

Environment and Climate Change
Town Hall, Upper Street, N1

Report of: Corporate Director of Environment and Climate Change

Date: 10 March 2023

Ward(s): Barnsbury

Subject: Procurement Strategy for Barnard Park Improvements Project

1. Synopsis

- 1.1. This report seeks approval for the procurement strategy proposed for the Barnard Park improvements project, in accordance with the council's procurement rules.
- 1.2. The Community Wealth Building Directorate Capital Delivery Team is seeking to undertake a procurement exercise to appoint a principal contractor for the delivery of the Barnard Park improvements project. The Capital Delivery Team is project managing the Barnard Park improvements project on behalf of the council's Greenspace and Leisure Services.

2. Recommendation

- 2.1. To approve the procurement strategy for the Barnard Park improvements project as outlined in this report.

3. Date the decision is to be taken

- 3.1. 21 March 2023

4. Background

4.1. Nature of the service

4.1.1. The Barnard Park improvements project aims to make the park a better place for local residents and for the environment. The project comprises three different but very interlinked elements which will require different delivery expertise:

- Landscape improvements
- A new community hub building
- A new 3G football pitch

To note: the principal contractor will not be responsible to build the new 3G football pitch. The new pitch will be delivered via the Football Foundation framework. Football Foundation have appointed a pitch supplier in December 2022. The pitch supplier will provide design and build services in relation to the new pitch only. The principal contractor will coordinate and liaise with the Football Foundation on the installation of the new pitch to ensure minimal disruption to the other elements of the project. The estimated value of the pitch works is £776,421.98, based on the successful pitch supplier's pricing submission. The council anticipates the project will receive circa £750k of external funding from Football Foundation to deliver the pitch. Football Foundation will confirm the full contribution in May 2023.

Key proposed park improvements include:

- The replacement by a specialist contractor as above of the existing 11-a-side Redgra (hard gravel style) pitch with a 9-a-side 3G football pitch, new pitch lighting and new retaining walls.
- The creation of a new oval grass area for informal recreation and sports use.
- The removal of the two existing park buildings and erection of a new thermally efficient and energy efficient Community Hub building aiming to achieve a Very Good rating in the BREEAM ('Building Research Establishment Environmental Assessment Method').
- Changes to three park entrances: First, the relocation of Hemingford Road entrance gate away from the existing mature tree and terrace of houses; Second, the relocation of the northern entrance from Boxworth Grove to Sheen Grove; Third, the closure of the Copenhagen Street entrance, which will be turned into a wildlife area.
- Improved pathways and circulation.
- New Park furniture, signage and information boards.
- Improvements to biodiversity and ecology, which include new planting throughout the park.
- Installation of Sustainable drainage systems (SuDS) with associated works.

4.1.2. The Capital Delivery Team seeks to procure a principal contractor to coordinate and deliver the Barnard Park improvements project, incorporating the following three key project elements:

1. Landscape improvements
2. A new community hub building
3. To coordinate the wider programme of works to ensure the construction of the new sport pitch by the specialist (pitch) contractor procured by the Football Foundation and the delivery of the other elements on site align.

The principal contractor's scope of works will include the demolition of two existing park buildings (the park keeper's hut including public toilets and the One O' Clock Club building), the erection of a new community hub building with associated outdoor terrace and access to the outdoor children's areas and various landscape works ranging from new pathways and planting to improvements to park entrances.

4.1.3. The Barnard Park improvements project was granted planning approval in March 2022. The design team is currently producing the technical design package, incorporating some minor design changes as a result of the planning conditions received. The aim is to conclude the technical design phase of the project by March 2023. The completion of this phase will enable the project team to produce the tender documentation required for the procurement of the principal contractor as set out in this report.

4.2. **Estimated value**

4.2.1. The overall project budget (£4.27m) comprises a combination of capital, S106 planning agreement funds and external funding, split as follows:

- £1.85m capital funding
- £2.37m S106 planning agreement.
The allocation of £2.37m S106 funding to this project was agreed by the Executive, via approval of the Capital Programme, at the meeting on 9 February 2023.
- £50k external funding (Arsenal in The Community)

4.2.2. The estimated value of this procurement for a contractor to undertake the construction and landscaping works at Barnard Park is £2,677,000. This estimate excludes the value of the pitch-related works, professional fees, statutory fees and surveys.

4.2.3. The remaining budget for the project is assigned to cover all costs associated to professional fees, statutory fees, surveys and contingencies.

