

CABINET

19 April 2022

Title: Contract for Refurbishment of Leys Park Pavilion for Box Up Crime Project	
Report of the Cabinet Member for Community Leadership and Engagement	
Open Report	For Decision
Wards Affected: Village	Key Decision: No
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Summary: The Council has allocated Community Infrastructure Levy (CIL) and other funding to support the refurbishment and conversion of the Leys Park Pavilion, Ballards Road, Dagenham, for use by the Box Up Crime project. It has been agreed that the Council will lead on the delivery of the building works and this report sets out the proposed arrangements for the procurement of a contractor to carry out the works.	
Recommendation(s) The Cabinet is recommended to: (i) Agree the procurement of a building works contractor for the refurbishment and conversion of Ley Park Changing Pavilion, Dagenham in accordance with the strategy set out in the report; and (ii) Authorise the Strategic Director, Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Economic Development and the Strategic Director, Law and Governance, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder(s).	
Reason(s) To assist the Council to achieve its priorities of Prevention, Independence and Resilience', 'Inclusive Growth' and 'Well Run Organisation'.	

1. Introduction and Background

- 1.1 Construction Infrastructure Levy (CIL) funding was allocated by the Council following a bid by Box Up Crime, in response to a call from the Council for local projects and initiatives to fund. Box Up Crime are a youth led community organisation within the borough, who work to steer young people away from crime by creating positive role models and access to facilities to encourage participation in sport and, in particular, boxing. The intention being that the CIL funding would be used in support of this work, through the conversion of some under utilised changing rooms within The Leys Park, Dagenham into a gym.
- 1.2 Unfortunately, the existing pavilion building was in a poor condition with an extensive backlog of maintenance. This would have resulted in the CIL funding being entirely absorbed in dealing with maintenance issues. Therefore, further funding was also allocated to the project from the corporate asset management building condition funding budget. This project will address this maintenance backlog, with the long-term responsibility for maintenance of the building being transferred to Box Up Crime.
- 1.3 Due to the complexity of the project, discussions with Box Up crime produced an agreement that the Council would take the lead in the delivery of the building project. As part of this work the Council has already engaged architects, surveyors and engineers to design and specify the required building works on its behalf and is in the process of seeking planning consent for the works.
- 1.4 Box Up Crime as the end users of the refurbished and converted pavilion have been fully consulted and engaged during the design and specification of the works to ensure that the completed building will match their needs and requirements.
- 1.5 Procurement Board recently endorsed the use of an open tender for the procurement of the required building work via the Council's "Bravo" e-procurement portal using a complete set of tender documents, design, drawings and specification, as this is the route most likely to attract an appropriately skilled and sized contractor most suited to deliver this project effectively and economically. The contract will also be advertised on the Governments Contract Finder web site as required by the Public Contract Regulations.
- 1.6 Council Contract Rules paragraph 28.8 requires that Cabinet approve the procurement of all contracts that exceed £500,000 in value. The anticipated value of this contract is £560,000.00
- 1.7 In line with the project delivery programme agreed with Box Up it is anticipated that tenders for these works will be issued and returned in June 2022, with works planned to commence on site early in August 2022.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 The building works to be procured will be designed and specified in detail within the Invitation to Tender and the scope of works will include:

- Structural alterations to the building;
- Replacement roof and installation of sun pipes;
- Improvements to thermal insulation;
- Replacement of external windows, doors and shutters;
- Creation of a mezzanine floor and sauna room;
- Installation of new toilets and showers inclusive of accessible facilities;
- Plastering, internal joinery, internal decorations, new floor coverings and wall tiling;
- Replacement electrical systems inclusive small power and lighting;
- Installation of new fire and intruder alarm systems;
- Replacement heating, ventilation, cooling and hot water systems.

2.2 Estimated Contract Value, including the value of any uplift or extension period

2.2.1 The works are estimated to cost £560,000.00

2.3 Duration of the contract, including any options for extension

2.3.1 The duration of the works contract is anticipated to be 30 weeks, with a 12 months' defects liability period as per standard practice within the construction industry

2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

2.4.1 No

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 Be First will manage the 'open process' tender via the Council's "Bravo" e-procurement portal using a complete set of tender documents inclusive drawings and specifications. As this is the route most likely to attract an appropriately skilled and sized contractor most suited to deliver this project effectively and economically. The contract will also be advertised on the Governments Contract Finder web site as required by the Public Contract Regulations.

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The works will be let on a traditional basis with the proposed form of contract being the JCT Intermediate Contract with contractors design portions with standard LBBB contract amendments.

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

2.7.1 The proposed work will bring a currently under-utilised park building back into use, supporting an important local charity delivering its aims of reducing youth crime. Supporting and complimenting the Councils own aims and objectives in this area in doing so. The works will also reduce the backlog of maintenance to the council's property portfolio, whilst through the lease transferring responsibility for long term

maintenance of the building onto Box Up and enabling a modest but market level rental income to be charged.

2.8 Criteria against which the tenderers are to be selected and contract is to be awarded

2.8.1 Tenders will be assessed on the basis of both price and quality, on the basis of 80% cost, 10% social value and 10% Quality. With quality being assessed in relation to each bidders experience and qualifications of site team and response to specific project related questions.

