

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 4 <sup>th</sup> November 2003	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Southwark Bridge Road Training Centre: Contract Award	
<b>Ward(s) or groups affected:</b>		Elephant Links SRB Area	
<b>From:</b>		Strategic Director of Regeneration	

## RECOMMENDATION

1. That the Executive approves the appointment of *Architype* as the Architect Led Design Team for the extension, alteration and refurbishment of 56 Southwark Bridge Road.

## BACKGROUND INFORMATION

2. Executive approval was given for the Elephant Links Partnership to develop a project to refurbish 56 Southwark Bridge Road as an access to employment centre on 17.12.02 following a request from the Elephant Links Project Team.
3. An EU Accelerated Procedure commenced in August 2003 to select an Architect Led Design Team to take forward the detailed design work. Tenders have now been returned and evaluated and further information is set out in the accompanying closed report.

## KEY ISSUES FOR CONSIDERATION

### The Process for Procurement

4. The Council is the Accountable Body for the SRB Programme and as such acts as the contracting body for all SRB projects. In the case of this project the recommendation of officers is that the Council pursues the most economically advantageous tender. As the contract value is more than £154,447 and the lowest price tender was not selected CSO 25.2(b) requires that Executive approve the award of this contract.
5. In the tender procedures manual quality was given a 70% weighting and price was given 30%, which reflects the historical significance, location and intended use of the building. Upon detailed evaluation against the criteria the architectural practice *Architype* was assessed as the most economically advantageous tender returned. Full details are contained in the attached closed section.

### **Procurement Timetable**

- |   |          |
|---|----------|
| • Initial funding agreed by Elephant Links Partnership<br>£57,800 for initial design & procurement process    | 15.7.03  |
| • Expression of interest notice posted in the OJEC  | 8.08.03  |
| • Invitations to tender   | 17.9.03  |
| • Tenders close   | 7.10.03  |
| • Further funding agreed by Elephant Links Partnership<br>£183,600 for design team fees & further procurement | 20.10.03 |
| • Tender evaluation report and officer recommendation   | 20.10.03 |
| • Executive Approval to award design team contract  | 4.11.03  |
| • Works contractor appointed (approx)   | 31.4.04  |
| • Practical Completion (approx)   | 31.10.05 |

### **Resource implications**

6. The resources for this contract award and the overall project's capital budget are provided for within the Elephant Links SRB Programme and will make no call on the Council's own financial resources.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Borough Solicitor & Secretary**

7. This is contained in the accompanying closed report.

#### **Chief Finance Officer**

8. The appointment of architects to design the refurbishment work at 56 Southwark Road will result in the Council incurring capital expenditure. This will be included in the capital programme and is to be fully funded from SRB grant. There should be no requirement for the Council to financially contribute to the project. The only risk to this position is if the project fails to meet the conditions and obligations of the grant award. In the unlikely event of this happening grant funding would not be paid and the council would be contractually bound to pay the architects. However project management work that the Council undertakes with SRB schemes minimises the risk of this taking place.
9. The funding of the refurbishment work has yet to be agreed by the London Development Agency (LDA).

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Elephant Links Partnership Board Papers November 2001	Coburg House	Graham Bugler 54910
Elephant Links Appraisal Panel Papers 15 July 2001	Coburg House	Graham Bugler 54910
Report to Executive Committee 17 December 2002	Coburg House	Graham Bugler 54910
Exemption from CSO's for appointment of architects for 56 Southwark Bridge Road	Coburg House	Graham Bugler 54910
Elephant Links Appraisal Panel Papers 10 October 2003	Coburg House	Graham Bugler 54910

## APPENDIX A

### Audit Trail

Lead Officer	Paul Evans, Strategic Director of Regeneration		
Report Author	Graham Bugler		
Version	Final Draft		
Dated	16 October 2003		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Borough Solicitor & Secretary	Yes	No	
Chief Finance Officer	Yes	Yes	
Executive Member	Yes	No	
Date final report sent to Constitutional Support Services			

## **APPENDIX B**

### **Additional Background Information**

10. The project was included in the Elephant Links SRB Year 5 Delivery Plan following a decision of the Partnership Board in November 2001 to instruct officers to bring forward a project to acquire a legacy building for the programme. Council owned buildings located at Charlotte Sharmin School and Manor Place were initially identified but negotiations to secure them proved unsuccessful. 56 Southwark Bridge Road was subsequently identified in mid 2002 as the best available alternative.
11. In June 2003 Architype, a firm of local architects, were retained to undertake a feasibility study on the building following the approval of the Elephant Links Delivery Plan by the LDA. The value of this initial contract was £5,000. This was later extended in August 2003 to include initial design work up to and including submission of a full planning application for 56 Southwark Bridge Road. The value of the new contract (£88,000) required an exemption from Contract Standing Orders (CSO's) as it had not been price tested. The Chief Officer approved the request for exemption on 13 August 2003 on grounds of urgency, cost and continuity of design.
12. The strategy of using Architype to move the initial design work forward quickly was chosen because of the urgency around the availability of SRB funding and the risk of further deterioration in the building's condition. However, the total value of design consultancy services is in excess of the EU threshold for consultancy services. It was therefore decided to twin track the initial design work done by Architype with the EU procurement process for the architect led design team. This has minimised delays to the overall programme and significantly reduced the procurement timescale.
13. In August 2003 a separate procurement process for the appointment of an architect led design team commenced in parallel with initial design work.

