

For General Release	
REPORT TO:	Cabinet Member for Finance and Treasury 30 JUNE 2014
AGENDA ITEM:	
SUBJECT:	Clocktower and Town Hall Plant Replacement Works
LEAD OFFICER:	Aiden McManus Director of Corporate Services
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	Fairfield
<p>CORPORATE PRIORITY/POLICY CONTEXT:</p> <p>These works meet the Council’s Corporate priorities to:</p> <ul style="list-style-type: none"> ◆ Provide Value for Money to its residents through the provision of more efficient plant in the Clocktower complex and Town Hall ◆ Improve our Assets through the replacement of dilapidated plant in Clocktower complex and Town Hall 	
<p>FINANCIAL IMPACT SUMMARY:</p> <p>This report recommends commitment to the Contract Award as set out in Part B of this report, to be funded from the Clocktower complex and Town Hall Plant Replacement and Corporate Property Maintenance Programme budgets. The total budget to be approved is £980,000, which includes a contingency sum.</p>	
<p>KEY DECISION REFERENCE NO.: This is not a Key Decision</p>	

1. RECOMMENDATIONS

- 1.1. The Leader of the Council has delegated to the Cabinet Member for Finance and Treasury the power to make the decisions set out in the recommendations below.
- The Cabinet Member for Finance and Treasury, in Consultation with the Leader is recommended to:
- 1.2. Approve the award of a JCT Design & Build contract to replace the heating and cooling plant (Option 1- para 6.4) at the Clocktower complex and Town Hall on the terms detailed in the Part B report.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends the award of a JCT Design & Build contract for the heating and cooling plant replacement works (the Works) at the Clocktower Complex and Town Hall to Bidder A (the Contractor).
- 2.2 The Detail section of this report sets out the background to the project, the procurement approach and evaluation process to select the Contractor to undertake the works.
- 2.3 The capital funding will be made available from the Clocktower complex and Town Hall Plant Replacement Budget of £611,000 and from the General property maintenance budget of £369,000, giving a total project budget of £980,000.

3. DETAIL

Background

- 1.1. The existing heating and cooling plant together with associated controls in the Clocktower complex and Town Hall are nearing the end of their useful economic lives and need replacement before a catastrophic failure occurs.
- 1.2. The existing systems in the Clocktower complex and Town Hall are inefficient and suffer from regular breakdowns requiring increased reactive repairs. Currently only 3 out of 6 boilers are working and it is unlikely that the remaining boilers will sustain another winter. There is a need to commission and complete the heating Works over the summer period to ensure that there is adequate provision in time for the autumn/winter 2014/15 period.

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Main Contractor Procurement

- 1.3. The Invitation To Tender (ITT) documents (incorporating the Specification) for the Works were produced by Drivers Jonas Deloitte, as project consultants, and their professional team.
- 1.4. Since the value of the Works contract was below the EU threshold for construction works, the tenderers were selected from Constructionline in accordance with the Councils Tender and contract regulations. The following suppliers were invited to tender:-
- ◆ Genesis FM
 - ◆ Banyards
 - ◆ Michael J Lonsdale
 - ◆ Spie Matthew Hall
 - ◆ Richardsons Nyewood Ltd
- 1.5. The Invitation to Tender (ITT) documents were issued via the Council's e-procurement portal on 7th April 2014 with a submission deadline. The deadline was extended to 12:00hrs on 28th April 2014 to account for the Easter bank holidays. The key element of the tender included:-
- ◆ Boiler replacement (*critical*),
 - ◆ Cooling system replacement (*critical*),
 - ◆ Building Management System (BMS) and controls (*optional*),
 - ◆ Local roof replacements (*optional*),
 - ◆ Air Handling Units (AHU's) (*optional*)
- 1.6. Site visits were conducted with contractors during the week commencing 14th April 2014.
- 1.7. The project Works have been programmed to ensure completion of the heating related works prior to the end of September 2014 and cooling related works prior to Summer 2015.
- 1.8. Tender submissions were received from two of the five invited contractors and issued to the Council's evaluation panel consisting of:-
- ◆ Programme Manager
 - ◆ Project Manager
 - ◆ Services Engineer
- 1.9. The two submissions were evaluated in accordance with the scoring criteria detailed within the tender pack with the results detailed in section 4 below.
- 1.10. As indicated in the original Strategy report agreed at CCB on 10th April 2014 and in accordance with the published scoring criteria, tender responses were evaluated on the basis of the Most Economically Advantageous Tender (MEAT) weighted of Quality 50% and Cost 50%.

4. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 1.11. The project consultants validated the submissions and robustness of bids to ensure all requirements were met and in accordance with the specifications.
- 1.12. Following post tender clarifications, the evaluated scores are given in the following table with Bidder A recommended as offering the Most Economically Advantageous Tender.

