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| Item No. | Classification: Open | Date: 30 October 2020 | Meeting Name: Strategic Director of Environment & Leisure |
| Report title: | | Gateway 2 - Contract Award Approval Landscape construction works for Dickens' Fields | |
| Ward(s) or groups affected: | | Chaucer Ward | |
| From: | | Head of Parks & Leisure | |

RECOMMENDATION(S)

That the Strategic Director for Environment and Leisure:

1. Approves award of the contract to deliver landscape construction works for Dickens' Fields to Tilhill Forestry Ltd (trading as Tilhill) for a contract period of 31 weeks commencing 23 October 2020
2. Approves award of this contract with a client contingency to address the items identified in paragraph 61 and delegates approval of the contingency fund to the Director of Leisure.

BACKGROUND INFORMATION

3. Dickens Square Park is located on Harper Road, in the Chaucer Ward, and is within the Elephant and Castle opportunity area. The project area comprises Dickens Square Park, Butterfly Walk and Dickens Square Road. The new space created will adopt the historic name used locally, 'Dickens' Fields'.
4. Elephant and Castle is an area of deficiency in the amount of green space available and the pressure to create new homes means that there are limited opportunities for the creation of new green spaces.
5. As part of the on-going regeneration of the Elephant & Castle Opportunity Area, the council's Park's team is seeking to enhance existing parks and open spaces in order ensure that high quality green spaces are offered throughout the borough and that local communities experience the benefits of regeneration.
6. The Dickens' Fields project will be the fourth project to be delivered under the Elephant and Castle Parks Improvement Programme.
7. These sites have been identified as a priority for investment since 2004. There is a real need to refurbish this park as it attracts significant anti-social behaviour and is under used.
8. The council now seeks to deliver improvement work that will upgrade play and recreational facilities, improve access and reduce opportunities for anti-social activity.
9. A complete re-design of the space is proposed that will deliver a net increase of green space, create welcoming entrances, improve play provision and ensure better visibility around the park.

10. Consultations completed in 2004 and 2009 resulted in the development of a conceptual master plan for the park.
11. In 2014 cabinet approved £6 million capital funds to deliver improvements to parks in Elephant and Castle.
12. Further public consultation took place from July 2017 to May 2019 and included a review of the 2010 master plan developed for Dickens Square Park.
13. The final design obtained planning consent in February 2020.
14. This contract falls within the pre-tender estimate for the contract detailed in the Gateway 1 report.

Table 1- Procurement project plan (Key Decision)

| Activity | Completed by/Complete by: |
|--|---------------------------|
| Added to Forward Plan for Gateway 2 decision | 17/08/2020 |
| Briefed relevant cabinet member (over £100k) | 03/06/2020 |
| Approval of Gateway 1: Procurement Strategy Report | 16/06/2020 |
| Invitation to tender | 07/07/2020 |
| Closing date for return of tenders | 14/08/2020 |
| Completion of evaluation of tenders | 04/09/2020 |
| DCRB Review Gateway 2: | 08/10/2020 |
| Notification of forthcoming decision – Five clear working days | 22/10/2020 |
| Approval of Gateway 2: Contract Award Report | 29/10/2020 |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision | 29/10/2020 |
| Contract award | 06/11/2020 |
| Add to Contract Register | 06/11/2020 |
| Contract start | 06/11/2020 |
| Publication of award notice on Contracts Finder | 09/11/2020 |
| Contract completion date | 11/06/2021 |

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

15. The contract will deliver construction works to
 - Demolish former adventure playground and building
 - Create an open access public play area
 - Integrate redundant road/ square
 - Introduce facilities targeted at encouraging physical activities, including an outdoor gym and trim trail
 - Introduce new park furniture including seating and picnic facilities
 - Increase the park's potential to be used by a wider range of park users, as a means of maximising the park's value as a pedestrian route/cut-through and increase circulation
 - Improve safety and reduce opportunities for antisocial behaviour
 - Preserve and enhance ecology and green space; keep mature trees and wooded areas, where appropriate – all to retain the character of the park.
16. Tilhill Forestry Ltd is an experienced playground and landscaping contractor who will offer the skills and expertise to ensure that the completed project delivers the ambitions of the council and will provide value for money to the council.
17. This contract is essential to ensure the delivery of a high quality public open space.