2.9 How the procurement will address and implement the Council's Social Value policies

2.9.1 10% of the potential marks awarded in the proposed evaluation criteria will consider the social value benefits being offered by the preferred contractor with particular emphasis being placed upon their employment of labour drawn from the local community, sourcing of materials within the local area, and opportunities for engagement of young people in learning experiences with the contractor. With commitments to spend in LBBD via re-investment opportunities such as the use of hospitality in LBBD such as contractors' utilisation of local food and hotel facilities.

The evaluation process will take note of the Council's legal obligation to consider Social Value under the Public Services (Social Value) Act 2012.

2.10 Contract Management methodology to be adopted

2.10.1 Be First are responsible for overseeing the procurement exercise and will be responsible for overall contract management. Whilst works are on site, monthly meetings will be held with the contractor to monitor progress. Regular site visits to inspect the quality of works being undertaken will also be undertaken by Be First alongside the appointed architects, surveyors and engineers on the project. Payment for works will be through monthly valuations of work executed on site by the project quantity surveyor and these will be certified by Be First.

3. Options Appraisal

3.1 Do nothing – This option was rejected as Construction Industry Infrastructure (CIL) and My Place building condition funding has been allocated towards a scheme for the conversion of the current changing rooms.

3.2 Alternative Contractual Arrangements – Design and build was considered and rejected as it was felt that a refurbishment project of this type was likely to be perceived to carry substantial risks by builders, such that it would adversely affect their willingness to price and competitiveness.

3.3 Alternative Procurement Route - The potential use of a framework was also considered but rejected as it was felt that a project of this size and scale wouldn't attract sufficient interest from contractors on any framework, due to the opportunities to win larger projects being procured through them at the same time.

4. Waiver

4.1 Not applicable

5. Consultation

5.1 The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 21st February 2022.

5.2 Assets and Capital Board were consulted at its meeting on the 9th March 2022 and endorsed the proposal.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

6.1 The Councils Contract Rules require all spend over £50,000 to be tendered in the open market and this will be adhered to based on this paper.

6.2 The evaluation methodology is 80% price, 10% quality and 10% Social Value and should yield a value for money response.

7. Financial Implications

Implications completed by: Binoy Pillai, Capital Accountant – Interim

7.1 The Council has allocated Community Infrastructure Levy (CIL) to support the refurbishment and conversion of the Leys Park Pavilion, Ballards Road, Dagenham, for use by the Box Up Crime project.

7.2 Approved capital programme of 2021/22 has £233,000 remaining within box up crime project for this contract. Proposed contract requires additional budget allocation of £327,000 which will be adopted as part of next capital budget monitoring.

7.3 Estimated cost of this procurement is £560,000 which will be wholly funded from CIL allocation to this project.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Senior Contracts and Procurement Solicitor, Law & Governance

8.1 This report is seeking approval for the procurement of a contract to undertake building works at Leys Park Pavilion in Dagenham.

8.2 This report states that the value of the contract over the contract period will be approximately £560,000 which is below the threshold for works contracts. This means that there is no legal requirement to advertise the contract in Find a Tender. Nevertheless, the report author is intending to procure this work through a single stage open tender process. This satisfies the requirements of the Council's Contract

Rules and also the principles of equal treatment of bidders, non-discrimination and transparency.

- 8.3 Any procurement carried out must comply with the Council's Contract Rules. Section 2.5 states that an open tender process has been proposed, advertising the opportunity on the Council's e-procurement portal. A contract of this value must also be advertised on Contracts Finder too. The use of this method satisfies the requirement to carry out a competitive tendering exercise as required under the Council's Contract Rule 28.5.
- 8.4 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval.
- 8.5 In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contracts following the procurement process with the approval of Corporate Finance.
- 8.6 The legal team will be on hand to assist and advise as required

9. Other Implications

- 9.1 **Risk and Risk Management** - This project will be project managed by 'Be First'. The procurement strategy is designed to ensure that the project is successfully delivered within budget, to the required programme and to deliver that meets Box Ups requirements. A detailed risk and issues strategy will be developed by the project team as works progress. A CDM Principal Designer has already been appointed.
- 9.2 **Corporate Policy and Equality Impact** - The newly created gym will create improved gym facilities within the borough intended to serve disadvantaged young people and steer them away from crime. An Equalities Impact Needs screening assessment has been prepared to cover the procurement.
- 9.3 **Property / Asset Issues** - The works will reduce the backlog of maintenance to the council's property portfolio. Heads of terms have been agreed with Box Up for a twenty-year lease on a full repairing and insuring basis. Box Up will be responsible for all outgoings, maintenance, repairs inclusive utilities costs once the lease is signed, transferring the long-term responsibility for the building onto Box Up. Whilst also generating a modest rental income. Additionally, the project will bring an under used Council asset back into a more productive use by the community.

Public Background Papers Used in the Preparation of the Report:

Cabinet Report, Dated 15/10/2019 "Allocation of Community Infrastructure Levy to Strategic Projects"

<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&MIId=10417&Ver=4>

List of appendices: None