

Cabinet Member Delegated Decision 16 August 2017

Report title: Streatham Common Play Area Modernisation – Contract Award

Wards: Streatham South

Portfolio: Councillor Sonia Winifred, Cabinet Member for Equalities and Culture

Report Authorised by: Rachel Sharpe, Acting Strategic Director for Neighbourhoods and Growth

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Report summary

This report recommends that Ground Control Limited is awarded a contract to undertake specified renovation works at Streatham Common Playground following the completion of the procurement process.

It also provides a summary of the single stage tender process undertaken with the outcome, in which Ground Control Limited emerged as the preferred bidder and are to be appointed to renovate the current Playground and toilets located at Streatham Common

Finance summary

All funds allocated to this project are Capital.

Funding Source	Amount £	Status of Funds
Capital Reserves	£605,000.00	Approved
Section 106 Receipts	£32,454.63	Approved
Community Infrastructure Levy	£180,000	Approved
Total Funds available for this project	£817,454.63	

The forecast spend for this project is:

	previous years' spend	2017-18	2018-19	total
TOTAL	£68,526	£748,929	£0	£817,455

Spend to date is £78,103

Recommendation

To award a contract to Ground Control Limited to carry out renovation works to the Streatham Common Playground and toilets for the contract sum of £634,807.04 to commence on 4 September with a works period of 14 weeks and 12 months defect rectification period.

Reason for Exemption from Disclosure

The attached part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

1. Context

- 1.1 The purpose of this project is to replace the dilapidated play facilities in Streatham Common with more modern and fit-for-purpose facilities that cater for children in the age range from toddlers to pre-teens. This will provide an environment for families to enjoy leisure time and socially interact with other children.
- 1.2 The playground development is Phase One of a two phased approach to regenerating the site of the playground, toilets and depot facilities on Streatham Common. This project was developed as a priority and outlined in the borough-wide Parks and Open Spaces Capital Investment Plan 2014/15 - 2018/19. This plan was based on available evidence, local consultation, and alignment to a set of prioritised criteria. It addressed issues of underinvestment as well as taking into account future population increases and income generation opportunities to enable reinvestment in the parks facilities. On 12 January 2015, Cabinet approved the plan and the implementation of the recommendations.
- 1.3 Public demand has driven the approach to deliver the playground first. This will enable the site to be utilised, while further feasibility studies are carried out to assess the viability and possible use of the associated buildings on this site.
- 1.4 The desire of key stakeholders is to have the toilets refurbished and a refreshment kiosk available for users of the playground. This would greatly improve the experience and also provide a measure of safeguarding evolved from the presence of staff in the kiosk.

2. Proposal and Reasons

- 2.1 The Stage 1 project is in response to the need to transform the play space to provide much needed modernisation of facilities that help support health and well-being for families and young people using the Common. The completion of the project will deliver a long awaited modern facility which will enhance the overall offer of Streatham Common.
- 2.2 As part of Phase 1, architects are developing an outline design for a refreshment kiosk and the Valuation and Strategic Asset team are in commercial discussions with potential operators of such a facility. Subject to sign-off from relevant officers and Members, the initial design options for the kiosk are scheduled for presentation to the Steering Group in August 2017.
- 2.3 This project will deliver against several priority outcomes in the Borough Plan with a specific focus on building strong, sustainable neighbourhoods and facilitating inclusive growth.
- 2.4 This report seeks to award a contract to the winning tenderer to carry out the refurbishment works in order to deliver the new playground facilities.
- 2.5 A detailed evaluation process was undertaken in order to reach a conclusion to award the contract. At the conclusion of the evaluation process Ground Control Limited's bid provided the Most Economically Advantageous Tender and, therefore emerged as the preferred bidder.

- 2.6 The summary of the tender evaluation is outlined in Section 9.3 of this report.
- 2.7 The standard JCT Intermediate Building Contract with contractor's design (ICD), 2016 Edition will be used for these works. The contract will be monitored by the Contract Administrator, whose role includes regular site visits and supervision of the works, including compliance with Construction and Design Management Regulations.
- 2.8 A pre-start meeting will be held in August with the contractor following award of the contract, which will outline the expected behaviours during the project for all parties.
- 2.9 Monthly contract progress meetings will be held to monitor the progress of the onsite contract works. Meetings will be chaired by the Contract Administrator (CA). The CA will also provide the client with cost updates and review the construction programme. These meetings will be attended by the Contract Administrator, Contractor, QS and the Client PM. The Client PM will then inform the Stakeholders of the contract progress via separate meetings / emails.

