

Community Wealth Building
Town Hall, Upper Street, N1 2UD

Report of: Corporate Director of Community Wealth Building

Date: 05 November 2024

Ward: Finsbury Park

Decision number: 1029799

Subject: Contract Award Report for Newington Barrow Way, GP Surgery Project

1. Synopsis

- 1.1. This report seeks approval for the award of the contract for the Newington Barrow Way, GP Surgery project.
- 1.2. The contract is to be awarded to a single principal contractor to coordinate and deliver the Newington Barrow Way, GP Surgery project, incorporating the following three key project elements:
 - Refurbishment of the first floor of 7 Newington Barrow Way to create the new GP Surgery.
 - Replacement of the three existing lifts in the building.
 - Minor decorative improvements to the entrance lobby and reception area.

2. Recommendations

- 2.1. To approve the award of the contract for Newington Barrow Way, GP Surgery project to Borrás Construction Limited for a period of up to 8 months from the expected start on site date of 13 January 2025.
- 2.2. The total aggregated value for this contract is £2,930,019.96

3. Date the decision is to be taken

- 3.1. 02 December 2024

4. Background

4.1. Nature of the service

4.1.1. A strategy for the procurement of a new contract for the proposed refurbishment works at Newington Barrow Way to create a GP Surgery was approved by the Corporate Director of Community Wealth Building on 02 August 2024. This focused on awarding the term service contract to an external contractor following a competitive tender process to identify the Most Economically Advantageous Tender (MEAT).

4.1.2. The proposed works for the Newington Barrow Way GP surgery project are summarised below:

- Refurbish and convert the first floor of the building to accommodate the Andover GP surgery, who need to vacate their current premises at 270-282 Hornsey Rd, Finsbury Park. Islington Council has secured funding for the project from NHS North Central London Integrated Care Board and received this funding in March 2024.
- Replace the three existing lifts in the building which are near end of life. This work is being funded by Islington Council but will form part of the same contract as the refurbishment works.

4.1.3. The principal contractor's scope of works includes:

- A refurbished first floor area. Works to the first floor will include the creation of a new reception area, consultation rooms, treatment rooms, staff facilities, WCs, and a new plantroom serving the GP surgery.
- External works include the replacement of two first floor windows with louvers to service the new plant room.
- Replacement of the three existing passenger lifts.
- Light touch decoration works to the main reception area on the ground floor.

4.2. Options appraisal

- 4.2.1. A full options appraisal was included in the procurement strategy which was approved by the Corporate Director of Community Wealth Building on 02 August 2024.
- 4.2.2. The council does not have the required specialist expertise in-house, hence why it was necessary to procure these services externally.

4.3 Procurement Process

- 4.3.1 The contract was advertised using an external framework agreement, known as Procure Partnerships.
- 4.3.2 An expression of interest was issued to the nine contractors on the available Lot within the Framework. Of these, seven contractors responded to say they were interested.
- 4.3.3 An invitation to tender was then sent to all seven contractors on 08 August 2024.
- 4.3.4 Six tenders were returned in response to the invitation to tender.

4.4 Evaluation

- 4.4.1 The evaluation panel was composed of the Islington capital delivery team leader, the Islington assistant project manager, the Islington social value lead, the project director from the NHS, the external lead designer, the external architect, the external health and safety consultant, and the external cost manager.
- 4.4.2 The criteria below were used to evaluate the tender submissions:

Cost/price	40%
Social Value	Weighting 20%
Quality Criteria	Weighting 40%, split as follows
Healthcare Experience and Project Team	15%
Methodology and Programme	15%
Quality Control	5%
Health and Safety	5%

4.4.3 The winning tender achieved the following scores:

- 40% cost/price
- 16% social value
- 31% quality
- Total score (cost and quality) = **87%**

4.5 Key considerations: outcomes, efficiencies, and savings

4.5.1 The contract will contribute to the delivery of an improved GP Surgery for the local area and wider Finsbury Park ward.

4.5.2 The following added social value will be delivered through this contract.

- 4.5.2.1 The contractor's social value lead will engage with the inclusive economies team, and local community engagement offices to deliver added value in events such as local wellbeing events organised by Islington Council.
- 4.5.2.2 The contractor's social value lead will engage with the local community to identify a local community project to support, either through a £500 donation, or agreed volunteering hours.
- 4.5.2.3 A £1500 donation to support local community projects addressing food and fuel poverty.
- 4.5.2.4 The contractor will structure their works around waste management to commit to Islington's 'Zero to Landfill' and 90% recycled material targets.
- 4.5.2.5 A commitment of 20 hours of voluntary time deployed for working on environmental activities approved by Islington.
- 4.5.2.6 The contractor will prepare a project specific green travel plan that will be shared with all operatives, and the wider supply chain. Encouraging the use of public transport, car sharing, and bicycles for commuting to the site.
- 4.5.2.7 A commitment to use local SMEs whilst working on the project. The contractor will be given access to Islington's construction directory information via the inclusive economy team to support this commitment.
- 4.5.2.8 The contractor will provide the opportunity to an Islington resident to be employed as a full-time labourer for the duration of the project.

This will be arranged through engagement between the contractors' social value lead and the inclusive economy team.