### **Policy implications**

14. The proposal to establish a training centre that will target the Elephant Links SRB priority groups will contribute to the administration's objectives to tackle poverty and improve educational attainment. In particular the training will lead to further education and employment opportunities for local residents in industries that have previously not been open to them. Work on refining these options has been completed in parallel with this procurement process. It included development of a detailed route map showing the pathways into the training and beyond into either employment and or further education. This option analysis has informed the detailed building design work.
15. Environmental objectives feature prominently in the design brief for the works and the appointment of Architype reflects a commitment to Local Agenda 21 objectives and also to the Executive's priorities around sustainability and the environment.

16. The historic nature of the building and its location within the Union Street Conservation area places special emphasis on the quality of the design solution. This has been reflected in the weighting of quality in the design brief and the tender evaluation framework.
17. The Disability Discrimination Act this places a number of significant requirements on the Council with respect to accessibility and user friendliness of the building for people with disabilities. These requirements have been responded to positively in the design brief resulting in a design proposal that is compliant with legislation.
18. The issue of 56 Southwark Bridge Road's future has remained unresolved for several years since the closure of the Borough Community Centre in 2000. Since then the building has deteriorated rapidly requiring substantial new investment. In the absence of any other viable proposals to keep the building in community use this project represents an excellent opportunity for the Council maintain a community use while at the same time avoiding capital or ongoing revenue obligations.
19. The Elephant Links Partnership has agreed SRB funding for design fees up to and including tender action for construction works. SRB funding for the construction stage is subject to further appraisal and agreement by the London Development Agency (LDA). While the risk of failing obtain future approval is considered to be very low, a provision to terminate the design team contract is included into the agreement to avoid any ongoing liabilities should this occur. Provided that all SRB rules had been complied with the Council would not be required to repay any SRB funding already defrayed should the project not proceed for any reason.

### **Additional Financial Implications**

20. The ongoing revenue side of the project is designed to be self-financing, principally via the commercial letting of a proportion of the increased floor area of the building. A separate trust or similar legal entity will be established by the Elephant Links Partnership to be the leaseholder and it will be responsible for the day-to-day management of the building. It is envisaged that a partner organisation will be brought in to deliver the training element of the project and that in return for the use of the space the cost of the training will be met by that organisation, either from its own resources or external fundraising, eg European Social Fund or Learning & Skills Council.

### **Effect of proposed changes on those affected**

21. The establishment of a training centre at 56 Southwark Bridge Road will provide access to new careers and training opportunities for residents of the SRB area and beyond. The reinstatement of a community centre facility on the site will go some way to address the shortage of community space in the immediate area.
22. Information about the training and community use opportunities will be disseminated via the Elephant Links Community Information Exchange. This will be accessible from a number of locations in the SRB area and will be available in all of the major

community languages. It is envisaged that the Community Information Exchange will have a permanent presence in the building by way of a kiosk.

## **Consultation**

23. The initial proposal for a legacy building for the Elephant Links SRB Programme came from a decision of the Elephant Links Partnership Board in December 2001. Officers then established a capital programme working group made up of members of the partnership, including local organisations and residents, to look at building options and the SRB funding requirements and priority areas, eg training and employment.
24. Following the identification of 56 Southwark Bridge Road the partnership's Programme Management Panel was informed and the outline proposal was included in the 2003 / 2004 Delivery Plan. The Partnership Board, Council Executive and the London Development Agency have all subsequently approved this document.
25. An initial meeting was held with the Friends of the Borough Community Centre in 2003. The Partnership's proposals for a mixed-use building were outlined and there was general support for any proposal that would bring the building back into community use.
26. The Diversity Panel and Programme Management Panel of the Elephant Links Partnership have received reports and a presentation on the project. Members were given the opportunity to make suggestions that would improve the project, and several of these have now been incorporated into the programme.
27. A consultation plan has recently been approved by the Elephant Links Partnership Board that sets out key decisions in relation to the overall project, who will take them and the opportunities for community input into decisions at each stage. A project steering group made up of Partnership members has also been established.