3. Finance

- 3.1 The budget for this project is capital and comprises:

Funding Source	Amount £	Status of Funds
Capital Reserves	£605,000.00	Approved
Section 106 Receipts	£32,454.63	Approved
Community Infrastructure Levy	£180,000	Approved
Total Funds available for this project	£817,454.63	

- 3.2 The forecast spend for this project is:

	previous years' spend	2017-18	2018-19	total
Internal fees	£19,759	£18,000	£0	£37,759
External fees	£48,767	£40,929	£0	£89,696
works	£0	£634,807	£0	£634,807
contingencies	£0	£55,193	£0	£55,193
TOTAL	£68,526	£748,929	£0	£817,455

The contract is expected to last for 13-14 weeks, with a 12 month defects/rectification period. The payments are made to the contractor in stages and at practical completion the payments will be made up to 97.5% of the total amount due under the contract. The remaining 2.5% is withheld (as an accrual) until the final account is agreed at the end of the 12 month defect rectification period.

4. Legal and Democracy

- 4.1 The delegated authority to deal with the matters detailed in this report is vested in the Cabinet Member for Equalities and Culture.
- 4.2 Part of the contract sum will be funded by s106 developer contributions. S106 agreements under the Town & Country Planning Act 1990 provide for developer obligations to reduce or offset any harmful impacts of a development. These can include contributions to facilities at a local level. Any money paid over for such a purpose must be applied for the agreed purpose/s set out in the agreements.
- 4.3 The Council's Contract Standing Orders require that contracts worth a value of more than £100,000 should be competitively tendered. The value of this contract falls below the threshold at which the Council is obliged to publish a contract notice in the Official Journal. The Council should nevertheless tender the contract opportunity in accordance with the principles of the European Procurement

Directive, including that it is transparent and fair. The procurement procedure detailed in paragraph 8.3 sets out how this was done.

- 4.4 The JCT Intermediate Building Contract with contractor's design is a standard industry contract which is generally suitable for building contracts of this size and nature. The report author acknowledges the requirements of the Construction and Design Management Regulations and addresses compliance in paragraph 9.4.1.
- 4.5 This proposed key decision was entered in the Forward Plan on 2 December 2016 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period - must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

Full consultation exercise was carried out on the development of the Playground facilities at Streatham Common. A steering group was formed consisting of the key stakeholders including internal stakeholders, Councillors and Officers and external stakeholders made up of local residents and park users.

Formal consultation on the various proposals was undertaken employing a variety of methods to engage the public in the consultation exercise. The public was encouraged to give feedback on the proposals by:

- A one day drop in session held at a local supermarket on 15 December 2016. The public were signposted to the online survey, and hard copy survey forms were available for the public to provide feedback on the proposals.
- Hard copy surveys made available for the weekend of 17th December 2016 at the Christmas Fair held at the Rookery
- Online via the Council's website

The responses were collated and evaluated by Chris Blandford Associates. 219 replies were received in total, 156 surveys were completed online and 63 via hard copies.

Following the closure of the public consultation a report was submitted to the Steering Group for consideration. As there were no overwhelming objections to the proposals, the Steering Group decided to proceed with the proposed plans as submitted to the public without alteration.

6. Risk management

- 6.1 As the project progresses risk will be assessed and managed through a risk register. Risks will also be reported on a monthly basis through the project overview report. Risks and issues will be kept under control by the project manager and reported upwards to the officer with responsibility for project assurance. The process will be monitored through the Programme Management Office.
- 6.2 The Contract is being let on a standard Intermediate Form of Building contract, with Contractors design, 2016. This is on a drawings and specification basis, which the Contractors priced in

competition. The only elements of contractor design is irrigation, drainage and swale design. The remainder of the design is produced by Chris Blandford Associates, the Lead Consultants.

