



ADUR & WORTHING
COUNCILS

Executive Members for Resources
6 September 2021

Decision to be taken on or after
14 September 2021

Key Decision: Yes

Ward(s) Affected: Central Ward, Worthing

Letting of construction contract for refurbishment works at Worthing Town Hall and Portland House, Worthing in relation to the Workspaces AW project

Report by the Director for the Economy

Executive Summary

1. Purpose

1.1 The Council's intention is to enter into a contract with the successful contractor to refurbish Worthing Town Hall and make Portland House ready for tenants to enable the Workspaces AW Project to progress.

1.2 This report outlines the process that has been undertaken to tender and evaluate potential providers of this service and recommends that a contract is awarded to A&F Pilbeam Construction Ltd.

2. Recommendations

2.1 To approve the award of this contract to A&F Pilbeam Construction Ltd on the terms set out in this report and authorise the Council to enter into the Construction Contract with A&F Pilbeam Construction Ltd .

2.2 To approve the use of £1,123,907.34 of the AW Workspaces budget for this purpose.

2.3 To approve an increase to the overall budget of £237,880 to accommodate the works being undertaken on behalf of the new tenants of Portland House. The cost of these works are being funded by the tenants.

1. Background

3.1 The Joint Strategic Committee Considered a report titled “WorkspacesAW - Designing a new model of working following Covid 19” at its December 2020 meeting. Covid19 has led to home working for the vast majority of the Councils’ desk based staff with the offices being significantly quieter as a result of the government’s request for workers who can work from home to do so. The required changes were brought in rapidly and successfully in March 2019, with minimal disruption to service provision.

3.2 In response, a review has been undertaken to understand whether the organisation can reduce the office space it occupies to respond to these new ways of working, to generate a revenue saving to contribute to the Council’s Medium-Term Financial Strategy and to realise wider benefits associated with flexible working. A project team was set up and has, to date:

- Considered the changing requirements of the workplace for a work pattern with an increase in working from home;
- Sought to understand what amount of office accommodation was needed for staff should home working patterns continue to pervade;
- Worked to identify whether there was demand for any office space that could be vacated;
- Assessed what needs to be considered to support staff to work from home, for example in relation to Health & Safety;
- Identified any unintended consequences of reducing our office spaces;
- Scoped out the associated workstreams such as staff engagement, travel planning, digital & IT requirements, and customer service implications of any project.

3.3 The initial phase of this project is the removal of asbestos from parts of Worthing Town Hall; this work was completed in March and April 2021. The second phase involves the refurbishment and construction works to Worthing Town Hall to update it to modern office layout and standards; and to Portland House to make it ready for the Sussex Partnership NHS Foundation Trust who will become the Council’s tenant.

3.4 With the Town Hall being quieter than normal due to staff continuing to work from home, it has been decided that this provides a unique opportunity to undertake the works. The work will enable alteration, refurbishment and maintenance works to be carried out safely and efficiently with reduced disruption to colleagues. It will also enable fire separation works to be carried out in the roof space as required in the current fire risk assessment and the installation of solar PV, one of a number of improvements to the Town Hall to meet the carbon neutral by 2030 target.

1. Tender Process

4.1 The works were procured through a closed tender via the Council’s electronic tendering portal, InTend. The contract was published on InTend on 18/06/2021 with a procurement period of 5.5 weeks and a tender return date of 28/07/2021.

4.2 The tender assessment process is summarised in the below table:

Stage of process		How it is assessed	Scoring method
Stage 1 – Selection Criteria Self-Declaration		Bidder to confirm that they meet the minimum criteria as per Self-Declaration Checklist	PASS/FAIL
Stage 2 - Award	Quality	Evaluation of responses to Method Statements	40%
	Price	Evaluation of Price Schedule	60%
Stage 3 - Verification		Selection Criteria checklist evidence – preferred bidder only	PASS/ FAIL

4.3 Four tenders were received, all of which were found to be fully compliant in that all requested documentation were returned. The tender report provides more information on how the tenders were evaluated.

