

## Part A Report

<b>REPORT TO:</b>	<b>Cabinet Member for Economic Development</b>
<b>AGENDA ITEM:</b>	<b>Background to item 13 – Cabinet 19.01.15</b>
<b>SUBJECT:</b>	Connected Croydon - London Road High Street, Building Front Improvement Works
<b>LEAD OFFICER:</b>	Colm Lacey, Director of Development
<b>CABINET MEMBER:</b>	Cllr Toni Letts, Cabinet Member for Economic Development And: Cllr Simon Hall, Cabinet Member for Finance and Treasury
<b>WARDS:</b>	<b>Thornton Heath and Broad Green</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> The London Road Improvements project (the London Road project) is part of the overall High Streets project is a component of the Council's Connected Croydon Programme (CC). The projects within the Programme have been approved individually as they have become ready for implementation. <ul style="list-style-type: none"><li>• Connected Croydon is a £52m programme of coordinated public realm projects (the projects) and transport improvements that will transform Croydon Metropolitan Centre (CMC) into a more walkable and liveable place.</li></ul>	
<b>FINANCIAL IMPACT</b> Approval of the recommendation to award construction works services contract for London Road High Street Building Frontage Improvement Works Secured funding is from the MRF and there are no revenue consequences of this recommendation.	
<b>KEY DECISION REFERENCE NO.:</b> This is not a Key Decision	

### 1. RECOMMENDATIONS

- 1.1. The Cabinet Member for Economic Development in consultation with the Cabinet Member for Finance and Treasury is recommended to approve the award of a construction contract for the works required for London Road High Street Building Front Improvements in the sum of £543,224 plus £61,000 contingency to give a maximum total contract sum of £604,224 to the contractor detailed in the associated Part B report.

## 2. EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to advise the Cabinet Member of the tenders received and the evaluation undertaken further to which the recommendation is made for award of the contract for Building Front Improvement (BFI) works (the works) for the - London Road High Streets Connected Croydon Project.
- 2.1.1 The procurement strategy was approved by the Contracts and Commissioning Board (ref: CCB0905/14-15).
- 2.2 The Cabinet Member for Finance and Treasury has been consulted on this report and the recommendation in it.

## 3. DETAIL

- 3.1 The London Road High Street BFI project is part of the overall High Streets project and is a component of the Council's Connected Croydon Programme.
- 3.2 The overall High Street Project has the following objectives:
- To set a high quality benchmark for public realm improvements in Croydon Opportunity Area in line with the design criteria in the Public Realm Design Guide (adopted April 2012);
  - Improve the perception of Croydon Town Centres high streets;
  - Deliver targeted public realm improvements;
  - Deliver targeted building improvements;
  - Improve the pedestrian and cycle environment;
  - Improve safety and security for businesses and other users;
  - Strengthen and support diverse local businesses on the high streets;
  - Connect peripheral high streets with regeneration plans in the centre.
- 3.3 The targeted building front improvement works (the subject of this report) involve 45 properties along London Road and comprise of works such as:
- cleaning frontages;
  - repainting frontages;
  - improvements to signage;
  - new shop fronts;
  - new windows;
  - new security shutters;
  - Installation of elements such as awnings.
- 3.4 A prioritisation strategy was developed which assessed buildings and businesses to determine which were to be included in the High Street BFI improvements scheme, the following criteria was used for this assessment:
- **Local Asset** – contributing to the high street's reputation as a unique and diverse shopping destination or contribution to the high street by providing

essential services or goods to the community. A building is also judged to be an asset if it is of historical or characterful architecture

- **Low Quality>High Impact** – assessment of the existing building frontages condition and whether a relatively modest investment can contribute significantly to the visual uplift of the area (eg. a coat of paint)
- **Strategic Location** – this is determined by the overall design strategy, whether the building is in a key vista inviting pedestrians further into the area or another key node, for example, whether the building is at a corner linking the high street to residential areas and visually prominent

The scoring system allocated 0 – 3 points in each category, the properties with the highest number of points were identified to receive works under the GLA (MRF) funding agreement.

