

Report for: **Leader Decision for Contract Award 30th March 2021 Pursuant to Contract Standing Order 16.02**

Title: Canning Crescent N22, Adaptions & Conditions for Mental Health Recovery College - Construction Contract Award

Report authorised by: Charlotte Pomery, Assistant Director Commissioning

Lead Officer: Sukh Lall, Project Manager, Major Projects, 07482 216 719, Sukh.Lall@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key decision

1. Describe the issue under consideration

- 1.1. Pursuant to Contract Standing Order 16.02 (Leader decision), This report seeks approval to appoint the recommended contractor, Cosmur Construction Limited, to deliver the refurbishment works at the disused Canning Crescent Health Centre, for the total contract value of £2,673,759.89, plus a 10% contingency of £267,375.98 based on Cosmur's tender costs.
- 1.2. This report also seeks approval to issue a letter of intent prior to the formal contract signature in the sum of for £267,375.98 as allowed under CSO 9.07.3.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1 To approve the full award of the construction works (RIBA stage 5-6) contract to Cosmur Construction Limited to deliver the refurbishment works at the disused Canning Crescent Health Centre for the fixed price contract sum of £2,673,759.89, plus a 10% contingency of £267,375.98 based on their tender costs.
- 3.2 To approve the issue of a Letter of Intent prior to the formal contract signature for £267,375.98 being 10% of the contract sum.
- 3.3 To vire £0.98m from the scheme budget to the 2020/21 approved capital programme contingency.

4. Reasons for decision

- 4.1 The Canning Crescent Centre is a former mental health centre in Wood Green. The Council purchased the freehold with vacant possession in February 2019, from Barnet, Enfield and Haringey Mental Health Trust (BEHMHT), following a Cabinet decision in October 2018. The planned refurbishment of the building by March 2022 will enable a set of services to support residents living with mental

health conditions that affect daily life. The works will also allow the Recovery College to be relocated to the Canning Crescent site.

- 4.2 Given issues the construction industry is facing with supply chains due to the Covid 19 epidemic a decision on the contract award at the earliest opportunity will be advantageous and enable early procurement of long lead in items and critical materials such as air source heat pump, curtain walling, and photovoltaic panels to achieve the required completion date of March 2022.
- 4.3 A Leader Signing (pursuant to Contract Standing Order 16.02) is required as there are no Cabinet Meetings scheduled in April or May 2021 due to the forthcoming Mayoral elections. Waiting until June to recommend approval of the construction contract award at a Cabinet meeting would delay the commencement of construction works on site and have an adverse impact on the planned March 2022 delivery date.
- 4.4 The current programme identifies that there will be a mobilisation period for the contractor following any call-in and the preparation of the contract and its issue. Subject to these activities, construction works will start on site by 8th June 2021.
- 4.5 The early contract award will also enable items such as the air source heat pump, curtain walling, and photovoltaic panels to be delivered in time to meet the SALIX funder works before the end of September 2021.

5. Alternative options considered

- 5.1 In-house – There is currently no resource within the Council that has the capacity, specialist expertise or qualifications to deliver this service.
- 5.2 As the Canning Crescent refurbishment project signifies major works the use of the Dynamic Purchasing System was discounted. Strategic Procurement recommended the use of London Construction Programme (LCP) Major Works 2019 Framework under Lot 2.1b (Education & Leisure North £1-£5m) should be used to procure a contractor.

6. Background information

- 6.1 The works have been designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan of Work 2013.
- 6.2 As part of the RIBA stage 2-4 design the following surveys and investigations have been completed:
 - Asbestos R&D survey
 - Topographical survey
 - Preliminary Ecological survey
 - CCTV drainage survey
 - Structural investigations
 - Curtain walling condition survey
 - Building condition survey
 - Roof survey (Drone survey non-intrusive)