4.2.4. The estimated construction period for the delivery of this contract is 40 weeks.

4.3. **Timetable**

4.3.1. Key estimated dates for the delivery of the procurement and project are:

- Approval to procure decision: March 2023
- Selection Questionnaire (SQ) issued: mid-March 2023
- SQ submissions received: April 2023
- SQ evaluation: April/May 2023
- Invitation to Tenders (ITT) issued: mid-May 2023
- ITT submissions received: end of June 2023
- Evaluation of ITTs: July 2023
- Contract award decision: August 2023
- Principal Contractor appointed: September 2023
- Estimated commencement of construction phase: mid-October 2023
- Estimated project completion: August 2024

Pitch works (carried out separately by the specialist pitch supplier through the Football Foundation framework):

- Estimated commencement of construction phase: end of June 2023
- Estimated completion of construction: September 2023

4.3.2. Statutory deadlines:

- The planning approval for the Barnard Park improvements project was granted on 15 March 2022. As a condition of this approval the development shall begin no later than three years from the date of the permission.
- Building Control application was submitted on 13 December 2022.
- A S73 application (minor material amendment application) will be submitted to Islington Planning in early March 2023. The application will incorporate some design changes occurred since planning approval (March 2022). These changes are necessary to achieve BREEAM (Building Research Establishment Environmental Assessment Method) and Secure by Design accreditations.
- A series of pre-commencement planning conditions will need to be discharged prior to works commencing on site.

4.3.3. Consultation

- About the project proposal:

In addition to the statutory planning consultation, since the start of the project Greenspace and Leisure Services have carried out a series of public consultations and engagement sessions with relevant stakeholders at key design stages throughout the development of the project, which includes:

- A public consultation, from 14 September 2014 to 30 November 2014
- A consultation exercise, from 4 October 2015 to 31 October 2015
- Consultation with key stakeholders (partners, sports organisations, existing Redgra pitch users) on the new football pitch in April and May 2019
- Targeted engagement on the proposed hub building in March 2020
- A public consultation, from 28 June 2021 to 26 July 2021

- About the procurement strategy proposal:

The appointed lead consultant carried out an impact assessment based on quality, cost, and time implications of the various procurement options. These options have been investigated in consultation with the Strategic Procurement and Supply Assurance, Legal and Finance teams.

4.4. Options appraisal

4.4.1. The procurement routes considered for this contract are:

1. In-sourcing:

This option has been discounted as the council does not have the relevant expertise, skills and equipment in-house to provide this type of specialist construction services. There would be significant time and cost implications to the project if the council had to recruit and train a new in-house team for capital works from scratch. There would also be a significant investment needed in the hire or purchase of large construction plant and vehicles.

2. External Framework agreements:

Advantages:

- (1) Time benefits. Framework agreements offer an easy and quick access to a list of pre-vetted contractors, making the duration of the overall procurement process shorter than other standard procurement routes.

Disadvantages:

- (1) Fixed number of contractors, posing the risk that not all contractors on the framework agreement may have the relevant experience or may not be interested in returning a tender for this type of specialist work.
- (2) Additional costs due to framework agreement fees applied on top of the final contract value, i.e., including variations. Framework agreements fees vary depending on the framework agreement; the appointed principal contractor's anticipated framework agreement fees could add between 2.5-4% of the final contract value.

Framework agreements were initially considered because they would enable a quicker route to procurement which would be an advantage given the tight timescales of the project programme.

Five framework agreement providers were reviewed as part of the options appraisal process for this procurement. After a thorough review of the framework agreement options each were deemed unsuitable for this procurement. The reasons this option has been rejected are:

- The risk that not all the contractors on these framework agreements will be suitable and able to meet the project quality and budget requirements. The complexity of the project requires the principal contractor to have robust relevant experience with managing both building and landscaping works (the latter being dominant in the scheme) as well as to have the right expertise and skills to coordinate the wider works with the pitch works (provided separately through the Football Foundation). This consideration also links up with an additional constraint identified, which is the fixed number of contractors, who may not all have the appropriate skills and experience or may not be interested in this project.
- The risk that framework agreement fees may significantly impact the construction project budget which is already tight.

3. Competitive procurement using the open procedure:

Advantages:

- (1) Potential to access to a wider range/number of contractors than through an existing framework agreement.
- (2) No additional framework agreement fees (cost savings).

