

Report No.

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE

**FOR PRE-DECISION SCRUTINY BY THE RRH PDS**

**Date:** RRH PDS: Wednesday 16<sup>th</sup> June 2021  
Executive: Wednesday 30<sup>th</sup> June 2021

**Decision Type:** Non-Urgent Executive Key

**Title:** CRYSTAL PALACE SUBWAY RESTORATION WORKS  
PROCUREMENT

**Contact Officer:** Deborah Wood, Regeneration Manager  
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**Chief Officer:** Sara Bowrey, Director of Housing, Planning & Regeneration

**Ward:** Crystal Palace;

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1. Reason for report

To provide a progress update on the restoration of Crystal Palace Subway. To seek authority in relation to procuring the main contract works for the restoration of the Crystal Palace Subway. To seek authority to progress the cultural venue project in the event of a successful grant funding bid.

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2. **RECOMMENDATION(S)**

**That Members of the RRH PDS: -**

2.1 **Note the contents of this report and make any comments available to the Executive.**

**That Members of the Executive: -**

2.2 **Note the contents of this report, namely information regarding the procurement of the main contract works for the restoration of the Crystal Palace Subway, which is fully funded by grants.**

2.3 **Approve the procurement of the main contract works, noting that the Subway restoration project is already on the Capital Programme, with funding secured.**

2.4 **Approve amendment to the existing Capital Programme for the Crystal Palace Park Subway to reflect revised costs and available funding.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: The restoration of the Crystal Palace Subway as part of the wider Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility which is easily accessible by public transport and car.
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## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Regeneration
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## Financial

1. Cost of proposal: £3,009,468.39
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Capital Programme - Crystal Palace Park Subway
  4. Total current budget for this head: £3.068m
  5. Source of funding: Grant funding. Grants from the City of London Strategic Investment Pot, Historic England and a contribution from the Friends of Crystal Palace Subway.
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## Personnel

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Non-Statutory
  2. Call-in: Applicable
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## Procurement

1. Summary of Procurement Implications: The correct procurement process has been undertaken to date under advice from the Head of Procurement. This report sets out the proposed procurement route for the main works contract.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): A recent survey estimates that the park receives 1.4m visits each year.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? - Yes
2. Summary of Ward Councillors comments: The project has ward councillor support.

### 3. COMMENTARY

- 3.1. The detailed background to this report is set out in report no. DRR20/018.
- 3.2. At the February 2020 meeting of the Executive it was agreed, with subsequent approval of Full Council to add the Subway restoration project to the Capital Programme at a cost of £3.141m on the basis of the scheme costs being fully funded by grants from the Strategic Investment pot, Historic England, and Transport for London, and a contribution from the Friends of Crystal Palace Subway.
- 3.3. The smaller grant funding allocation from Transport for London has not been forthcoming due to competing pressures arising from the Hammersmith Bridge project and the pandemic. However, the costs of delivering the restoration works can still be met by the other grant funding bodies listed above in section 3.2. Historic England have committed to financially supporting the project.
- 3.4. As set out in report no. DRR19/058 in 2019 Officers made an application to the City of London Strategic Investment Pot for a grant of £2.34m to restore the Grade II\* Subway. The grant application had at that time been recommended for approval and since then the grant has been confirmed.
- 3.5. In January 2020 the Council tendered for a conservation architect-led team to deliver the consultancy services for the restoration of the Subway from RIBA Stages 0-7. The contract was won by a local heritage architecture practice, Thomas Ford & Partners. The project has now progressed to RIBA Stage 4, with the planning and listed building consent applications being submitted in May 2021. Officers have worked with the Friends of Crystal Palace Subway to engage with the public via social media, mailing lists and leafletting. There is significant public interest in the project.
- 3.6. According to the March 2021 cost plan the total cost of the restoration is estimated at £3,009,468.39. This estimate is inclusive of all costs including fees and 10% contingency.
- 3.7. The project is now at the stage where the main works contract will be tendered. In advance of this tender taking place a soft market testing exercise has been undertaken to gauge interest and seek feedback from heritage contractors.
- 3.8. Officers are proposing a restricted tender process, with a Stage 1 selection process followed by an Invitation to Tender to those providers successful at Stage 1. It is proposed to use a standard JCT Form of Contract with Contractor Design Portions. The pre-qualification round is proposed due to the specialist nature of the works, involving a Grade II\* listed structure and the excavation of a highway.
- 3.9. It is proposed that the tender will be evaluated on 60% quality / 40% price due to the specialist nature of the works and it being 100% grant funded. Historic England, a statutory body and one of the funders of the restoration, have expressed a preference for the increased weighting to quality. This is because the quality and experience to properly manage complex conservation projects is vitally important.
- 3.10. The tender will include a mandatory question requiring explanations around the added value that bidders can provide to assist the Council in securing economic, social and environmental improvements. Through the quality questions, the bidders will be asked to submit method statement on the provision of Quality Apprenticeships/Trainee opportunities.

