

## **APPENDIX 1:**

### **SANDS END ARTS & COMMUNITY CENTRE – APPROVAL TO PROCURE A MAJOR WORKS CONTRACTOR TO DEVELOP SANDS END ARTS & COMMUNITY CENTRE**

#### **BUSINESS CASE AND PROCUREMENT STRATEGY REPORT**

##### **1. BUSINESS CASE**

- 1.1 Hammersmith and Fulham Council has committed to deliver a new Arts and Community Centre for the local residents of Sands End to be located on the current site of the park maintenance depot and Clancarty Lodge in the north-western corner of South Park.
- 1.2 The new centre will provide a range of flexible new spaces for community use, changing rooms and WC's, a café, and a nursery within a new single storey structure totalling 760sqm.
- 1.3 Residents will run the centre once it is built, through a Community Trust that will secure the centre's future. Cabinet approval was granted on 4<sup>th</sup> December 2017 to establish a Community Trust to govern the Sands End Arts & Community Centre (SEA & CC)
- 1.4 Earlier this year, the Council appointed a new design team led by Mae LLP who developed the detailed plans for the new centre.
- 1.5 Planning permission has been granted by the Council to develop the new Sands End Arts & Community Centre. Preparatory and enabling works will be carried in early 2018 and will continue until spring 2018.

##### **2. FINANCIAL INFORMATION**

- 1.6 The total budget the the programme is £3.6m.
- 1.7 £75k has been allocated to site assembly and enabling works costs.
- 1.8 £2.5m to be allocated to the major works contractor for the construction of the new Community Centre.

##### **3. OPTIONS APPRAISAL AND RISK ASSESSMENT**

- 3.1 The following options have been reviewed:

**Option 1:** Do nothing. This would result in the SEA &CC not being provided and the missed opportunity to deliver the much-needed community infrastructure in Fulham. This would also prevent the Council from spending existing s106 funding from Chelsea Football Club and grant funding from Thames Tideway, which has been ringfenced for this project.

**Option 2:** Run an open public procurement process and select a major works contractor. This allows a flexible approach to carry out the process and maximises the chances of procuring a suitable contractor to deliver the scheme.

**Option 3:** Access existing Frameworks such as the London Construction Programme Framework or Southern Construction Framework and carry out mini-competitions. The Council has access to these Frameworks so no pre-qualification process is required. These Frameworks are better suited to high value contract schemes (above OJEU thresholds).

3.2 Overall the route that best meets the Council's objectives of flexible, rapid delivery that provides value for money is to procure a major works contractor through an open public procurement process (Option 2).

#### **4. THE MARKET**

4.1 Given the number of companies on capitalEsourcing it is expected that the Council will receive strong tender responses to the opportunity.

4.2 Initial soft market testing has taken place with major works contractors to better understand the level of interest in the proposed scope of works. The feedback received has identified that there is strong interest in the marketplace to bid for this type of work.

#### **5. CONTRACT PACKAGE, LENGTH, AND SPECIFICATION**

5.1 The contract will be to take the approved designs and provide construction services to develop a newly fitted out community centre. The contractor will work closely with the Council and Mar Architects to deliver the programme.

5.2 The contract will last until practical completion of the new community centre which is expected to last 12 – 18 months.

5.3 Key milestones / timetable is set out in Section 12 of this Procurement Strategy.

5.4 The project specification will be contained in further detail within the construction brief, the core principles are set out below:

- A high quality iconic building for South Park, with flexible interrelated spaces.
- Use of off-site, modular, and environmentally sustainable construction methods to make the construction process as efficient as possible.
- An overall building footprint of 760sqm including the existing Clancarty Lodge of 99sqm.
- An overall build cost of £2.5m excluding professional fees and fit out cost
- A predominantly single storey building, with the possibility of some second storey space equivalent to the existing second storey space of Clancarty Lodge
- A new main community centre of 520sqm. This includes:

- A main hall of 180sqm which will be divisible to facilitate flexible and concurrent uses.
- Flexible independently bookable rooms
- Re-use of Clancarty Lodge of 99sqm for flexible community use
- A new Nursery of 141sqm for up to 32 children (ages 2-5)
- Kitchen space for events/refreshment
- Toilets and changing facilities suitable for sport use.
- A café accessible from the park as well as from within the centre.

## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

6.1 The Council's employer's requirements that form part of the construction contract will include provisions for social return on investment.

6.2 The social value, local economic and community benefits will form part of the technical qualification criteria, it has been recommended that 10% of the award criteria be allocated to this section.

6.3 The approach will be developed throughout the pre-procurement period, but considerations could include:

- Encouraging the use of apprenticeships, training schemes and work experience placements for larger projects.
- Setting appropriate standards for environmental performance and considerate construction.
- Requiring engagement with local communities in the vicinity of new projects and taking account of their views.
- Encouraging or requiring companies to advertise for sub-contracting opportunities and employment vacancies openly and in a manner which may be brought to the attention of local businesses and individuals.

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

7.1 This contract is critical to the delivery of the Council's ambitions to deliver a replacement Sands End Arts & Community Centre.

7.2 In addition to the above, the Council's priorities are still aligned in supporting the Arts and developing an 'Arts Network', this is set out in the H&F Business Plan 2017/18:

## **8. STAKEHOLDER CONSULTATION**

8.1 Public Consultation events have taken place providing an opportunity for residents to meet with the Design Team and provide feedback on the proposed plans.

8.2 Throughout the design process, the Council and Mae LLP have held design engagement and consultation events with the local community.

8.3 The planning application process included a statutory consultation period with

local residents.

8.4 There has been extensive consultation with the Residents Working Group and Sands End Project Board who have been consulted on all proposals and designs for the new community centre.

8.5 Internal consultation has taken place with appropriate Lead Councillors, as well as the Chief Executive and other directors.

8.6 A Communication and Consultation Strategy will be developed by the Regeneration Service and Corporate Communications Team to engage with local residents and stakeholders throughout the duration of the works.

## **9. PROCUREMENT PROCEDURE**

9.1 The proposed procurement procedure is to run an open tender competition.

9.2 With an estimated value of £2.5m the financial threshold for this scheme is below the statutory amount for works related tenders (OJEU value c.£4.1m).

9.3 The Public Contracts Regulations 2015 (as amended) require the opportunity to be advertised in the UK's Contracts Finder website and will be run as an open process on the capitalEsourcing system.

## **10. CONTRACT AWARD CRITERIA**

10.1 Works: In assessing the Enabling Works tenders, it is proposed that the submissions will be judged 60% on quality and 40% on price.

## **11. PROJECT MANAGEMENT AND GOVERNANCE**

11.1 **Members:** Regular updates will be provided by the Lead Director for Regeneration, Planning & Housing to the Cabinet Member for Economic Development and Regeneration – Councillor Andrew Jones.

11.2 **Internal:** The Regeneration, Planning & Housing Directorate will manage this process and ensure that internal colleagues in Finance, Procurement and Legal are well informed of the progress and any decisions made.

11.3 **External:** The Council will be supported by Mae LLP and Baillie Knowles Partnership LLP (cost consultant) throughout the procurement process.

11.4 A Tender Appraisal Panel (TAP) will be set up to monitor the progress of the Main Contractor Works procurement process. The TAP will include representatives from: Regeneration, Finance, Legal, Procurement, Mae and Peter Knowles Partnership as appropriate. This forum will provide update to the Lead Director for Regeneration, Planning & Housing Services.

## **12. INDICATIVE TIMETABLE**

12.1 The table below sets out a high-level timetable for key milestones:

Action / Task	Target date
Cabinet Decision	5 <sup>th</sup> February 2018
Procurement process - Selection Questionnaire (SQ) - Evaluation of SQ - Invitation to Tender (ITT) - Evaluation of ITT - Appointment of successful contractor	13 <sup>th</sup> February to early June
Contractor mobilises on site	End June
Construction to practical completion	July 2018 to August 2019

### **13. CONTRACT MANAGEMENT**

13.1 The contract for the Main Contractor Works will be managed by the Regeneration, Planning & Housing Directorate under the Head of Regeneration – Earls Court.

13.2 It is expected that Mae LLP will carry out the Contract Administrator (CA) role for the construction contract from start to completion of the development. This includes reviewing the contractor’s programme and the progress of construction works. Alternatively, the Council will procure another company to perform the role of CA / Employers Agent.