There was an allowance in the £700,000 budget of £65 000 for contingency. The tender documents identifies £30 000 of provisional allowances for contingency items and this is in the tender sum from GCL of £634,807.04.

The current known risks are:

#	Potential Risk	Level	Mitigation
1	Unknown elements uncovered during the construction process	Low	A range of surveys have been carried out to reduce the risk of unknown construction issues. These risks are highlighted in the risk register with the identified risk level and mitigating response.
2	Shortfall of funds due to unforeseen works	Medium	There is a works contingency of £55,193 available to cover any unexpected expenses.
3	Severe weather conditions causing overrun on the programme of works	Medium	The contractor has accepted the programme and the onus of delivering it on time does lie with them. This would be mitigated by monitoring the works closely and ensuring all instructions to the Contractor are via the Contract Administrator (CBA).

7. Equalities impact assessment

An Equalities impact assessment was carried out, which indicates mostly positive or no impact on each characteristic listed. The improved facility will be positive for all current users who have been actively campaigning for the facility to be upgraded for some time. It will also allow the facility to be used by more participants due to the improved accessibility.

8. Community safety

- 8.1 During the construction phase of the development, the contractor will be required to provide a method statement to outline how they will work safety while the public still have access to the Common. These measures will be monitored throughout the construction.
- 8.2 Section 17 of the Crime and Disorder Act 1998 imposes a general duty on local authorities as follows: "Without prejudice to any other obligations imposed upon it, it shall be the duty of each authority to exercise its various functions with due regard to the likely effect of the exercise of those functions, on and the need to do all it reasonably can to prevent crime, disorder and substance misuse in its area". Compliance with these requirements may therefore include a twofold consideration i.e. having due regard to the likely effect of a decision on crime and disorder and doing all it "reasonably" can to prevent crime and disorder. Successive surveys have shown that fear of crime in the Borough is the number one concern of residents. The design of the works that form stage 1 of this project seeks to minimise the opportunity for crime and anti-social behaviour.
- 8.3 A busy park has the potential to enhance community safety outcomes and act as safe and welcoming places for positive activities to take place. Investing funding in improving the play area will improve the user experience and provide better, fit-for-purpose facilities, with an anticipated knock on effect of increased visitor numbers and enhanced natural surveillance.

- 8.4 Streatham Common Playground is located on border with Streatham High Road. The location has several mature trees, but is generally visible from most area of the common and does not have any hidden or secluded areas that would attract anti-social behaviour. The design of the new playground will further enhance the feel of an open, and safe environment.

9. Organisational implications

9.1 Environmental

This project will improve existing facilities and input from local communities has ensured any improvements are in line with the quality and character of the park. Due to risks to park users, the entire play area will be closed to the public for the estimated fourteen weeks that construction works are taking place. During this period, the nearest alternative play areas will be 1.5km away at Streatham Vale Recreation Ground and Norbury Park. Environmental implications arising from construction works will form part of the successful contractor's quality plan.

9.2 Staffing and accommodation

None as a result of this report; a project manager (0.3FTE) within Neighbourhoods and Growth is already tasked with delivering this project.

9.3 Procurement

- 9.3.1 The Contract Standing Order requirements for procurements above the value of £100,000 was followed in order to procure the services of a main contractor for this project, and a rigorous procurement exercise was undertaken in line with Lambeth's procurement guidelines. Which consisted of a single stage competitive tender exercise comprising:

- Competitive tender exercise
- Evaluation
- Award of Contract

- 9.3.2 The tender process was initiated on EU Supply on 21st March 2017, in which six contractors selected from ConstructionLine were invited to participate in a competitive tender process, resulting in four out of the six contractors submitting bids on 3rd May 2017.

- 9.3.3 Following the initial evaluation, some discrepancies were found in the pricing submissions that required post tender clarification which also included the clarification of certain areas in the specification that had been omitted by the contractors which included errors in calculations and the submission of various documents. After this the Tender Evaluation Process was concluded on 18th May 2017.

- 9.3.4 The tenders were evaluated by the Project Manager, a representative from the Lead Consultant and a Quantity Surveyor, supervised by a member of the procurement team, using the tender evaluation methodology that was set out in the tender documents, which was 80% price and 20% quality.