Bidder	Quality Score	Cost Score	Overall Score	Rank
Bidder A	10.67%	50.00%	60.67%	1 st
Bidder B	11.33%	34.10%	45.43%	2 nd

5. ANY OPTIONS CONSIDERED AND REJECTED

Since Bidder A was the highest scoring contractor, achieving an overall combined score of 60.67% and having submitted a compliant bid which met the specifications, no other options were considered.

6. FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

1.13.

	Current	Medium Term Financial Strategy – 3 year		
	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
Capital Budget	611			
General Capital	369			
Expenditure				
Effect of decision	980			
Expenditure				
Remaining budget	0			

- 6.1. **Effect of the Decision:**
This report recommends commitment for the replacement of boilers, cooling system, Building Management System (BMS) and associate roof works in the Clocktower complex and Town Hall. The decision will enable the order to be issued for the project to continue in line with the target programme and as described in the specification included within the tender documents.

- 6.2. **Risks:**

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Heating & Cooling System Works – Loss of Heating / Cooling during the Winter / Summer periods. The works will be programmed so that the heating system elements will be replaced prior to Winter 2014/15 and the cooling system elements prior to Summer 2015.

6.3.

Options:

Option 1 (Recommended) – The replacement of Boilers, Cooling system, Building Management System (BMS) and associated roof Works.

This option would replace business critical infrastructure and bring forward programmed works on the BMS and roof which would avoid additional costs of £12,000 if they were undertaken at a later date (as per Option 2).

Option 2 – The replacement of Boilers and Cooling system only with associated BMS reprogramming.

This option would replace business critical infrastructure and reprogramming of the BMS for the new plant. If the BMS were to be replaced at a later date, it would need to have new programming whilst the roof works would need the replaced plant to be moved to undertake the works. Both BMS and roof works would require additional works than if they were to be undertaken during the Boilers & Cooling replacement works.

Option 3 – The replacement of Boilers, Cooling system, Building Management System (BMS), the refurbishment of Air Handling Units (AHU's) and associated roof Works.

This option would, in addition to the Works under Option 1, also undertake refurbishment of the Air Handling Units (AHU's). The refurbishment of the Air Handling Units (AHU's) at the same time as the critical works would not provide savings and can be reprofiled for a later date in the next 1-2 years.

6.4.

Future Savings / Efficiencies:

The new equipment will be 10% more energy efficient with anticipated maintenance costs reduced by 50% due to improved reliability. This will save £40k on energy, CRC (Carbon Reduction Commitment) and maintenance costs while reducing carbon emissions by 648 tonnes per annum.

Detailed energy savings will be quantified and if possible opportunity to use lower cost financing from the "London Energy Efficiency Fund" will be explored.

Approved by: Dianne Ellender, Head of Finance and Deputy Section 151 Officer

7. COMMENTS OF THE COUNCIL SOLICITOR

1.14. The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999.

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

8. HUMAN RESOURCES IMPACT

- 1.15. This report does not directly raise considerations of staffing levels, restructuring/regarding, TUPE implications, recruitment, employee relations, the Council's personnel policies or other Human Resources matter and therefore has not sought approval from Human Resources,

Approved by: Deborah Caliliste, HR Business Partner on behalf of the Director of Workforce

9. EQUALITIES ANALYSIS

- 1.16. An initial Equalities Impact Assessment (EIA) has been conducted and there are only positive impacts identified arising from the award of the proposed contract. These included adequate access provisions for both public and staff during the works.

10. ENVIRONMENTAL IMPACT

- 1.17. The Contractor will produce a site waste management plan for these works and aim to recycle more than 80% of materials.
- 1.18. The refurbishment will provide facilities which are more energy & resource efficient.

11. CRIME AND DISORDER REDUCTION IMPACT

- 1.19. There are no direct crime and disorder impacts identified as a result of the proposed contract award.

12. FREEDOM OF INFORMATION (FoI) / DATA PROTECTION CONSIDERATIONS

- 1.20. There are no specific Data Protection considerations arising from this report.

The Council's Procurement Strategy and Tenders & Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council's Publication Scheme. Information requested under that Act about the specific procurement exercise and contract which are the subject of this report, held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.

13. CUSTOMER IMPACT

- 1.21. There is no specific Customer impact arising from the award of this contract.

14. HUMAN RIGHTS IMPACT

- 1.22. There are no impacts or breach identified, of the Human Rights Act 1998 introduced into UK law many of the rights in the European Convention on Human Rights (Convention Rights), arising from the contract award

15. CONSULTATION

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1.23. Initial consultation on planning permission, traffic orders and licences for these works has been completed with the final submissions to be completed by the contractor once appointed.

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