Disadvantages:

- (1) Risk of long tender evaluation process should the number of tender submissions be high.
- (2) Advice given by the external specialist consultant supporting the delivery of the project is that some contractors will not tender due to the risk that they would be competing with potentially a high number of contractors and therefore be committing resources and time with a relatively small chance to be selected to the second stage.

4. Competitive procurement using a two-stage restricted procedure with selection questionnaire and ability to shortlist (preferred)

Advantages:

- (1) Potential to access to a wider range/number of contractors than through an existing framework agreement.
- (2) More control and certainty that project quality requirements will be met.
The use of a selection questionnaire allows the council to evaluate the contractors' relevant skills, experience, and suitability for the project, and to create a shortlist of suitable contractors to invite to tender.
- (3) No additional framework fees (cost savings).

Disadvantages:

- (1) This procedure involves two evaluation exercises which means the evaluation of submissions will take longer to complete. Risk that any delay to the process could cause programme delivery delays.

An informal market research exercise conducted on behalf of the council by an external consultant revealed that there are several parties who may be interested in bidding for the project.

- 4.4.2. The preferred procurement route for the Barnard Park project is the two-stage restricted procedure.
- 4.4.3. Collaboration has not been considered for this project as this option is not deemed appropriate for the scheme. The Barnard Park improvements project is a unique and site-specific project, and therefore there is no benefit to exploring this option with other authorities/organisations.

4.4.4. The design will be fully developed by the appointed design team up to the technical design stage.

4.5. **Key Considerations**

4.5.1. Social Value

Bidders will be required to set out clear and achievable social value targets and aspirations for the project as part of their tender returns. A dedicated social value question will be included within the method statement questions with a weighting of 20% of the total evaluation criteria.

In order to meet the minimum quality requirements, the contractor's proposed approach to social value will need to include:

- Economic considerations: for example, the contribution to developing skills and tackling unemployment amongst people including excluded communities and working with local and sub-regional supply chain / consultants.
- Social considerations - for example, supporting the local community.
- Environmental considerations - for example, supporting local activities that seek to reduce the council and the community's negative environmental impact.

To ensure compliance and to monitor social value on this project, the project team with assistance from the specialist external consultant supporting on the project will manage the social value targets in accordance with National Themes Outcomes and Measures (TOMs) Framework for social value measurement, published on the social value portal:

<https://socialvalueportal.com/national-toms/>

4.5.2. London Living Wage will apply for this project and will be a condition of contract.

4.6. **Evaluation**

4.6.1. This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage is Selection Criteria through a Selection Questionnaire (SQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the SQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT which is forwards-looking using Award Criteria. Tenders are evaluated based on the tenderers' price and ability to deliver the contract works as set out in the award criteria in order to determine the most economically advantageous offer.

4.6.2. The selection questionnaire will assess the suitability of the organisations that have expressed their interest during the first stage. Only the six top scoring organisations that will meet the selection questionnaire requirements will be invited to submit a tender during the second stage.

4.6.3. The second stage-tender submissions will be evaluated based on 55% cost and 45% quality, including 20% social value.

The proposed % split will ensure that value for money is delivered.

4.6.4. Cost/quality award criteria

Award Criteria	Total
Cost	55%
Quality - Made up of	45%
Proposed approach to social value	20%
Proposed measures and procedures/processes to ensure the contract is delivered within budget and on time	10%
Proposed methodology for implementing quality management procedures	10%
Proposed approach to health and safety	5%
Total	100%

4.7. **Business risks**

4.7.1. Key risks associated with this procurement:

Risk 1: The principal contractor may be not appointed before pitch works commence on site.

Impact: The project may suffer delays and potential cost increase due to uncoordinated delivery approach.

Mitigation: Engagement activities with the appointed pitch supplier to finalise involved parties' detailed scope of works.

Risk 2: If the 3G football pitch is not delivered within the timeframe given by Football Foundation there is a high risk the council may not get the Football Foundation funding.

Impact: This would result with a budget shortfall of £750k+, which the council will have to cover.

Mitigation: Regular and robust consultation with Football Foundation to ensure the new pitch will meet their requirements. Financial contingency has been included in the total project budget which could be drawn up if needed to make up a shortfall between the costs of the new pick and the grant funding provided.

Risk 3: The procurement exercise may fail, resulting with no contractors expressing interest for the project or contractors not meeting the project quality or cost requirements.

Impact: A second procurement exercise will need to be undertaken, which will impact project costs and programme.