Key/Non Key decisions

18. This report deals with a key decision

Policy implications

19. The site lies within the Elephant and Castle Opportunity Area a priority area for regeneration in the Mayor's London Plan (2011) and Southwark's Core Strategy 2011.
20. Southwark's Open Spaces Strategy (2013), identifies Elephant and Castle as an area of deficiency in the amount of natural green space available, with just 0.38ha per 1,000 of the population. Taking account of population increases expected in the area the ratio is likely to fall to 0.31ha per 1,000 of the population in 2026. (Southwark OSS 2013) This falls significantly short of the local planning standard to achieve 1.5ha of green space per 1,000 of the population.
21. Whilst it is recognised that the pressure to create new homes means that there are limited opportunities for the creation of new green spaces, the Open Space Strategy sets out the council's commitment to maintain and improve existing parks and open spaces to ensure that those that live and work in the borough experience the positive benefits associated with health and well-being, quality of life and cohesive communities that open spaces provide.
22. This contract will support the delivery of a significantly improved play and recreational resources available thereby allow local people to experience the benefits of neighbourhood renewal.
23. The delivery of the regeneration of Dickens Square Park will directly contribute to the council achieving its fairer future commitments and to bring full regeneration

benefits and opportunities to all residents of Southwark. Therefore it is appropriate and crucial to procure the required services to assist the project team in delivering works to the highest standard.

Tender process

24. The contract sum is below the EU threshold for works and therefore did not need to be publicly advertised.
25. In line with CSO procedures a minimum of 5 companies from the Council's approved list were invited to tender for this contract
26. Whilst there is a good range of companies on the council's approved list capable of carrying out these works the current pandemic raised concerns about the industry's ability to respond well to procurement opportunities.
27. To address this concern a greater number of companies than usual were contacted in advance of the procurement to determine interest in the tender opportunity. Eight companies were invited to express an interest.
28. Six companies confirmed their interest in tendering for the contract and were subsequently sent invitations to tender.
29. In response to requests received from companies, the tender period was extended from four weeks to six weeks.
30. Submissions were received from three companies.
 - Tenderer 1
 - Tenderer 2
 - Tilhill Forestry Ltd
31. Two of the remaining three companies withdrew from the process due to capacity and one failed to submit their tender on time.
32. The three tender price submissions received were in line with the contract sum estimated in the Gateway 1 report for this project.

Tender evaluation

33. The tender evaluation panel consisted of:
 - Client Project Manager, Parks and Leisure
 - Lead Consultant & Principal Designer, LDA
 - Policy and Programme Manager, Parks and Leisure
 - Head of Parks and Leisure
 - Quantity Surveyor, Blakeney Leigh Ltd
34. Tender evaluation followed a weighted model of 60:35:5 Price/Quality/Social value.
35. Tendered rates were assessed by the quantity surveyor who tested them against market rates to ensure value for money was being achieved.
36. Tender evaluation guidelines and the scoring matrix set out in this report were included in the tender document.

Stage one - compliance

37. Tender Submissions were subject to an initial compliance check to confirm that they

- a) had been submitted on time,
- b) were completed correctly and in full,
- c) met all the requirements of the Invitation to Tender

38. All three tender submissions received passed compliance checks.

Stage Two: Quality and Social Value Evaluation

39. Tenderers were required to submit method statements as part of the quality assessment. The criteria assessed and weightings applied were:

Table 2

| Criterion | Section Weighting | Max score | Minimum pass score |
|--|--------------------------|------------------|---------------------------|
| Approach to contract management and delivery | 2 | 5 x 2 = 10 | 3 x 2 = 6 |
| Management Procedures | 1 | 5 x 1 = 5 | 3 x 1 = 3 |
| Contract Resources Contractors and Supply Chain | 2 | 5 x 2 = 10 | 3 x 2 = 6 |
| Experience of successful delivery of similar projects | 2 | 5 x 2 = 10 | 3 x 2 = 6 |
| Total Quality Score | | 35 | 21 |
| Social Value Score | | 5 | 2 |

40. Responses were scored on each criteria using a 0 – 5 point range as follows:

Table 3

| Assessment | Score | Basis of score |
|-------------------|--------------|---|
| Cannot be scored | 0 points | No information provided or incapable of being taken forward either because the Supplier does not demonstrate an understanding of our requirements or because the solution is incapable of meeting our requirements |
| Unsatisfactory | 1 point | Although the Supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met |
| Satisfactory | 2 points | A response which is capable of meeting our requirements but is unlikely to go beyond this |

| | | |
|-----------|----------|--|
| Good | 3 points | A response which shows that the Supplier demonstrates an understanding of our requirements has a credible methodology to deliver the service and could evolve into additional benefits. |
| Very Good | 4 points | A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value |
| Excellent | 5 points | A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the Council's overall strategic requirements and objectives. |

