.6% social value contributions. This was made up of jobs for local residents and local businesses included in the supply chain. However, in the proposal, Breyers Group redefined their proposal of what they will consider as "local". It should be made clear in the contract that contributions should relate to residents and businesses in Hammersmith & Fulham and that SIG Roofing, proposed to be included in the supply chain as a social value contribution, is based in Brent.

It is advised that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract so that the council can enforce remedies if social value commitments are not delivered.

*Paul Clarke, Social Value Officer, 9<sup>th</sup> May 2023*

## **LIST OF EXEMPT APPENDICES**

EXEMPT Appendix 1: Summary of evaluation