
Decision Maker:	EXECUTIVE
Date:	Wednesday 29 March 2023
Decision Type:	Non-Urgent Executive
Title:	OPERATIONAL PROPERTY REFURBISHMENT PROGRAMME – PROCUREMENT AND AWARD OF CONSTRUCTION CONSULTANCY SERVICES
Contact Officer:	Darren Essex, Senior Development and Programme Manager (Major Projects) E-mail: darren.essex@bromley.gov.uk
Chief Officer:	Director of Housing, Planning, Property and Regeneration
Ward:	All Wards

1. Reason for decision/report and options

1.1 Reason for the report

To approve the procurement and award of expert advice to inform appraisal work, scoping and contractor procurement to implement the refurbishment work, followed by the procurement of building contractors to deliver the Operational Property Refurbishment Programme which has resulted from the Operational Property Review report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.

1.2 Recommendations

Members are recommended:

1) To note the contents of this report and to agree to the following recommendations subsequent to the OPR report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.

2) To approve the procurement and award of Construction Consultancy Services via a compliant direct appointment utilising the NHS SBS framework to ensure value for money and accelerated delivery as detailed in Part 2 of this report.

3) To agree to Officers progressing the various Workstreams identified at 3.40 of the OPR report dated 30th November 2022 as set out in 2.11 of this report and as considered and approved on 12th December 2022 at a meeting of the Council's Full Council by scoping, costing and proceeding to procurement of building contractor/s via a complaint framework.

4) To delegate authority to the Director of Housing, Planning, Property and Regeneration, to agree and settle all the commercial terms arising.

5) To delegate authority to the Assistant Director of Legal Services to enter into all relevant legal agreements required in relation to and any other necessary ancillary legal documentation relating thereto, including (but not limited to):

The appointment and warranty for the Construction Consultancy Services provider and related sub-consultants.

The negotiation of all associated lease amendments and service agreements and where required amendments to existing leases and agreements to be entered into at the time of building contract award.

6) To agree that officers will provide further report/s to the Executive for consideration prior to the award of works packages to building contractors which will be procured utilising a compliant framework in accordance with the Council's procurement procedures and regulations.

7) To agree that officers will continue to provide regular updates to the Portfolio Holder on progress of the OPR.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: £1.787m
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: £ Not Applicable
 5. Source of funding: Growth Fund
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Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
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Procurement

1. Summary of Procurement Implications: The recommendation proposed in this report can be taken in accordance with the Council's Contract Procedure Rules.
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Legal

1. Legal Requirement: No
 2. Call-in: Applicable
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Property

1. In accordance with the OPR report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable.
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Customer Impact

1. Estimated number of users or customers (current and projected): Not Applicable

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No as this affects all Wards individual Wards have not been consulted. However Ward Councillors will be consulted as to the specifications developed in conjunction the service delivery areas and the appointed Construction Consultancy Services Provider as detailed within this report.
2. Summary of Ward Councillors comments: Not applicable

2, COMMENTARY

- 2.1 On 12th December 2022 the Council's Full Council Meeting considered and approved the Operational Property Review (OPR) dated 30th November 2022. This followed a review of the Council's operational property which had been undertaken to identify the optimal operational estate and understand the liability of it over a 10-year period together with the potential to undertake minor refurbishments where appropriate to minimise future liability.
- 2.2 Members should note that the decision to progress with works in relation to the OPR was predicated upon Member authority to proceed to award contracts being required for each of the identified project streams identified within the report to ensure that they are delivered within the reported financial envelopes.
- 2.3 Members should note that the Operational Property Review is now known as the Operational Property Refurbishment Programme since it has moved into the delivery phase post review.
- 2.4 To enable works to be undertaken and completed in an expedient manner as identified within the programme approved with the Operational Property Review report. Members are requested to approve proceeding to procurement and award of specialist advice to scope the works that need to be undertaken, advise on the optimum delivery route and manage the delivery of the works on a phased basis within budget and to programme, taking into account service requirements and local Ward Member views.
- 2.5 Having reviewed the procurement options available it is recommended that Members approve the procurement of Construction Consultancy Services utilising the NHS SBS framework as it offers a compliant route with flexibility to direct award to a range of service providers for the services required to deliver the programme with sub-consultant appointments where required. The direct award will enable the programme to be accelerated by approximately 4 months to enable its delivery in accordance with the programme approved in the Operational Property Review.
- 2.6 The Construction Consultancy Services Framework Agreement of the NHS SBS framework provides a compliant route to access construction consultancy services for public sector organisations. This framework agreement covers construction consulting services for refurbishment projects including providing clear pricing options, ceiling rates discount structures, settlements and volume spend rebates, the ability for Direct Award and to deliver the most economically advantageous outcome. The charging rates are fully market tested, based on the competitive tender in 2018. Considering total inflation in professional fees since 2018 of over 25% this ensures that the Council will benefit from a significant discount and value for money against current market rates.
- 2.7 Having reviewed the service providers the provider as detailed in Part 2 of this report is recommended as they have the required experience to provide expert construction consultancy advice to the Council for an accelerated delivery of the Operational Property Refurbishment Programme. They have the required resourcing for Construction Management, Cost Management and Project Management across a broad range of commercial properties and can call in and manage specialist advise on associated disciplines as required. The recommended provider has worked for the Council recently on the progression of an accelerated programme and has performed excellently.
- 2.8 A direct award is recommended as it provides a compliant route to achieve an accelerated delivery at pre-negotiated discounted rates that offer good value for money and can achieve the required delivery outcome within the budget and programme approved. The alternative of undertaking procurement utilising a mini competition would delay delivery of the OPR Programme by approximately 4 months (due to the need to create competition criteria, timetable for responses, clarification, evaluation and stand still).