9.3.5 Quality:

As well as providing a priced schedule of works, contractors were asked to complete as part of their quality submission a method statement and answer questions under the following categories:

Items	Maximum Number of points out of 100
Methodology	30
Programme	15
Customer/Client relationships and Social Value	15
Health & Safety	20
Resource Structure	20
Total Points Achievable	100

The total points awarded was then weighted by 20% to provide the points score

9.3.6 Price

The prices were evaluated based on the lowest bid achieving full marks (80%)

9.3.7 The Contract Administrator will also be responsible for issuing valuation certificates and instructions to the contractor during the works and conducting the final inspection and snagging of the works on completion.

9.3.8 The Lambeth Project Manager will be responsible for agreeing the valuation certificate and approving payments for contractors and consultants at relevant stages of the contract.

9.3.9 Upon completion the newly installed Playground will be inspected and certified by an Official ROSPA inspector.

9.3.10 Contract Review report will be completed at the close of the project.

9.4 Health

9.4.1 Lambeth's health issues reflect it as being an inner city urban area with a young population profile with a mix of deprivation and affluence. For the first time, children's obesity levels at reception year are below the London average, although overall rates remain high. Recognition of the health value of high quality green space is growing with open spaces viewed clearly as contributors to improved physical health. High quality play areas are acknowledged as a positive outdoor family activity that promotes social inclusion and cohesion; a priority for the borough.

9.4.2 The completion of this project will support the key objectives for Neighbourhoods:-

- People are healthier for longer
- People take greater responsibility for their neighbourhoods
- All Lambeth Communities feel they are valued and part of their neighbourhoods

10. Timetable for implementation

Activity	Proposed Date
Tender evaluation	18 th May 2017
Procurement Board Review date	20 th June 2017
Cabinet Member Decision	16 August 2017
Call In Period Ends	23 August 2017
Contract award	24 August 2017

Audit Trail				
Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Councillor Sonia Winifred	Cabinet Member Equalities and Culture	21.07.17	24.07.17	Cleared
Councillor John Kazantzis	Neighbourhood Lead, Streatham and Ward Councillor, Streatham South	13.6.17	27.6.17	
Councillor Clair Wilcox	Ward Councillor, Streatham South	13.6.17	27.6.17	
Councillor Danial Adilypour	Ward Councillor, Streatham South	13.6.17		
Rachel Sharpe for Sue Foster	Strategic Director for Neighbourhoods and Growth	03.08.17	07.08.17	
Ian Speed, Finance	Corporate Resources	30.5.17	31.5.17	
David Thomas, Legal Services	Corporate Resources	30.5.17	6.6.17	
Maria Burton, Democratic Services	Corporate Resources	30.05.17	31.5.17	
Andrew Burton, Head of Capital Programmes	Neighbourhoods	30.05.17	14.7.17	3 (reflecting 14/7 ODDR)
Raj Mistry, Assistant Director	Neighbourhoods	8.6.17	3.7.17	
Yvonne Hardy, Assistant Head (Directorates)	Valuation and Strategic Asset	8.6.17		
Sandra Roebuck, Assistant Director	Investment & Growth	8.6.17	14.7.17	
Florence Ahiente	Procurement	24.5.2017	25.5.2017	Whole Document
Chris Blandford Associates	Phillip Porter	24.05.2017	31.5.17	
Ken Howard	William G Dick Ptns.	24.05.2017	25.05.2017	Whole Document
Procurement Board	20.06.17			

Report History	
Original discussion with Cabinet Member	22.10.15
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	02.12.16
Key decision reasons	Expenditure, income or savings in excess of £500,000

Background information	<u>Parks & Open Spaces Capital Investment Plan 2014-19</u> <u>Cabinet Approval to Parks & Open Spaces Delivery Plan 12 January 2015</u> <u>Streatham Common Playarea Modernisation ODDR</u> <u>http://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=3965</u>
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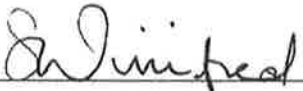
APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature:  **Date:** 23/8/17

Post: Caroline Streeks
Project Manager (Neighbourhoods)

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature:  **Date:** 16/8/17

Post: Cllr. Sonia Winifred
Cabinet Member for Equalities and Culture