

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Strategic Director of Place - Bram Kainth

Date: 03/07/24

**Subject:** **Contract award** for the demolition of Linford Christie changing room and shower block and the provision of design, purchase and installation of purpose-built WCs, changing rooms and shower facility portacabins for Linford Christie

**Author:** Chris Nolan– Head of Hard Services Corporate Property

**Responsible Director:** Strategic Director of Place - Bram Kainth

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### SUMMARY

As per the procurement strategy decision for Property and FM Hard Service by CAB the service went to open tender, via the capitalSourcing portal to procure a contract for the demolition of the Linford Christie changing room and shower block and provision for portable cabin facilities. The tender required the bidders to submit three pricing options to enable the council the choose of the most cost-effective option that will bring the best benefit to the council's objectives. Analysis of the bids submitted showed that that the outright purchase of the portacabins, option C, offered the council the most cost-effective option as opposed to annual hire charges.

There was a large amount of interest and following evaluation of tenders, an award of a contract is recommended to Coleman & Company Limited

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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 To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that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 award the contract for the demolition of the Linford Christie main building and the provision of portable cabin facilities to Coleman & Company Limited for a value of up to £698,000.
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**Wards Affected:** College Park and Old Oak

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## LONDON BOROUGH OF HAMMERSMITH & FULHAM

<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 establish provision of new bespoke showers and changing facilities for all residents, schools, and local clubs to enjoy and would increase usage of the local sport amenity which is only one of its kind in North of the borough.
Creating a compassionate council	The importance of providing sporting facilities and services to the local community from disabled, minors to all users. H&F staff will ensure as well that all works are carried out diligently and carefully with limited disruption to the rest of the sporting facilities on site and keep them operatable.
Doing things with local residents, not to them	Residents and stakeholders near the locations will be consulted where this is viable to ensure demolition and replacement 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 this procurement.
Taking pride in H&F	With new facilities provisions, the council could open up the sporting facilities to more schools, more sport clubs that could find a new home and increase interest within the community.
Rising to the challenge of the climate and ecological emergency	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 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

3. The cost of the contract is up to £698,000 with demolition and preparation of site costing £196,000 and installation of the portacabins estimated at £502,000.
4. The total cost is to be funded from slippage of approved budget within the Corporate Planned Maintenance Programme from the project that was to be delivered in 2023/24. These will now form part of the programme for 2024/25.
5. A CreditSafe report run on 3 July 2024 for Coleman and Company Ltd showed a credit score of 53 and a contract limit of £1,100,000. The credit score is above the Council's threshold minimum score of 50, however, the contract value is compliantly below the Creditsafe recommended contract limit.
6. In order to mitigate the risk to the Council, the service will need to ensure that payments are made once work has been completed or to agreed milestones and should continue to monitor the supplier's performance and financial viability throughout the contract period.
7. Finance officers will work closely with the budget holders to monitor spend within the agreed budget envelope and will report updates to the financial position via the quarterly Capital Programme Monitor.
8. It should also be noted that the poor state of the existing changing rooms has adversely affecting sports booking income at the site (£80,000 income shortfall for 2023/24). It is expected that the new temporary changing facilities will enable the forecast to be improved for the income budget to be fully met from 2024/25. The proposed works will also complement the upcoming resurfacing of the athletics track and field event areas at Linford Christie Stadium, which are funded from secured s106 developer contributions via the Council's King's Coronation Youth Fund.

*Implications completed by: Danny Rochford, Head of Finance 3 July 24*

*Verified by: Andre Mark, Head of Finance (Strategic planning and investment), 4<sup>th</sup> July 2024.*

## Legal Implications

9. The Council has the power to procure these cabins pursuant to its powers to provide leisure facilities under the Local Government (Miscellaneous Provisions) Act 1976.
10. The supply and installation of portacabins is a public supply contract for the purposes of the Public Contracts Regulations 2015 (PCR). As the value of the contract is above the relevant threshold the advertising and competition rules in the PCR need to be complied with. An open competition is a compliant means of procurement under these regulations.
11. This is a high value contract for the purposes of the Council's Contract Standing Orders. An open competition will comply with these requirements. The provisions of CSO 18 will therefore be complied with.

12. The value of the contract means that this is a key decision under the Council's Constitution and will need to be included on the key decision list on the Council's website.