4.4 Having scored all of the tenders, it is the opinion of the evaluation team that A&F Pilbeam Construction Ltd meets all requirements and offers the best option in terms of both cost and quality of service.

4.5 A&F Pilbeam scored 40% out of 40% for their quality submission and 60% out of 60% for their price submission giving a total score of 100%.

4.6 The preferred bidder's cost for undertaking the works is £1,123,907.34, which is within the financial envelope that the Council approved at the December 2020 meeting of Full Council. Due to the way in which the preferred contractor priced the schedule of works further discussions are required to ensure that all mechanical and electrical works have been included in the contract sum. Furthermore, an area for a contractor's compound needs to be identified, along with the phasing of the project. As a result of this it is recommended to increase the client contingency to £100,000 from the current level of £50,000 to cover these elements and any additional works required.

4.7 A financial check has been requested on the preferred bidder and this indicates a 'low-moderate' risk.

5.0 Other options considered

5.1 Do not award a contract - Worthing Borough Council has a requirement to provide a safe workspace and had planned to undertake a number of elements of this project through its planned Capital Programme this approach could still be undertaken. Having considered a report at Joint Strategic Committee and subsequently at Worthing Borough Council's Full Council meeting the Council is committed to delivering these works through the WorkspacesAW project as this enables a wider spend to save business case to be presented and enables a commercial income stream to be generated to reduce the overall cost to the council. This option is therefore not recommended.

6.0 Financial Implications

6.1 The budget for the project approved by members was £2.3m. Subsequently the Council was successful in attracting funding towards secondary glazing and LED lighting via the Public Sector Decarbonisation Fund which will be delivered as part of this contract and has been consolidated into the overall budget for the scheme.

6.2 The proposed contract will also be delivering improvement works for the new tenants which will be funded by the tenant. The cost of these works needs to be incorporated into the current budget.

6.3 As a result of the changes above the budget for the project is now £2.6m

	£
Budget approved by Committee 1/12/2020	2,335,720
Externally funded items:	
Secondary Glazing	39,000
LED lighting	62,000
Contribution from tenant	237,880
Proposed AW workspaces project	2,674,600

6.4 Overall the project is expected to lever in net savings of £364,930 per year in running costs which will payback the investment in 6.4 years. After allowing for debt charges of £177,000, the expected net saving is £187,930.

6.5 There is sufficient budget available to fund the proposed contract.

7.0 Legal Implications

7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.

7.2 S1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

7.4 S1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.

7.5 The value of the proposed works is less than the relevant threshold for public works contracts, and therefore a compliant tender process should be carried out in accordance with the Council's Contract Standing Orders.

7.6 The Council must ensure that the works are carried out in accordance with the Control of Asbestos Regulations 2012.

Background Papers

- WorkspacesAW - Designing a new model of working following Covid 19; Report by the Director for Digital, Sustainability & Resources; Joint Strategic Committee; 1st December 2020

Officer Contact Details:-

Cian Cronin

Head of Major Projects & Investment

07824 343896

cian.cronin@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified

2. Social

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Redesigning our office spaces and work styles provides an opportunity to review and improve the accessibility and inclusiveness of our services and of work environments for our staff. Equality Impact Assessments will be embedded into the work to insure that any potential adverse effects are mitigated and opportunities for improvement are embraced. Examples include carrying out Equality Impact Assessments on home working models and embedding accessibility standards into any accommodation redesign.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. Environmental

As part of the project, the Council will improve glazing and install LED lighting reducing the carbon footprint of the Town Hall.

4. Governance

Delivery of the project will enable the Council to improve the efficient use of our built assets and contribute to balancing the Councils budget.

The project offers the opportunity to work with another public sector body enhancing our reputation as a good partner.

As part of the project, new Health and Safety policies will be developed to ensure safe working from home practices.