- Arborcultural survey
- Fire safety assessment
- Acoustic survey

- 6.3 Whilst a range of surveys have been carried in the preparation of the tender documents for this refurbishment scheme, they will never provide absolute certainty as to the condition of the building. Therefore a contingency has been allowed for in the budget and its use will be carefully monitored and reported upon during the projects progress.
- 6.4 The construction costs given reflect the design in response of the adaptations for service delivery and condition issues as it's an existing building there is always a risk assumptions made may be incorrect as we do not have full historic information of the existing building.
- 6.5 The procurement route was based on a traditional (full design) form of contract - JCT 2016 Standard Building Contract with Quantities.
- 6.6 Nine suppliers under Lot 2.1b LCP Major Works 2019 Framework were invited to submit tenders for the works. Five responses were received and evaluated.
- 6.7 During the evaluation process, post tender clarifications were sought and fully responded to.
- 6.8 A competitive tender exercise for the refurbishment of Canning Crescent Health Centre has been completed via the LCP Framework. Tender returns have been evaluated on a 40:60 Quality:Cost basis.
- 6.9 A quality assessment was conducted by an Evaluation Panel, comprising the Project Delivery Team Project Manager, Lead Design Consultant, and Technical Team Advisor. A pre agreed list of questions relevant to this project was included in the tender as part of the Qualitative Delivery Proposals (QDP). Each question was offered a score between 0 (for question not answered) to 5 (excellent) together with a weighted score.
- 6.10 Tender costs were evaluated on the contractors achieving the minimum 40% benchmark threshold as part of the quality evaluation undertaken with the following outcome.

Contractor	Price	Quality Score	Price Score	Total Score	Comments
Cosmur Construction Ltd	£2,673,759	28.80%	60.00%	88.80%	Compliant
Bidder B	£2,840,327	26.80%	56.48%	83.28%	Compliant
Bidder C	£3,188,648	30.40%	50.31%	80.71%	Compliant
Bidder D	£2,996,904	24.00%	53.53%	77.53%	Compliant
Bidder E	£4,058,983	24.00%	39.52%	63.52%	Compliant

- 6.11 It is therefore recommended that Cosmur Construction Limited are appointed as they are the most economically advantageous contractor in terms of quality and cost.
- 6.12 All works have been specified and measured by independent design and cost consultants to ensure best value for the Council against pre-determined market rates.
- 6.13 The approved budget is £4.98m.
- 6.14 The projected total project cost for the Canning Crescent adaption and refurbishment works to deliver the Mental Health Recovery College are £4.0m including construction, fees, disbursements, ICT and contingency costs. This accounts for the reduction in the construction tender versus the pre-tender estimate and a number of smaller adjustments.
- 6.15 The quantity surveyor for this project is satisfied with the pricing offered by Cosmur Construction Limited against the Pre Tender Estimate of £3,513,168.
- 6.16 A construction tender analysis has been undertaken to ensure the construction costs submitted are in accordance with technical design, invitation to tender documentation and the quantity surveyors pre-tender estimate. Any further requested changes will be captured, scrutinised and validated via Haringey change control management and then submitted for review and approval by the project senior responsible officer and capital finance via Haringey capital delivery reporting processes.
- 6.17 The defects liability period (rectification period) is 12 months.
- 6.18 The contract is to be awarded on a fixed price basis.
- 6.19 The procurement route is based on a traditional (full design) form of contract - JCT 2016 Standard Building Contract with Quantities.
- 6.20 Tenders include all construction costs, site establishment and management costs, contractors overhead and profit.

7. Contribution to strategic outcomes

- 7.1 This proposal will enable the Council to assist the Wood Green Regeneration generally and to support the Council's strategic priorities.
- 7.2 This project supports the objectives of the Borough Plan 2019-23. In particular, Outcome 7 under Priority 2 (People): All adults are able to live healthy and fulfilling lives, with dignity, staying active and connected in their communities. Specifically:
- People will be supported to live independently at home for longer,
 - Adults will feel physically and mentally healthy and well and
 - Adults with multiple and complex needs will be supported to achieve improved outcomes through a coordinated partnership approach.

8. Statutory Officers comments

8.1 Finance

- 8.1.1 This report seeks the approval to award a contract to Cosmur Construction Limited to deliver the refurbishment works, RIBA Stages 5–6, (Construction) at Canning Crescent, for a contract value of £2.674m plus a client contingency of £0.267m.

