

March 2022

Report of	Assistant Director of Corporate and Improvement	Author	Richard Block Richard.block@colchester.gov.uk
Title	Award of Contract for Refurbishment of Rowan House		
Wards affected	Castle		

1. Executive Summary

- 1.1 Rowan House is the Council's main base for office-based workers. Plans to decarbonise Rowan House and redefine how it is used after the Pandemic were considered at the meeting of Cabinet on 10 March 2022. Cabinet approved plans to decarbonise and transform the building and resolved that Authority be delegated to the Assistant Director of Corporate and Improvement, in consultation with the Portfolio Holder for Business and Resources to undertake appropriate procurement in line with the Council's Contract Procedure Rules and to award contracts to contractors that score highest against evaluation criteria within the approved budget.
- 1.2 An open procurement process has now been undertaken and all bids evaluated. A contract now needs to be awarded to the preferred bidder using urgency provisions.

2. Recommended Decision

- 2.1 To award a contract for the refurbishment of Rowan House to M3 Design Development Ltd.

3. Reason for Recommended Decision

- 3.1 The award of the contract for the refurbishment of Rowan House has been subject to an open procurement exercise.
- 3.2 The recommended bidder has provided the best offer based on an evaluation of their bid considering their bid price, technical submission, skills and experience and their Social Value offer.

4. Alternative Options

- 4.1 Not to appoint a contractor; This would delay the refurbishment of Rowan House and result in the loss of government funding secured to decarbonise the building.
- 4.2 Not to appoint the highest scoring contractor; but this would most likely result in a legal challenge under the Contract Procedure Rules.

5. Background Information

- 5.1 Plans have now been developed to decarbonise Rowan House and redefine how it is used after the Pandemic, reducing the Council's requirements for office space to 1 floor.
- 5.5 The first element of the transformation of Rowan House is the installation of a new low carbon heating and ventilation system and LED lighting. This will use modern technology and will reduce annual carbon emissions by almost 140 tonnes. The Council has made a successful bid to the Public Sector Decarbonisation Fund to support this work to the value of £527K.
- 5.6 In future the office space at Rowan House occupied by the Council will become a hub for staff to visit when they need to collaborate with other staff, customers and partner organisations, with greater levels of home working at other times.
- 5.7 A move to occupy one floor will require the floor space to be completely redesigned and repurposed. Subject to agreeing terms with a tenant, the cost of this could be covered entirely by new rental income from leasing the floor space that is vacated.
- 5.8 Significant activity has been undertaken to complete detailed designs and develop specifications to deliver these works. However, due to concerns about inflation of construction costs, plans have been delayed allowing any potential cost increases to be fully analysed and for market engagement to be conducted to understand any potential cost pressures.
- 5.9 An open procurement process has now been undertaken and all bids evaluated. The tendering process was managed by the Colchester Borough Council's Senior Procurement Consultant via the e-tendering system (BiP Solutions Ltd, Delta e-sourcing Portal). The tender opportunity was issued on 8th February 2022 with a return date of 7th March 2022. There were 44 expressions of interest received, which translated into 5 bids being received, which were opened on 7th March 2022. 3 of these bids fulfilled all mandatory requirements and were scored (see appendix 1).
- 5.10 The weighting of the scoring was 40% technical, 50% price and 10% Social Value (submitted via the Social Value Portal). The final results of the evaluation are shown in Appendix A.
- 5.11 The tendered prices only reflect the essential works package and the ICT package, namely:
1. Strip-out of existing HVAC system
 2. Supply & Installation on new HVAC system with associated electrical upgrades
 3. Supply & Installation of LED Lighting
 4. Supply & Installation Plumbing/Hot water upgrades
 5. Supply & Installation on new Ceiling Tiles to all floors, existing Ceiling Grids to be retained.
 6. the ICT element

Further discussion concerning the remaining refurbishment works are to be discussed, subject to timescales and budget constraints.

- 5.12 Only two bids were received in respect of Social Value and M3 have offered a number of measures concerning local employment, purchasing from the local supply chain, recycling (including not taking waste to landfill) and contributions to local community

projects. These measures will be monitored and reported back the Council, via the Social Value portal.