2.9 An accelerated programme is recommended to minimise repairs and maintenance on the Council's operational properties in accordance with the proposed Repairs and Maintenance Budget for 2023/24 as proposed in Report No. HPR2023/021 dated 29 March 2023.

2.10 The Council can call off (Direct Award) without further competition the proposed service provider in a compliant manner and in accordance with the procedures of the NHS SBS framework by virtue of:

- Them having prior knowledge of the accelerated delivery process and of working with the Council, so appointing an alternative provider will be more time consuming and thus more expensive.
- They provide preferential rates.
- Timescale issues make tendering prohibitive.
- The focus of their work is geographically in the appropriate location to provide the service required in a cost efficient manner.

2.11 The recommended providers appointment will be for a term of 4 years to allow sufficient time for a 2-year delivery of the programme plus additional periods of 1 year for the defect's liability period and a further year in case of any delays. The appointment includes monitoring the performance and overseeing the delivery of the contract awards however if all or some of these works do not proceed the Council will not incur this element of the cost. The appointment will include break clauses prior to construction contract award to minimise financial risk to the Council.

2.12 Following scoping and market testing, and to achieve delivery of the programme in accordance with the programme contained within the OPR report dated 30th November 2022, Members are requested to approve procurement of works packages from building contractors utilising a compliant framework. Noting that prior to award of contract/s that Member authority to proceed to award contracts will be sought for each of the identified project streams to ensure that they are within the reported financial envelopes. The work packages and capital sums identified for each are detailed below:

Description	Refurbishment Estimate
Children and Family Centres	£6.7M
SEN Services	£0.47M
Adult Day Centres and Care Homes	£12.11M
Cemetery Properties	£0.86M
Libraries	£10.77M
Group 2 Leisure Centres	£27.1M
Adult Education Centres	£7.4M
Youth Centres	£3.4M
Traveller Sites	£3M
Surface Car Parks	£1M
Contingency	£4m

- 2.13 The implementation of the Operation Property Repair Programme is governed by the OPR Programme Board which meets monthly and includes representatives from Finance, Legal, Procurement and Property. Progress is further monitored by bi-monthly reporting to the Council's Transformation Board which includes a Budget Monitoring report by Finance to ensure diligent Capital Monitoring oversight.
- 2.14 Members should note that officers will provide further reports to the Executive once the works packages are scoped, programmed, costed and procured to allow consideration and approval by Members prior to award of the building contracts. These works packages will be procured utilising a compliant framework in accordance with the Council's procurement procedures and regulations.

3. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 3.1 This report refers to the Operational portfolio the services are utilised by residents and any refurbishment work will be as referenced above agreed and developed around service needs.

4. TRANSFORMATION/POLICY IMPLICATIONS

- 4.1 The OPR now reports to the Transformation Programme of the Council.

5. FINANCIAL IMPLICATIONS

- 5.1 The proposed activity is fully contained within budgets agreed in the original report on the Operational Property Review to Executive dated 30 November 2022 and then again in the capital monitoring report Executive dated 18 January 2023. The proposal as set out is fully compliant with Bromley's financial regulations relating to capital expenditure.

6. LEGAL IMPLICATIONS

- 6.1 This report requests Members approve the procurement and award of a Construction Consultancy Services contract, to the contractor named in the part 2 report, via a compliant direct appointment utilising the NHS SBS framework. It further asks Members to agree to officers proceeding to procurement of building contractor/s via a compliant framework for the other workstreams identified.
- 6.2 This matter comes before the Executive as, in accordance with Contract Procedure Rules (CPRs), this is the only body within the Council that can approve the award and procurement of contracts with a value in excess of one million pounds.
- 6.3 These consultancy services are defined as a services contract under the Public Contracts Regulations 2015 (the Regulations). As the value of the services is well above the threshold then these services must be procured according to the full requirements of the Regulations. Regulation 33 permits the Council to use a compliant framework agreement providing it complies with the processes detailed in that regulation. The Procurement comments below confirm the correct CPRs have been followed in agreeing to use this particular framework agreement.
- 6.4 Legal Services should be instructed to assist in any contractual documentation necessary should Members approve the award of contract.

7. PROCUREMENT IMPLICATIONS

- 7.1 This report seeks to award a contract to the contractor named in the part 2 report for construction consultancy services via direct award using lot 2 of the construction consultancy services NHS SBS Framework.
- 7.2 Further this report seeks to proceed to procurement for a building contractor via a suitable framework.
- 7.3 In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement has been consulted regarding the use of the NHS SBS Framework, and must be consulted on other frameworks used. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.4 The award must be conducted in line with 7.4 of the Council's Contract Procedure Rules. As the value of the contract is above the thresholds set out in the PCR 2015, it must be conducted in line with cl. 33 of the same.
- 7.5 Both of these actions require the following for authorisation; the formal Approval of the Executive following the Agreement of the Portfolio Holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for actions of these values.
- 7.6 As the contract value is over £30k including VAT, an award notice will need to be published on Contracts Finder. As the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published.
- 7.7 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.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 8.1 The refurbishment works will ensure that properties will be refurbished to current Building Regulations standards such as Part L which require strong environmental and energy saving materials and design to be utilised.

9. CUSTOMER IMPACT

- 9.1 This report refers to the Operational portfolio the services are utilised by residents and any refurbishment work will be as referenced above agreed and developed around service needs.

Non-Applicable Headings:	Property & H.R.
Background Documents: (Access via Contact Officer)	Executive Report dated 12 th December 2022