4.5.2.9 The contractor's social value lead will engage with the inclusive economy team to offer mock interviews and career talks to promote career paths into construction, highlighting transferable skills.

4.5.2.10 The contractor will engage with local secondary schools and colleges to provide meaningful experience and / or work shadowing.

4.5.2.11 The contractor will provide a minimum of two insight talks such as careers fayres and talks, 'What is Construction' talks and hardhat tours of our building sites.

4.5.2.12 The contractor will commit to 4x one week's worth of work experience to local students.

4.5.3 The social value outcomes will be delivered by the contractor and monitored by the project team with support from Islington's Inclusive Economy and Jobs team.

4.5.4 London Living Wage/real living wage is applicable to this contract.

4.6 Contract management

4.6.1 The contract is anticipated to start from 13 January 2025 and complete 15 September 2025.

4.6.2 The contractor's success will be measured by the project team, throughout the contract. The measures of success will include delivery against the programme, the budget, and quality assurance through the appointed client-side design team.

4.6.3 The contract sum is a fixed price for the works, this is not a fluctuation contract.

4.6.4 Fortnightly site meetings will take place between the project team and the contractor. Monthly progress meetings will be attended by the full design team and contractor. If the performance of the contractor is in doubt, progress meetings will take place fortnightly, until no longer required.

4.6.5 The main risks associated with the contract include:

4.6.5.1 Programme impact. The project will fail to meet the completion date, which will have an impact on the GP surgery vacating their premises in line with the notice issued by their landlord. To mitigate this risk a robust programme has been developed specifically for the

procurement exercise and shared with all parties involved to ensure everyone is aware of when their input is required and by when.

4.6.5.2 Unauthorised persons entering the construction site. This risk will be mitigated by ensuring the building remains closed to the public, and the external site areas are protected by site hoarding. Suitable and sufficient signage will also be displayed to communicate risks and project timescales.

4.6.5.3 The long lead times associated with the manufacture of the lifts delays the project completion date. To mitigate this risk, the project team will work closely with the contractor at the start of the contract to ensure that a suitable lift contractor is appointed, and all design queries are answered, so the lift manufacture can start on programme.

4.7 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.

5 Implications

5.1 Financial Implications

5.1.1 This report seeks approval to award the contract for the Newington Barrow Way GP Surgery project, in accordance with the council's procurement rules.

5.1.2 The approved budget for NHS Refurbishment of Newington Barrow Way in the Capital Programme totals £4.313m. This is fully funded by a Section 2 grant from the NHS. £0.431m has been spent up to October 2024, leaving £3.882m for the remainder of the project.

5.1.3 The three existing lifts in the building are near end of life and need to be replaced and upgraded. It has been agreed between the NHS and Islington Council that Islington Council will fund these upgrades to the building. This is estimated to cost

£0.500m and will be transferred from the Compliance and Modernisation capital allocation.

5.1.4 The value of this contract to appoint a contractor to undertake the construction works, including the lift upgrades, amounts to £2.930m. This includes £0.182m as a contingency against cost increases and minor changes to the project scope. This is within the project's capital allocation and should not cause any additional financial pressures.

5.1.5 Any costs over this allocation will need to be managed within the capital budget allocation.

5.2 Legal Implications

5.2.1 The council has powers to procure and enter into a contract for these works under section 1 of the Local Government (Contracts) Act 1997 and section 111 of the Local Government Act 1972. It is also required to achieve Best Value in the exercise of its functions in accordance with the Local Government Act 1999.

5.2.2 The contract value is less than the estimate and is below the Public Contracts Regulations 2015 (PCR) threshold for works. However, retained EU law principles of equality of treatment, proportionality, non-discrimination and transparency are still required to be followed and this has been achieved using a PCR compliant framework, which has also provided the council with a quick route to market and bids from several pre-vetted contractors, thereby also fulfilling the requirement for Best Value.

5.2.3 The contractor has included a wide range of social value measures which will be of benefit to the wider community and will be included in and monitored as part of the contract.

5.2.4 The procurement has been undertaken in compliance with the council's Procurement Rules.

5.2.5 Procurement Rule 18 provides that Corporate Directors have authority to award contracts paid for using capital money of up to £5,000,000. The contract will be executed as a deed.

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

5.3.1 The GP Surgery re-development contains plans for a low carbon heating source, and LED lighting is to be installed throughout. There are also good social value

outcomes with a commitment to reduce climate impacts from travel and freight transport.

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 03 July 2024 and appended to the procurement strategy report published on 02 August 2024.

6 Conclusion and reasons for the decision

4.3. Awarding this contract to Borrás Construction Limited, 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, will ensure that Islington Council can deliver the Newington Barrow Way, GP Surgery project.

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 Community Wealth Building



Date: 2 December 2024

Appendices:

- Exempt Appendix – Summary of bids received

Report Author: Graham Hughes, Capital Delivery Team Leader

Tel: 07974 604358

Email: graham.hughes@islington.gov.uk

Financial Implications Author: Charlotte Brown, Strategic Finance Manager (Capital)

Email: charlotte.brown@islington.gov.uk

Legal Implications Author: Sally Sugden, Senior Commercial Lawyer

Email: sally.sugden@islington.gov.uk