*Implications prepared by: John Sharland, Senior solicitor (Contracts and procurement) email [john.sharland@lbhf.gov.uk](mailto:john.sharland@lbhf.gov.uk)*

*Dated 3<sup>rd</sup> July 2024*

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## **Background Papers Used in Preparing This Report**

**None.**

## **DETAILED ANALYSIS**

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

#### **Tender Evaluation**

13. Tender went live on the 28<sup>th</sup> May 2024 on the e-tendering portal as an open procurement to all. It ran for a month with a closing date of 28<sup>th</sup> June 2024 which gave all potential bidders plenty of opportunity to ask questions and submit their tender.
14. Initially there were 27 interested parties that opened the envelope on Capital E to review the documents provided. Of the 27 potential contractors: 18 declined to tender and 3 submitted tenders. Rest of potential bidders provided no response.
15. Two of the tender submissions met all minimum quality requirements. One failed the technical evaluation section. Tender evaluations were based on price submitted for carrying out the demolition with the provision of the cabins and the quality response to technical questions. Split was 70%:30% respectively and the results are as follows.

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#### **Reasons for Decision**

16. To award a contract to Coleman & Company Limited, which has provided the most economically advantageous tender, scoring high on quality at a competitive price.
17. Coleman & Company Limited through its tender submission has shown to excel in competency with various accolades and memberships of key organisations showing to being open to 3<sup>rd</sup> party auditing and scrutiny to achieve a competitive lead in the market.
18. Coleman & Company Limited, is a multi-skilled contractor with the key skills required. A specialist demolition contractor who is also able to provide and install the temporary cabins required.

19. Coleman & Company Limited have a good track record working with the council being the principal contractor of the demolition of the housing Lannoy and Hartopp Point tower blocks.
20. The main facilities building in its current state cannot be used as has suffered severe structural deterioration due to ground movement; wear and tear of roof and skylights bringing it its end of its maintainable life; as well as in the site's mechanical service's due to its past state of dormancy (with Covid playing a large part as well as safe conditions of site), the pipework and associated installation is not currently fit for purpose and would require a major upgrade as the building does not meet current building compliance requirements with regards to Legionnaires' disease which the site does have a history of concerns.
21. The site is a crucial income stream for Parks and Leisure which generates £155k per annum. Whilst income dipped during the covid lockdown period due to closure, it is anticipated to increase overall with the introduction of the portacabins due to increase in usage post covid, and in part due to the redevelopment planned of all-weather pitches. Previous data shows 2,808 bookings for use of football pitches, baseball, netball, and sports day. In addition, ad hoc bookings of the running track is at 120 times per week.

### **Contract Management**

22. This contract will be managed by a dedicated FM project manager with the support of the FM management team.
23. There will weekly contract meetings as well as meetings at the key stages of the works. The project manager will decide to withhold funds if works not completed to satisfactory standard and the organisation must rectify its fault before payment is released.
24. The contractor will submit to the contract's manager (FM Project Manager) details of what contributions were made over the course of the contract and what set financial social value KPI measures were achieved. Contractor has committed to social value. A TOM has been submitted to the SVP. This will be monitored by the social value team within the council.

### **Procurement Implications**

25. The procurement has been recorded on capE as ITT\_18372 / PROJ\_23578.
26. The Procurement and Commercial team have undertaken an independent verification of the scores identified in Appendix 1, and confirmed these to be accurate.
27. Upon approval, pre-standstill letters must be issued to all suppliers providing feedback. If there are no challenges to the Council's procurement process within the standstill period of 10 calendar days (which cannot conclude on a non-working day), the Council can formally award the contract.
28. A Contract Award Notice must be published on Contracts Finder and Find a Tender, using capE within 30 calendar days of award of contract.

29. A named contract manager must be allocated to the contract on the Council's eProcurement portal.

*Chris Everett, Category Lead – Procurement and Commercial, 15/07/2024*

### **Equality Implications**

30. There are no equality implications or risks relevant for this contract as procurement is with regards to asset maintenance.

Sebastian Mazurczak, Corporate Property Compliance, Risk and Energy Management, 03/07/2023.

### **Risk Management Implications**

31. There is a risk that the complexity of the project and it must be communication to vendors. The social benefits of the project must be understood.

Implications were prepared by: *Jules Binney, Risk and Assurance Manager, 03/07/2024.*

### **Climate and Ecological Emergency Implications**

32. By demolishing the age-old building and replacing with new modern carbon friendly modular units has a positive impact on climate and ecology. The current building still makes use of large diesel boilers as there is no gas available in the area which is very heavy carbon intensive.
33. Modular units are built off site sustainably and equipment installed use very little energy like LED lighting and small 2kw heaters which are all are electrical. Wastage would be minimal as they are built with insulated fabric for both walls and roof making them a very energy efficient and carbon low impact solution to a new brick building which would be carbon intensive to build and manage.

Implications were prepared by: Sebastian Mazurczak, Compliance and Energy Management in consultation and verified by Mark Thomlinson, Climate Engagement Lead, 04/07/2024.

### **LIST OF EXEMPT APPENDICES**

EXEMPT Appendix 1: Summary of evaluation