Mitigation:

- An informal market research exercise conducted on behalf of the council by the project consultant revealed that there are several organisations interested in bidding for the project, all of which appear to have the appropriate skills to deliver the scheme.
- The proposed procurement route will ensure more control and certainty that project quality requirements will be met.
- The proposed % split between cost and quality will ensure that value for money is delivered.

Risk 4: Construction works may generate significant disruptions to park users and residents.

Impact: Reputational risk to the council.

Mitigation:

- As part of the planning application pack, the project consultants produced a high-level construction management plan (CMP) to set out key principles and strategies that will ensure the works will be carried out with minimum disturbance to residents and parks users. A more detailed CMP will be produced by the principal contractor before works commence.
- We will ensure residents, park users and key project stakeholders are notified about the works in a timely manner and that they are aware of how these works may impact the use of the park.

4.7.2. Business opportunities associated with this procurement:

Opportunity: This procurement exercise aims to appoint a contractor that can deliver the works, ensuring value for money as well as social value for Islington Council.

Management approach: Social value targets and aspirations will be requested as part of the tender return submissions.

4.8. The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

4.9. The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	<p>The council Capital Delivery Team needs to procure a principal contractor for the delivery of the Barnard Park improvements project.</p> <p>See paragraph 4.1</p>
2. Estimated value	<p>The estimated value of this contract is £2,677,000.</p> <p>The agreement is proposed to run for a period of 40 weeks.</p> <p>See paragraph 4.2</p>
3. Timetable	<p>The estimated timetable for the completion of this procurement is contained with the body of the report.</p> <p>See paragraph 4.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>The procurement options explored include in-sourcing, framework agreements, open procedure, and two-stage restricted procedure with selection questionnaire.</p> <p>See paragraph 4.4</p>
<p>5. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	<p>All bidders will be requested to set out clear and achievable social value targets and aspirations for the project as part of their tender returns.</p> <p>London Living Wage will apply for this project and will be a condition to the contract.</p> <p>See paragraph 4.5</p>
6. Award criteria	<p>55% cost and 45% quality, including 20% social value.</p> <p>See paragraph 4.6</p>
7. Any business risks associated with entering the contract	<p>Risks associated with the pitch works which may impact the principal contractor's scope of works,</p>

	<p>sequence of activities as well as the overall project programme.</p> <p>See paragraph 4.7</p>
8. Any other relevant financial, legal or other considerations.	See paragraph 5

5. Implications

5.1. Financial Implications

5.1.1. The total allocated project budget over two years is £4.270m which is a combination of the capital funding (£1.850m), S106 funding (£2.370m) and External funding (Arsenal in the Community £0.050m) approved by Full Council in February 2023.

5.1.2. The estimated value of the procurement for construction and landscaping works at Barnard Park is £2.677m with the remaining budget for the project is assigned to cover all costs associated to professional fees, statutory fees, surveys and contingencies.

5.2. Legal Implications

5.2.1. Whilst the provision of parks and open spaces is not a statutory function the Local Government Act 1999 provides the council with powers to promote the economic, social and environmental well-being of its communities. The provision of good quality parks and open spaces can make a huge contribution to all aspects of well-being. The council may enter into this contract for improvements to Barnard Park under section 1 of the Local Government (Contracts) Act 1997. Corporate Directors have authority to award contracts in relation to contracts for using capital money of up to £5,000,000 (Procurement Rule 18.1.1).

5.2.2. The proposed contract is a contract for works which is below the threshold of £5,336,937 for application of the Public Contracts Regulations 2015 (the Regulations). The council's Procurement Rules require contracts of this value to be subject to competitive tender. In compliance with the principles of the Regulations and the requirements of the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition via the two-stage Restricted Procedure on the Find a Tender Service and Contracts Finder.

5.2.3. On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

5.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

The Barnard Park improvements project will contribute to Islington's target of achieving net zero carbon by 2030 by setting out sustainable targets and aspirations in both the design and the construction phase. These have been summarised below.

Design Phase:

Building design

- The existing buildings will be demolished and replaced with a modern thermally efficient and energy efficient 'Community Hub' building that will achieve BREEAM 'Very Good' rating.
- The building will include green technologies, such as an air source heat pump and a green roof.
- All timber-based products will be specified as PEFC/FSC compliant.
- Flow limiting fittings will be specified in line with BREEAM requirements.
- The new building will use no gas. Instead, it will incorporate electric underfloor heating and heating via the air source heat pump.
- The new building will comply with Part L of building regulations to ensure thermal efficiency.
- As a further information, consideration was given to utilising photovoltaics, however this solution was deemed unsuitable due to the solar shading generated by the large trees on site.