41. Evaluators reviewed each tender submission and awarded initial quality and social value scores. The evaluation panel then conducted a 'consensus scoring process' where moderation of the scores awarded during the initial stage was undertaken. The moderation resolved any variance in the scores between the evaluators. A consensus score was agreed by the evaluators for each of the evaluation criteria.
42. In order to ensure quality was achieved across all areas, any tenderer scoring less than 2 for any single method statement would be disqualified. The submission from Tenderer 1 scored less 2 on Social value and was therefore disqualified.
43. Of the remaining two submissions from Tilhill and Tenderer 2 the panel awarded higher scores to Tilhill's method statements on both quality and social value criteria.

Stage Three: Price Evaluation

44. The price evaluation of the three tenders was undertaken by Blakeney Leigh Ltd, the council's appointed quantity surveyors (QS), who compiled a price comparison and summary report.
45. Prices were found to be within expected market rates.
46. During the price analysis of the three tenders the QS identified arithmetical errors and un-priced items.
47. A review of tender documentation found a small discrepancy between tender drawings and the tender pricing schedule that required correction.
48. Prices were then checked and confirmed with each company and subsequently adjusted thereby ensuring that the quantities and specifications provided in the submissions were comparable.

Price scoring:

49. The Tenderer with the lowest price received the maximum points available. The remaining Tenderers' price was awarded a score based on the percentage difference between their price and that of the most competitive price.

50. The following methodology was applied for price comparison of the two tenders - based on the price: quality: social value ratio of 60:35:5.

$(\text{Contractors Tender sum} - \text{Lowest Tender sum}) / \text{Lowest Tender sum} = \% \text{ adjustment}$
 $60 \text{ Points} - (60 \times \% \text{ adjustment}) = \text{Price Score}$

51. The price scores were achieved by each company were:

- Tilhill Forestry 60.00
- Tenderer 1 54.71
- Tenderer 2 50.50

Summary of Scores

52. Table 4

| Tenderers | Quality score | Social Score | Value | Price score | Total score |
|------------------|---------------|-----------------|-------|-------------|-------------|
| Tilhill Forestry | 30 | 4 | | 60.00 | 94.00 |
| Tenderer 1 | 28 | 1(disqualified) | | 54.71 | 83.71 |
| Tenderer 2 | 16 | 3 | | 50.50 | 69.50 |

53. Tilhill Forestry Ltd achieved the highest score on both price and quality and the highest combined score. The panel therefore considers that Tilhill Forestry Ltd submitted the most economically advantageous tender for the Council and the company has been selected as the recommended contractor.

54. The form of contract for this project is JCT Intermediate Building Contract 2016 incorporating the Council's standard amendments.

Plans for the transition from the old to the new contract

55. There is no existing contract in place.

Plans for monitoring and management of the contract

56. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author will ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

57. The Contract shall be monitored on a day-to-day basis by the appointed Lead Consultant and Principal Designer from LDA Architects who will report to the Lead Client Officer from the Parks Team.

58. Payment of invoices will be certified on satisfactory completion of works.

59. Progress meetings with the appointed lead consultant, CDM (Construction, Design and Management) advisor and Quantity Surveyor shall be held to monitor progress against the programme and the budget.

60. Any significant unexpected deviance from either programme or budget shall be highlighted to relevant officers, as issues arise, for resolution.

61. Table of Identified risks for the new contract

| Risk No. | Risk Identification | Likelihood | Risk Control |
|-----------------|--|-------------------|---|
| 1 | Impact of Covid 19 Delay to programme due to potential government restrictions in response to Covid – 19 outbreak | Medium | A higher than normal client contingency is being held to allow for programme delays. The pre- contract meeting will establish a mutually agreed approach to Covid 19 closures and agreement on reduced prelims in event of such closures. |
| 2 | Price increases due to asbestos, Japanese knotweed (JKW) or other soil contamination | Moderate | Whilst the tender price includes provisional sums for these items, an extra client contingency is recommended in addition to the contractors 5% included in the tender sums. This is to allow for more extensive soil remediation and treatment of JKW should it become necessary. QS shall review and monitor project costs, and provide monthly statements to the LCO. |
| 3 | The project is not completed within the allocated timescale and budget | Low | Tender submissions include outline delivery programmes confirming timescale. A pre-contract meeting will establish and agree a detailed programme of delivery. A comprehensive monitoring regime will be implemented, comprising of regular progress and budget review meetings with the lead consultant and QS to ensure no additional costs are attributed to the project. Adherence to the programme will be closely monitored through regular site meetings with the consultant and contractor and the submission of progress reports at key project milestones. |