3.11. Once the restoration is complete the Subway is planned to become a new cultural destination for South London. This use for the historic building was originally set out in the 2007 Masterplan and has been carried into the Regeneration Plan. An outline business case was produced as part of the SIP grant application demonstrating its suitability for events and temporary outdoor exhibitions. The restoration will also allow the Council to progress the potential of engaging a commercial partner for the site, who would fund the cost of ancillary visitor facilities at ground level linked through to the Subway, creating further prospects for the site. The Council is including the cultural venue in its Levelling Up Fund bid, which is due to be submitted in June 2021.

#### 4. PROGRAMME

Activity	Timescales
Tender published for a conservation architect-led team to deliver RIBA Stages 0-7 consultancy services for the restoration of the Subway.	January 2020
Multi-disciplinary team appointed, led by Thomas Ford & Partners.	March 2020
Submission of Planning and Listed Building Consent Applications.	May 2021
Specification finalised on the basis of market engagement, and pre-app / planning process	07.06.21
Executive Meeting	30 <sup>th</sup> June 21
Issue Pre-Qualification (assumes tender docs need to be completed)	Mid July
Pre-Qualification return deadline	Mid Aug 21
Review and approval of tender list	End Aug 21
Issue Invitation to Tender	End Aug 21
Tender return deadline	Mid Oct 21
Tender evaluation	End Oct 21
Tender Standstill period	Mid Nov 21
Contract award	Mid Nov 21
Contract commencement on site	Mid Jan 22
Contract completion	Mid Nov 22

#### 5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

5.1. The Regeneration Plan, which includes the restoration of the Subway, will have a positive impact on vulnerable adults and children. The Council is committed to regenerating Crystal Palace Park and therefore wants to bring derelict buildings back into use, maximising the benefit to the community.

5.2. The park is designed for public enjoyment and education. Restoring the Grade II\* listed Subway will enable it to be accessible to the public once again.

## 6. POLICY IMPLICATIONS

- 6.1. The park is shown with various designations and policies in the Local Plan and the London Plan. There is an outline planning permission in place subject to legal agreement for the Regeneration Plan, as of March 2021.

## 7. FINANCIAL IMPLICATIONS

- 7.1. The original cost of the scheme was estimated at £3.141m and to be fully funded from external sources.
- 7.2. The estimated cost of the restoration is now £3.009m. A sum of £73k has already been spent in progressing the scheme to RIBA Stage 4, giving an overall scheme cost of £3.082m.
- 7.3. As reported to Executive in February 2020, the scheme is to be funded exclusively from external grants and contributions and the capital programme provision was approved on this basis. This included a grant of £0.269m from Transport for London towards the highways-related works. However, this funding is now not expected and therefore the total confirmed available funding is as follows:

Strategic Investment Pot	£2.340m
Historic England	£0.500m
Friends Group	£0.005m
<b>Total</b>	<b>£2.845m</b>

- 7.4. Regeneration officers report above that Historic England have committed to financially supporting the project and that they will review their grant offer again after the main contractor tender returns are received; therefore the amount of grant could increase to enable the scheme to be fully funded.
- 7.5. However, until that commitment is confirmed, there is a potential funding shortfall of £0.237m. If members agree to proceed to procurement at this stage, the contract specification would need to explicitly enable the Council to redesign elements of the scheme to ensure costs remain within available external funding; for example, there are non-critical parts of the scheme that could be excluded such as the new courtyard roof which would save in the order of £0.366m.
- 7.6. In the event that costs cannot be contained within available funding, the contract cannot be awarded.
- 7.7. The Capital Programme will need amendment to reflect changes to estimated costs and revised external funding.

## 8. LEGAL IMPLICATIONS

- 8.1. This report demonstrates a compliant procurement procedure.
- 8.2. If officers require legal advice on the legal documentation, they may contact Legal Services.

## 9. PROCUREMENT IMPLICATIONS

- 9.1 This report seeks to proceed to procurement for the main contract works for the

restoration of the Crystal Palace Subway.

9.2 This is a works contract and the value of this procurement falls below the thresholds set out in Part 2 of the Public Contracts Regulations 2015, so is only subject to Part 4 of the Regulations.

9.3 As per 8.2.1 of the Council's Contract Procedure Rules, this procurement must make use of public advertisement, and therefore must also be advertised on Contracts Finder.

9.4 The procurement must comply with PCR 2015 principles of transparency and equal treatment. Any time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate.

9.5 A restricted tender process will be used for this procurement. The Invitation to Tender documents will set out that final contract award will be subject to confirmed Historic England grant funding as per paragraphs 7.4 to 7.6.

9.6 The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the Approval of the Executive following Agreement by the Portfolio Holder, Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

9.7 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.

9.8 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

<b>Non-Applicable Sections:</b>	Personnel implications;
Background Documents: (Access via Contact Officer)	Crystal Palace Park: Regeneration Plan, July 2017, DRR17/029 Strategic investment Pot, October 2019, DRR19/058