

# Key Decision Report

<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	<p>Councillor Rock Feilding-Mellen Deputy Leader and Cabinet Member for Housing, Property and Regeneration</p> <p>Date decision entered on to the Forward Plan: 14 June 2016</p> <p>Forward Plan reference: 04836/16/H/AB</p>	 THE ROYAL BOROUGH OF <b>KENSINGTON          AND CHELSEA</b>
<b>Report title</b>	<b>APPOINTMENT OF PRINCIPAL CONTRACTOR-FORMER WESTWAY INFORMATION CENTRE PROJECT: CURTAIN WALLING WORKS</b>	
<b>Reporting officer</b>	<p>Richard Egan Director of Corporate Property Services</p>	
<b>Key decision</b>	<p>Yes</p>	
<b>Access to information classification</b>	<p>Public (Part A) with Confidential/Exempt (Part B) Appendix Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>	

## 1 EXECUTIVE SUMMARY

- 1.1 Cabinet approval for the refurbishment of the former Westway Information Centre (140 Ladbroke Grove) and agreement to the project budget was received on the 17 September 2015.
- 1.2 This report seeks approval to enter into contract with Chas Berger, the Principal Contractor, to undertake works for the replacement of the external façade and associated structural works of the former Westway Information Centre (WIC).
- 1.3 In October 2014 approval was given to undertake strip-out works of the WIC, and these were successfully completed in September 2015. The start of work was delayed due to the Malton Road Hub not being available to migrate staff from the WIC.
- 1.4 The tender process for the replacement of facade and associated works followed an open procurement process, undertaken via the Council's E-tendering portal Capital-e-sourcing.

- 1.5 Confidential/exempt information is contained in the Confidential Part B Appendix as it details information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **2 RECOMMENDATION**

- 2.1 It is recommended to approve the appointment of Chas Berger as the Principal Contractor for undertaking the replacement of the external facade of the former Westway Information Centre on Ladbroke Grove.

## **3 REASONS FOR DECISION**

- 3.1 The existing elevations of the WIC are in poor condition and outdated. The building is now vacant and has been declared surplus to operational requirements, and an agreement to let has been negotiated to generate a rental income to contribute to the provision of front line services.
- 3.2 The proposed works would deliver a significant improvement to the aesthetic quality and energy efficiency of the building and contribute to the wider aspiration to enhance vitality and strengthen the link between Ladbroke Grove Station and Portobello Road along Thorpe Close, as well as providing the opportunity to optimise the rental return to the Council.
- 3.3 Following a two-stage procurement process to the open market, utilising the Council's e-tendering portal, Capital-e-sourcing, an evaluation of pricing and quality returns has been undertaken, and Chas Berger has been selected as the preferred contractor based upon best value and quality, and matching the project's objectives and deliverables.

## **4 BACKGROUND**

- 4.1 The former Westway Information Centre (WIC) forms part of the Westway Masterplan, and following completion of the Malton Road hub, the building became vacant and surplus to operational requirements, all services having relocated to alternative facilities. Following a full and open market tendering process to receive bids, an agreement to lease has been confirmed to generate a rental income for the longer-term.
- 4.2 The existing elevations of the building are in poor condition and outdated, and impact its environmental performance in what is a prominent location, and hence the ability to attract long term occupiers for the property. The proposal to re-clad the existing elevations with a new glazed curtain walling system would enhance the environmental performance and general appearance significantly, increase the natural light within the building, and prolong the life cycle of the Council's asset.
- 4.3 The Budget was approved in October 2014 for strip out works, and subsequently a further approval was given in September 2015 to increase the project scope of the works and budget, to provide external cladding improvements. Strip out works were undertaken to clear the site, and this decision is for the outstanding elements of the work.

- 4.4 This Asset is held in the General Fund.
- 4.5 The capital investment proposed has enhanced the value and rental return obtainable from the property on a long term basis and reduced expenditure on future maintenance costs in the medium term through securing a lease.
- 4.6 Planning permission relating to the cladding improvements was granted in October 2015, but subject to Section 73 amendments due to planning conditions relating to the design of the external cladding and other external elements including street furniture and similar.
- 4.7 Pre-application discussions were held with Planning during 2016, resulting in an amended planning application being submitted in September 2016 and being granted planning permission in November 2016.
- 4.8 Discussions with prospective tenants and sub-tenants have been undertaken by the Corporate Property Investment team during 2016, resulting in an agreement to lease.
- 4.9 Final iterations of design have been shared with Transport for London regarding the A40 Westway and associated tube lines, for their review and confirmation of permission as Landlord, which is expected imminently.

## **5 PROPOSAL**

- 5.1 To appoint the selected contractor for the replacement of the external facade of the former Westway Information Centre on Ladbroke Grove.
- 5.2 If this recommendation is not approved, a further tender exercise will have to be undertaken. A period of 3 months will need to be allowed to undertake the tender exercise and therefore the occupants of the building will not be able to occupy as per the agreed date in the lease (June 2017).

## **6 CONSULTATION**

- 6.1 The Deputy Leader and Cabinet Member for Housing, Property and Regeneration has been consulted and concurs with the recommendation of the report.