6. Equality, Diversity and Human Rights implications

- 6.1 All regeneration works conducted at Rowan House will seek to improve accessibility to the building and will ensure any reasonable adjustments are made to enable staff with disabilities to perform their job role.

7. Standard References

The Better Colchester Strategic Plan 2020-2023 sets out clearly the Council's priorities. The services and projects delivered by CBH contribute directly to the following priority areas and their goals:

Tackling the Climate Challenge and Leading Sustainability

- Reduce carbon emissions to help achieve a net zero Carbon footprint for Council Services by 2030.
- Environment and sustainability embedded within all Council decision making and the adaptation and recovery from Covid-19.
- Air quality across Colchester is improved.

Growing a Fair Economy so Everyone Benefits

- Encourage green technologies and innovative solutions to the Climate Emergency.
- Ensure the Council's assets continue to contribute to economic growth and opportunity.

8. Consultation

- 8.1 Staff have been consulted about the proposed new model of office-based working and are supportive. They have been involved in developing the plans for a new floor space layout to ensure it is fit for purpose.

9. Publicity Considerations

- 9.1 When the works to decarbonise Rowan House are complete, it will be important to publicise them to demonstrate the Council is taking steps to deliver against carbon reduction commitments.
- 9.2 The technologies used for the low carbon heating and cooling system will also be publicised so other building owners can learn how these can reduce energy usage and lower carbon emissions.

10. Financial implications

- 10.1 A successful grant application has been made to the Public Sector Decarbonisation Fund securing £527K to support the works to decarbonise Rowan House. However, to ensure this funding continues to be available all elements of the project now need to be expedited which is why this decision is being taken using urgency provisions.
- 10.2 Additional capital funding of £1.8M has also been approved previously by Cabinet and Council to fund the remaining cost of the refurbishment. A tenant has been identified to rent a floor being vacated following these works and the additional rental income will provide income to support the capital repayment costs.

- 10.3. Based on the bid received from M3 Design Development Ltd. essential works required can be completed from within the existing approved funding.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Investment in a capital project of this scale demonstrates the Council is taking a lead role by investing in its assets to stimulate economic activity. All tender submissions for these works have been evaluated for social value to ensure maximum social benefits are leveraged from these works with associated wellbeing benefits.

12. Health and Safety Implications

- 12.1 All improvement works to Rowan House will be delivered in compliance with Health and Safety legislation.
- 12.2 Several of the proposed improvements to Rowan House will make the building an even safer and healthier workplace than it previously was i.e., improved heating and ventilation.

13. Risk Management Implications

- 13.1 A risk register will be created by the winning contractor and actively managed throughout the project.
- 13.2 A project management board has been established to lead this work and manage all associated risks. As such, a project risk register has been developed which is overseen and managed by the Board to ensure the works are delivered effectively.

14. Environmental and Sustainability Implications

- 14.1 The improvements to Rowan House will significantly reduce the environmental impact of the Council's office-based operations. Improvements to the heating and ventilation system and lighting will reduce annual Carbon emissions by almost 140 tonnes.

Appendices

Appendix A – summary of scoring (confidential).

Background Papers

None.

COLCHESTER BOROUGH COUNCIL

RECORD OF DECISIONS TAKEN UNDER DELEGATED POWERS

Explanatory Note

The Leader of the Council has established Delegation Schemes by which certain decisions may be made by the relevant cabinet member or specific officers.

Cabinet member decisions are subject to review under the Call-in Procedure.

From the date the notice of the decision made is published there are five working days during which any five Councillors may sign a request for the decision to be reviewed (called in) and deliver it to the Proper Officer.