Community impact statement

62. This project will support the council’s commitment to addressing the needs of Southwark’s diverse communities.

63. It will ensure that the needs of all sections of the community continue to be met by the open space provision in the borough by ensuring improved access to this local green space and new public, inclusive play area.

64. Public consultation has found that there is a need for better access, improved open grass areas for families and play features for children of all ages and abilities at Dickens Square Park.
65. An Equality Impact Assessment was carried out in 2018 in relation to the removal of the adventure playground.
66. The park redesign will deliver wider more welcoming entrances and new pathways, seating areas and a play area that are fully accessible to Southwark residents.
67. Regular communication with local residents will minimise the negative impact of the works.

Social Value considerations

68. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

Economic considerations

69. The promotion of local economic benefit was built into this procurement by:
 - i. Requiring contractors to use local companies in their sub-contracting and supply chain arrangements
 - ii. Should the successful contractor need to employ additional staff to deliver this contract, we request they target the local labour market.
 - iii. Under the Fairer Future Procurement Strategy and Framework there is also an expectation that the contractor will, where practical engage at least one apprentice per £1m of contract value.
70. Tilhill will seek to procure services from local suppliers, e.g. welfare units on site. We would also encourage small businesses offering services such as sandwich deliveries to provide lunchtime refreshment for their workforce.

Social considerations

71. Compliance with the London Living Wage initiative shall be included within this contract in line with the council's commitment. Monitoring of this will be implemented during the works. Tilhill confirmed that their staff is paid in excess of the LLW and that they have priced the tender on this basis.
72. Work specifications include a range of measures to minimise any negative impact of the construction work.
73. Tilhill will seek to provide work experience at Dickens Square through liaison with the local schools and colleges.
74. Tilhill will seek to procure services from local suppliers.
75. Tilhill will endeavour to work with Southwark Council to deliver against the requirement for 1 apprentice per £1m.

76. Tilhill have offered to provide free trees to local schools, with managers supporting tree planting and providing talks on the many benefits of trees. They can encourage people into landscaping and forestry and are committed to engaging with young people to educate and inform them about their industry.
77. Tilhill have offered to support an open day following work completion, and give the local community an insight into the works. They could provide a display of progress photos by way of timelapse photography to engage and promote the benefits of the project. They could also provide visitors with a sustainable 'goodie bag' containing a tree, planting instructions, tree and shrub identification card and a leaflet on the works detailing the overall biodiversity and amenity benefits gained.

Environmental/Sustainability considerations

78. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.
79. Where possible, materials specified in the scheme shall be obtained from sustainable sources.
80. Contractors are required to use materials that contribute to achieving the sustainability goals outlined in the specification for the project. For example:
- Use of preferred standards
 - Re-use of materials that can be recycled or reclaimed on site
 - Avoidance of environmentally damaging materials
 - Protection of trees on site
81. This scheme seeks to ensure minimal on-going use of resources such as water, energy and chemicals. Of particular importance will be consideration of whole-of-life costs associated with the improvement works and the implications for future maintenance.
82. The contract will deliver a range of ecological enhancements at a designated Site of Importance to Nature Conservation (SINC).
83. This includes planting 24 new varied species trees, enhancing woodland borders, new perennial wildflower meadows, and a fernery entrance. The demolition of the vacant play building, removal of internal fencing and the integration of the roadway square will increase available open park land by nearly 2,000 square metres.

Market considerations

84. A range of contractors were selected from the Council Approved List. All were selected from the 'Local' list.
- The successful tenderer is a private organisation
 - The successful tenderer has between 50 and 250 employees
 - The successful tenderer has a regional area of activity.

Staffing implications

85. There are no implications for staffing, as the client function will be provided by Environment and Leisure (Parks and Open Spaces) from their own resources.

Financial implications

86. The funding for the costs of this Gateway 2, including contingency is contained within the approved capital project for Elephant & Castle Open Spaces. Dickens Fields is one of 9 separate schemes within this overall project.