Park - Landscape design

- **More green space** - The planned changes will increase the amount of green space and reduce the hard built space, for example by removing paths to the entrances at Boxworth Grove and Copenhagen Street which will be closed, creating more useable, larger grass areas which will complement the natural elements of the park.
- **A healthier place** - The health benefits for people using the park will be improved with new walking and running routes around the park and direct walking routes through it to improve exercise and active travel options. An outdoor gym will provide facilities to exercise for different ages and abilities. Pathways and entrances will be accessible to ensure that everyone can enter and move around the park easily. Ample cycle parking will be provided at different locations in the park to promote cycling to the park and giving people the opportunity to securely lock their bike and use facilities within the park.

- A park for people and nature - People's access to nature will be greatly improved. With all the proposed ecological enhancements there will be a Biodiversity Net Gain of 52%.

The planned changes will help biodiversity, adding to the park's existing ecological value demonstrated by its SINC (Site of Importance for Nature Conservation) designation. It is hoped that the higher level of SINC designation will be achieved with the following changes:

- 51 new carefully positioned trees (an 18.5% increase), and an increase in diversity of tree species on site and in the overall numbers of trees in the park. Tree planting across the site has been designed in collaboration between arboriculturists, landscape architects and ecologists. The tree species selected will provide a high diversity of native tree species to attract and support native wildlife, particularly invertebrates.
- Re-purposing removed trees on site for tree trunk play features, log piles and mulching of planted areas
- A new traditional orchard area – this is a UK Priority Habitat
- New large areas of thicket planting and native shrub planting to increase biodiversity in the park
- New areas of wildflower meadow and relaxed mowing
- New native hedgerows providing a continuous corridor of habitat for birds and other wildlife
- Sensory planting area providing feeding resource for butterflies, bumblebees and other pollinators
- Sustainable drainage features to capture rainfall and prevent flooding including swales and permeable paths.

In addition, the following proposals have been incorporated into the design to ensure waste is minimised and re-cycling is maximised:

- Retention and re-use of excavated subbase from existing Redgra Football pitch for re-use in path construction.
- Granite setts lifted from the existing Alma road area of the site are being reclaimed and re-used to the main entrance area.
- Existing fencing to the Hub building is being retained and re-used.

Construction Phase

The principal contractor will be encouraged to:

- Source sustainable products from local suppliers.

- Appoint local subcontractors.
- Reduce their carbon footprint by encouraging personnel to use public transport, to travel by bicycle or to carpool.
- To operate on a paperless system when liaising with consultants and sub-contractors, utilising email and electronic documents.

Furthermore, as part of meeting BREEAM 'Very Good' requirements the following will require to be implemented by the contractor:

- The contractor must operate an EMS (ISO 14001 or equivalent) and implement best practice pollution prevention policies and procedures on-site in accordance with Pollution Prevention Guidelines.
- A sustainability champion is to be appointed by the contractor.
- A pre-demolition audit will be carried out to maximise the recovery of material from the demolition.
- All site energy, water and transport of materials and waste will be monitored during the construction process and reported monthly.
- At least 70% volume or 80% tonnage of non-demolition waste and 80% volume or 90% tonnage of demolition by weight will be diverted from landfill following the waste hierarchy.

5.4. **Equalities Impact Assessment**

- 5.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 5.4.2. An Equalities Impact Assessment was completed on 27 January 2023. The main findings are that there are no foreseeable negative impacts generated by the redeveloped park.

Instead, it is thought that the project will have a positive impact on residents, park users, sports organisations and groups which will use the new pitch, children and their families, Friends of Barnard Park group and visitors to Islington.

Furthermore, it is thought that the project will have either a positive or neutral impact on people with protected characteristics and from disadvantaged groups. The full Equalities Impact Assessment is appended.

6. Conclusion and reasons for the decision

- 6.1. Approving the proposed procurement strategy will ensure the selection of a principal contractor that is capable of managing and delivering the various complex elements of this project and whose proposed approach presents good value for money.

7. Record of the decision

- 7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Authorised by:

Corporate Director of Environment and Climate Change.

Date: 21.3.23

Appendices:

- Barnard Park Full Equality Impact Assessment

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