## **7 EQUALITY IMPLICATIONS**

- 7.1 There are no implications regarding equality arising from the contents of this report.

## **8 INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS**

- 8.1 There are no implications for Corporate ICT arising from the contents of this report.

## **9 PROCUREMENT PROCESS**

- 9.1 The Corporate Property Procurement Officer has been consulted and comments as below.
- 9.2 The exercise was to procure an experienced Main Contractor to refurbish an existing two-storey building located under the A40 Westway. Also to provide two separate units, comprising part demolition and refurbishment including re-cladding and installing replacement windows, doors and curtain walling with louvres at high level. In addition, replacement of external cladding, internal structural works to upper floors and capping off of mechanical and electrical services.
- 9.3 Corporate Property Procurement managed a two stage restricted competitive process of a PQQ and ITT stage.
- 9.4 The contract was published and open to the whole market via the Capital-e-sourcing and Contracts Finder e-portals.
- 9.5 37 Contractors registered an expression of interest:
- From the 37 Contractors, 8 submitted PQQs.
  - Only top scoring 6 Contractors were shortlisted to the ITT Stage.
  - In the end 3 Contractors submitted a bid.
  - Two Contractors submitted a tender bid. Both within budget -See Appendix B for details
- 9.6 The evaluation of the bids commenced via Capital-e-sourcing and the tender submissions were evaluated on the basis of price with a weighting of 70% Price and 30% Quality. The commercial cost breakdown was undertaken by an external consultant.
- 9.7 The Technical submissions by the tenderers were evaluated by a Tender Appraisal Panel consisting of two RBKC Capital Projects Managers and two external Construction Consultants against an agreed list of criteria as stated in the ITT.
- 9.8 Detailed information regarding the scores and the results of the procurement process is shown in the Confidential Part B Appendix.

## **10 PLANNING IMPLICATIONS**

- 10.1 Planning consent for the curtain walling works was granted in November 2016 (Ref: PP/16/05969). A number of conditions were attached to this permission which are being discharged in accordance with timings set out.

## **11 LEGAL IMPLICATIONS**

- 11.1 The Director of Law has been consulted and has no additional comments. (Andre Jaskowiak- Senior Solicitor, TBD Contracts and Employment; [Andre.Jaskowiak@rbkc.gov.uk](mailto:Andre.Jaskowiak@rbkc.gov.uk); tel: 020 7361 2756)

## **12 FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 The Corporate Finance Manager has reviewed and has no further comments to add to those provided by the Group Finance Manager below.
- 12.2 The Group Finance Manager, Corporate Services, has been consulted and comments that the financial implications are explained in the report. A Capital project (bid reference 727) exists in the approved Capital programme with sufficient budget to cover the costs as contained in the part B Confidential annex.

### **13 BUSINESS PLAN**

- 13.1 As outlined in the report from September 2015, a decision was approved to for cladding works with associated allocated budget.

### **14 RISK MANAGEMENT**

- 14.1 A costed risk register will be discussed and agreed with the contractor before works on site commence.

### **15 HEALTH AND WELLBEING, INCLUDING HEALTH AND SAFETY IMPLICATIONS**

- 15.1 The CDM regulations require contractors and designers to consider the impact of their design on health safety and well-being. A CDM Principal Designer has been appointed, has reviewed designs and will continue to be part of the team, working with the appointed contractor.

### **16 CRIME AND DISORDER**

- 16.1 The Crime Prevention officer and community police will be consulted before commencement of works on site.

### **17 IMPACT ON THE ENVIRONMENT**

- 17.1 Environmental impacts have been considered during the design and planning process. Design of the curtain walling system will be reviewed for impacts. Waste management and servicing requirements have been considered.

### **18 ENERGY MEASURE ISSUES**

- 18.1 Issues of sustainability and energy efficiency have been considered during the design and planning process. The improvements to the external facade and curtain walling system implemented will increase energy efficiency for the asset over the longer-term.

### **19 SUSTAINABILITY**

- 19.1 Issues of sustainability and energy efficiency have been considered during the design and planning process. The improvements to the external facade and curtain walling system implemented will increase energy efficiency for the asset over the longer-term. Waste management and servicing requirements have been considered as part of the design and planning process.

## 20 COMMUNICATIONS

- 20.1 Liaison with neighbours, stakeholders and prospective tenants has been ongoing during the development of the project. A number of newsletters including the Westway newsletter, will continue to be used to highlight aspects of the works, and look ahead leaflets and updates will be provided for neighbours during construction. A strategy will be developed with the contractor and tenants to ensure that a good level of communication is maintained throughout.

Richard Egan  
**Director of Corporate Property Services**

Cleared by Finance (officer's initials)	JL
Cleared by Legal (officer's initials)	AJ

### **Local Government Act 1972 (as amended)**

**Background papers used in the preparation of this report: none**

### **Contact officer**

Helen Edmondson  
Capital Programme Manager, Capital Projects Team  
Corporate Property  
The Royal Borough of Kensington and Chelsea  
[Helen.edmondson@rbkc.gov.uk](mailto:Helen.edmondson@rbkc.gov.uk)  
020 7745 6710.