- 3.5 The construction works, utilising a JCT Intermediate contract, are scheduled to commence in January/February 2015 and be completed in May 2015

### **Procurement Approach**

- 3.6 The procurement strategy to invite tenders using the Council approved list for construction companies 'Constructionline' was agreed by the Contracts and Commissioning Board on the 7 July 2014 (Ref CCB0905/14-15). Five construction companies were invited to tender against a detailed works specification. Two (2) tenders were received by the deadline of 5pm 30 October 2014.
- 3.7 Upon submission of the tenderers proposals, which included responses to qualitative and commercial questions and price, the Project evaluation team assessed the details to ensure compliance with all relevant standards and regulations and to ensure that the recommendation provides value for money.
- 3.8 The tender evaluation was based on a comprehensive evaluation matrix adopting the Council standard approach i.e. quality (40%) and price (60%).
- 3.9 Dialogue with seven of the identified shop front owners regarding final design necessitated post-tender clarification to ensure the minor changes were properly reflected in the bid submissions thereby ensuring cost accuracy
- 3.10 As the contract clarifications and minor design changes did not constitute material change to the contract, only the two companies who submitted tender responses were asked to submit revised prices. These were received from both tenderers by the re-submission deadline of 5pm 21 November 2014.

### **Evaluation**

- 3.11 **Quality** - This represented 40% of the overall marks and was evaluated using the tenderers response to four questions covering Experience, Methodology, Capacity & Resources and Quality. References were also requested.

- 3.12 **Price** - This represented 60% of the overall marks. The tenders were scored against the lowest arithmetically correct and compliant tender price. This received the full 60% available for the section, with other bids weighted against this benchmark and given a score accordingly.
- 3.13 The scores for quality and price were added together and the highest scoring bidder recommended for award of contract having demonstrated the Most Economically Advantageous Tender.

#### **4. CONSULTATION**

- 4.1 Various stakeholder groups have been consulted as part of the High Streets London Road BFI works, specifically:
- May/June 2012 – Local councillors were given a walk and talk session to establish key issues at an early stage in the process.
  - The Design was subject to a formal public consultation between 10 June 2013/10 July 2013
  - A number of public drop-in sessions were held on 16th June/ 23 June/evening of 26 June 2013.
  - Project stakeholders include TFL and GLA have been consulted with during the initial stages of the project.
  - Further consultation will take place with all project stakeholders during the design, construction and implementation of the project

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 Budgetary provision for these works exists as part of the Connected Croydon Programme
- 5.2 **The effect of the decision:** Detailed in part B of this report.
- 5.3 **Risks:** As part of the scheme and agreed by the GLA shop front owners are asked to contribute 10% to the total build costs, there is a risk that during the works some 'shop front' owners may fall into financial hardship and can no longer pay this contribution, this will leave a cost pressure to the project, of approximately 2% (c£11k). In mitigation, the GLA has agreed they will accept additional MRF requests to cover this amount if necessary.
- 5.4 **Options:** No other options are being considered in the award of this contract
- 5.5 **Future savings/efficiencies:** No future savings or efficiencies have been identified associated with the undertaking of the works.

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

#### **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 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 the statutory duty to demonstrate best value under the Local

Government Act 1999.

(To be Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

7.1 There are no Human Resources considerations arising from this report.

Approved by Adrian Prescod, HR Business Partner, for and on behalf of Director of Human Resources, Chief Executive department)

## **8. EQUALITIES IMPACT**

8.1 Each High Street project has a detailed Equality Impact Assessment (EQIA). The EQIA will continue to be update following each phase of this project

## **9. ENVIRONMENTAL IMPACT**

9.1 The proposals for London Road Public Realm Improvement project (including the building frontages improvements project) have been carefully developed to ensure a positive environmental and design impact.

9.2 The main environmental impacts / benefits of the wider project include:

- Improved signage (shop sign and projecting signs)Improved shop lighting and security measures such as recessed roller shutters
- Aesthetically pleasing and more welcoming fresh look to the general appearance of the buildings
- Restoration of old building features such as pilasters etc

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There are no immediate Crime and Disorder consequences of this proposal, however, there is consensus that regeneration such as this reduces the fear of crime.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 Following analysis of the commercial and qualitative aspects of the tenders received, it is recommended that the contract for the provision of works for London Road High Street Building Frontage Improvements be awarded to the company whose tender will be most advantageous to the Council taking account of quality and price.

## **12. OPTIONS CONSIDERED AND REJECTED**

12.1 No appropriate alternative delivery options were identified. Since the recommendation was compliant, reliably and professionally quantified, no further options were considered.

**CONTACT OFFICER:**

<b>Name:</b>	Paul Forrester
<b>Post title:</b>	Senior Project Manager
<b>Telephone number:</b>	60041

**BACKGROUND PAPERS**

None