If, at the end of the period, no request has been made, the decision may be implemented. If a valid call- in request has been made, the matter will be referred to the Scrutiny Panel

Part A – To be completed by the appropriate Cabinet Member/Officer

Title of Report

Award of Contract for Refurbishment of Rowan House

Delegated Power

Pursuant to minute 552 of the Cabinet Meeting on 10 March 2021, Cabinet resolved that Authority be delegated to the Assistant Director of Corporate and Improvement, in consultation with the Portfolio Holder for Business and Resources to undertake appropriate procurement in line with the Council's Contract Procedure Rules and to award contracts to contractors that score highest against evaluation criteria within the approved budget.

Decision Taken

To accept the tender submitted by M3 Design Development Ltd.

Key Decision

This is a key decision.

Forward Plan

Prior notice of this decision has not been provided in the forward plan as the decision is an urgent decision and as such will be taken using urgency provisions.

Reasons for the Decision

The tender scored highest against the evaluation criteria including cost and quality, which means it will best meet the requirements to refurbish Rowan House.

Alternative Options

To award a Tender to an alternative bidder but this would not provide the Council with best value in terms of cost and quality as the bid from M3 Design Development Ltd. has been evaluated as scoring highest against evaluation criteria.

Conflict of Interest

N/A

Dispensation by Head of Paid Service

N/A

Dispensation by Monitoring Officer

N/A

Approved by Officer (Designation) –

Signature

Date

(**NB** For Key Decisions the report must be made available to the public for five clear days prior to the period for call-in commencing)

Part B – To be completed by the appropriate Portfolio Holder

I confirm that the above-named officer consulted me in relation to the above matter.

**Councillor Sue Lissimore
Portfolio Holder for Resources and Deputy Leader**

Signature

Date

PART C - To be completed by the Proper Officer (Democratic Services)

Officer/Portfolio Holder Decision Reference Number

Implementation Date

This decision can be implemented immediately as it is being made using urgency provisions.

Call-in Procedure

This decision is not subject to call in as the decision has been certified as urgent by the Proper Officer and Chair of the Scrutiny Panel in accordance with the Overview and Scrutiny Procedure Rule 14.

Signature of Proper Officer

COLCHESTER BOROUGH COUNCIL

URGENCY AUTHORISATION

(Decisions that require urgent determination made in accordance with Overview and Scrutiny Procedure Rule 14 are not subject to the call-in procedure).

I hereby certify that the decision indicated below is urgent, that executive action cannot be delayed for the usual five working day period, and it will not be possible to provide five clear days' notice of the decision to be taken.

Signed: **Signature redacted**
Andrew Weavers

Proper Officer

Dated: 14 March 2022

Signed: **Signature redacted**
Cllr Mark Cory
Chairman of the Scrutiny Panel

Dated: 14 March 2022

TITLE OF REPORT **Award of Contract for Refurbishment of Rowan House**

RECORD OF DECISIONS TAKEN UNDER DELEGATED POWERS - REF NO:

OR CABINET MEETING DATE: ITEM NO:

PARTICULARS OF MATTER: At the Cabinet meeting of 10 March a report detailing proposals to refurbish and decarbonise Rowan House was considered. Pursuant to minute 552, Cabinet resolved that Authority be delegated to the Assistant Director of Corporate and Improvement, in consultation with the Portfolio Holder for Business and Resources to undertake appropriate procurement in line with the Council's Contract Procedure Rules and to award contracts to contractors that score highest against evaluation criteria within the approved budget. Significant activity has been undertaken to complete detailed designs and develop specifications. However, due to concerns about inflation of construction costs, plans have been delayed allowing any potential cost increases to be fully analysed and for market engagement to be conducted to understand any potential cost pressures. An open procurement process has now been undertaken and all bids evaluated. A contract now needs to be awarded to the preferred bidder using urgency provisions.

REASONS FOR CONSIDERING THE MATTER TO BE URGENT

Significant elements of the refurbishment are being funded by Central Government which will provide £527K of external funding to Colchester Borough Council. However, to satisfy the requirements of the funding a contractor needs to be appointed and some aspects of the contract need to be underway by 18 March. To fulfil these requirements of the and secure the external funding urgency provisions need to be utilised.

Copy of signed form to be circulated to Group Leaders and appropriate Group Spokespersons and placed in the Members' Room.