The scheme is included in the approved General Fund capital programme on the basis that it is self-financing. The current costs for the scheme support it being self-financing.

The projected outturn for the project is set out in the table below:

	2020/2021	2021/2022	2022/2023	Total
	£m	£m	£m	£m
Expenditure to Date	0.324			0.324
Forecast Expenditure	0.079	3.531	0.067	3.677
Total	0.403	3.531	0.067	4.001

- 8.1.2 The approved budget is £4.98m, however, the tender being recommended for acceptance is below the pre-tender estimate and in light of this it is recommended that the budget is reduced by £0.98m and vired to the 2020/21 approved capital programme contingency.

8.2 Procurement

- 8.2.1. Strategic Procurement (SP) note that this report relates to the approval of an award for Canning Crescent (Construction Contract Award) to accommodate the refurbishment works to bring back into use the disused building for the relocation of the Clarendon Road Recovery College and to create 14No short stay respite units.
- 8.2.2. SP support the recommendations in this report in accordance with Contract Standing Orders clause 7.0.1. (b) 10.01.01 (a), and 16.02.
- 8.2.3. Pursuant to CSO 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, SP confirms that tenderers were invited to Tender through the LCP Major Works 2019 Framework under Lot 2.1b.
- 8.2.4. Compliant tenders were received from five contractors with further clarifications needed to achieve the final price.
- 8.2.5. SP note that tender returns were evaluated independently by the Quality Panel prior to release of the Price element of the Tender. Cosmur Construction Limited scored the highest in quality and in price, scoring 88.80% overall.

- 8.2.6. SP notes that as per section 6 of this report, funding is available for this Contract.
- 8.2.7. SP support the recommendations within this report and have no objections with awarding this Contract to Cosmur Construction Limited for £2,673,759.89.

8.3 Legal

- 8.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.3.2. The Council has followed a competitive procurement using the London Construction Programme (LCP) Major Works Framework Agreement. The LCP Major Works Framework Agreement was set up by the Council in accordance with procurement legislation and its use is also permitted by Contract Standing Order 7.
- 8.3.3. The decision to award this contract will be a Key Decision as it involves expenditure of more than £500,000. The award must therefore comply with the Council's governance processes in respect of Key Decisions including publication of the contract in the Forward Plan (see CSO 3.01 (d)).
- 8.3.4. As this contract is valued at over £500,000, the decision to award would usually be taken by Cabinet. Between meetings of the Cabinet, the Leader may take decisions that would normally be taken by Cabinet (see CSO 16.02).
- 8.3.5. The Leader also has power under CSO 16.02 to approve the issue of a letter of intent.
- 8.3.6. The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Leader from approving the recommendations in the report.

8.4 Equality

- 8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 8.4.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.4.3 An Equalities Impact Assessment has been completed for the proposed refurbishment of the Canning Crescent Health Centre, included as Appendix A

to this report, and uploaded on to the Haringey Council website. The EqIA raises no equalities concerns, with the proposed works being conducted in phases, to ensure there is minimal interruption to service provision. The expected impact on protected characteristic groups is either neutral or positive. The following measures have ensured that the works comply with the Council's equalities duties:

- A key objective of the proposed works is to improve the accessibility and amenity of the existing site for staff and service users, including those from the protected characteristic groups. The Council has gone through a traditional design process and has therefore maintained control over the design of the works to ensure that they meet our high accessibility requirements, including DDA compliance under part M of building regulations.
- No reduction in service provision, either during the works or once they are completed.
- Services will be improved through better buildings and IT, making services more accessible and effective;
- Improved access arrangements - lifts will be repaired to give better access to the first floor, and all development will be in line with current DDA requirements;
- New heating will also be installed, making the environment more comfortable for all;
- CCTV and additional security will be of benefit to all in creating a safer environment.

9. Use of Appendices

Appendix A – Part B Exempt Information

10. Local Government (Access to Information) Act 1985

10.1 This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972);

Paragraph 3 - Information relating to financial or business affairs of any particular person (including the statutory holding that information).