87. A higher than normal contingency of the contract sum is being held within the wider capital project budget to address the items identified in the project risk register in paragraph 61.

88. The Elephant & Castle Open Spaces project is managed and implemented by Environment & Leisure on behalf of Places & Wellbeing.

89. The total approved funds for the E&C Open Spaces project is £7.31m (including S106 funding). Previous years expenditure was £3.01m leaving a budget balance available at the beginning of 20/21 of £4.3m.

90. Therefore the value of this Gateway 2 can be met from existing approved budgets for this project.

91. The expenditure on this project is expected to be incurred mostly in financial years 2020/2021 and 2021/2022.

92. Staffing, and any other costs connected with this project to be contained within existing Parks revenue budgets.

Investment implications

93. None

Second stage appraisal (for construction contracts over £250,000 only)

94. A 2nd stage approval assessment has been undertaken on Tilhill Forestry Ltd. They achieved a credit score of 92/100 and the company has a secure status.

Legal implications

95. The contract has been procured in line with the requirements of the council's Contract Standing Orders. Officers will instruct the Director of Legal Services (Corporate team) in connection with the preparation and execution of a formal contract to regulate these works.
96. Following successful award of the contract, a Contract Award Notice will be published via the Contracts Finder website, meeting the obligations set out in regulation 108 of the Public Contract Regulations 2015.

Consultation

97. This contract is being recommended following thorough and on-going consultation with internal and external stakeholders about the proposed work.
98. Ward Councillors and the Cabinet members for Culture, Leisure, Equalities and Communities and Social Regeneration, Great Estates and New Council Homes, shall be kept fully informed of progress on the project.

Other implications or issues

99. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (CAP20/013)

100. This report is requesting Strategic Director of Environment and Leisure to approve the award of the contract to deliver landscape construction works for Dickens' Fields to Tilhill Forestry Ltd (trading as Tilhill) for a contract period of 31 weeks commencing 23 October 2020 and to approve the client contingency to address the items identified in this report.
101. The strategic director of finance and governance notes that the costs of the contract will be contained within the departmental capital budgets for the "Elephant & Castle Open Spaces project" capital budget allocated under the Council's capital programme.
102. The total expenditure for the scheme will be monitored and reported on as part of the overall capital programme
103. Staffing, and any other costs connected with this project to be contained within existing departmental revenue budgets.

Head of Procurement

104. A formal concurrent is not required as the total value is below the EU Threshold for Works (£15m)

Director of Law and Democracy

105. A formal concurrent is not required as the estimated value of the proposed contract is below the EU threshold for works procurements.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council’s Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature 

Date: 30th October 2020

Designation: Strategic Director of Environment & Leisure

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

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| 1. DECISION(S) |
| As set out in the recommendations of the report. |

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| 2. REASONS FOR DECISION |
| As set out in the report. |

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| 3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION |
| Not applicable. |

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| 4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION |
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| 5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST |
| <i>If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.</i> |
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| 6. DECLARATION ON CONFLICTS OF INTERESTS |
| I declare that I was informed of no conflicts of interests.* |
| or |
| I declare that I was informed of the conflicts of interests set out in Part B4.* |
| (* - Please delete as appropriate) |

BACKGROUND DOCUMENTS

| Background documents | Held At | Contact |
|--|---|-----------------------------|
| Project File and background and tender documents | Environment & Leisure Third floor, Tooley street | Nina Chantry 07740545301 |
| Gateway 1 report | Environment & Leisure Third floor, Tooley street | Nina Chantry 07740545301 |

APPENDICES

| No | Title |
|----|-------|
| | None |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Lead Officer | Tara Quinn, Head of Parks and Leisure | |
| Report Author | Nina Chantry, Service Development Officer | |
| Version | Final | |
| Dated | October 2020 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Strategic Director of Finance and Governance | Yes | Yes |
| Head of Procurement | Yes | Yes |
| Director of Law and Democracy | Yes | Yes |
| Director of Exchequer (for housing contracts only) | N/A | N/A |
| Cabinet Member | Yes | Yes |
| Contract Review Boards | | |
| Departmental Contract Review Board | Yes | Yes |
| Corporate Contract Review Board | Yes | Yes |
| Cabinet | N/A | N/A |
| Date final report sent to Constitutional/Community Council/Scrutiny Team | 30-10-2020 | |