

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 3rd July 2008

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WARD(S): All

PART I **FOR CONSIDERATION & COMMENT**

OFFICE ACCOMMODATION STRATEGY - NEW HEADQUARTERS OFFICE **PROCUREMENT**

1 Purpose of Report

This report provides an overview of the procurement process for the Council's proposed new town centre headquarters office building and the steps that have been taken to ensure compliance with European Procurement Directives. The report also makes recommendations in terms of moving forward with the procurement, through the tender stage of the process.

2 Recommendation

The Committee is invited to comment on the following recommendations to Cabinet:-

- a) That the developers numbered 1-7 in Appendix A, Part II of this report should be invited to tender.
- b) That the proposed timeline of events moving forward, as detailed in section 6 be noted.

3 Key Priorities – Taking Pride in Slough and Making a Difference to Communities and our Environment

Priority 1 – Creating safe, environmentally friendly and sustainable neighbourhoods.

- 1.2 *Adopt a green and sustainable approach to managing and developing the environment.*

Priority 4 – Ensuring excellence in customer services

- 4.1 *Deliver excellent customer focused services in an excellent customer environment*
- 4.2 *Deliver excellent internal and external relations.*

Priority 5 – Maintaining excellent governance within the Council to ensure it is efficient, effective and economic in everything it does.

- 5.1 *Improve financial and asset planning, monitoring and stewardship.*
- 5.2 *Improve project, performance and major project management.*
- 5.3 *Gain efficiencies and ensure effective procurement.*
- 5.4 *Ensure compliance with the law*

4 Other Implications

(a) Financial

The capital programme assumes receipts of £8m in 2008/09 and £4m in 2009/10 from the sale of the current Town Hall site. In light of current market conditions it is suggested a cautious approach be taken concerning the amount and timing of this receipt. A report elsewhere on the agenda considers this in the context of the overall capital programme.

The details of the revenue implications of the new offices will not be known until bids are received and this will receive detailed consideration as part of a future report.

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications. The procurement procedure for the council's proposed new town centre office building is EU compliant and the process has been supported by solicitors, Berwin Leighton Paisner (BLP).

(c) Workforce

A fully implemented accommodation strategy will impact on staff through (in some cases) a change in location and possible working practices. Staff and Trades Unions are to be fully consulted. Communication to and consultation with staff will form a key part of the project.

5.0 Supporting Information

- 5.1 At its meeting on 27th November 2007, Cabinet resolved that Officers seek proposals for a new town centre office building which would be ready for occupation by the end of 2011.
- 5.2 In line with European Procurement Directives, a contract opportunity was released in the Official Journal of the European Union (OJEU) followed by a contract notice which included an Information Memorandum, draft design brief and Pre Qualification Questionnaire (PQQ). These documents provided detailed information regarding the council's objectives, vision and requirements for a new civic headquarters and allowed prospective candidates to demonstrate their suitability for delivering a building that met the council's requirements.

5.3 The PQQ Process and Results

5.4 The procurement process involves a two-stage award procedure. The first is the pre-qualification stage used to narrow a field of candidates. The second stage is a tender process, where candidates who are selected at the PQQ stage can be invited to tender for a contract which in this case will be for a developer to provide offices to the council on the basis of a 15 year lease on commercial terms.

5.5 The first stage PQQ was designed to allow an objective assessment of candidates' responses against specific criteria.

As well as assessing each candidates' ability to deliver a contract, responses to the PQQs also allowed the impact of risk to be assessed including:

- the nature of the candidates' interest in the relevant sites (e.g. freehold or leasehold);
- the nature of the planning status of the sites (e.g. detailed consent, outline consent or conceptual consent);
- The ability of the candidates to fund the delivery of the contract
- Previous experience of the candidates (and their teams) in delivering significant town centre developments as well as delivering civic accommodation.

Sections considered to have a greater importance were given a higher weighting and are summarised in the table below:

Section	Brief Description	Percentage weighting for overall score.
1. Company Details	The provision of factual information regarding the candidate (e.g. company name, status, date of incorporation and main business activities)	Na – Details provided for information only
2. Financial Information	The provision of information relevant to assessing the candidates' financial status and ability to deliver a contract	25%
3. Insurance	The provision of information relevant to assessing candidates' insurance cover	5%
4. The Proposed Team	The provision of information relevant to assessing the candidates' ability to deliver the contract through their key personnel	10%
5A. Relevant Experience	The provision of information relevant to assessing the candidates' previous experience in delivering contracts of this nature	15%

Section	Brief Description	Percentage weighting for overall score.
5B. Relevant Facilities and Availability	The provision of information relevant to assessing the candidates' ability to deliver the contract. through ownership of a site, a feasible contract programme and having the necessary funding	20%
6. Health and Safety	The provision of information relevant to assessing the candidates' Health and Safety programme	5%
7. Quality Management	The provision of information relevant to assessing the candidates' Quality Management programme	5%
8. Environmental Matters	The provision of information relevant to assessing the candidates' Environmental Policy, including their track record in delivering BREEAM registered and BCO compliant buildings	10%
9. Equal Opportunities	The provision of information relevant to assessing the candidates' Equal Opportunities Policy	5%
10. Grounds for Mandatory and Discretionary Exclusion of Candidates	The provision of factual information that could lead to the mandatory or discretionary exclusion of candidates	N/A – Details provided for information only
Total	-	100%

5.6 A total of nine PQQ responses were received and subjected to a detailed assessment by professional advisors, led by the Council's retained property consultants, with input from external legal, construction, design and accountancy firms.

The list of candidates together with details of relevant town centre sites (where applicable) is provided in Appendix A, Part II of this report.

5.7 Invitations to Tender

5.8 The second stage of the procurement procedure will involve a tender process, where candidates who are selected at the PQQ stage are invited to tender for the contract.

5.9 The contract notice published in OJEU informed candidates of the council's intention to invite a minimum of five and a maximum of seven candidates to submit a detailed tender package. Subsequently, one successful candidate will be selected (a time line of events is provided in section 6 below).

5.10 From the total of nine responses received, two candidates provided no evidence of being able to meet the Council's requirement outlined in the

contract notice of either owning or being able to obtain a relevant site within the Town Centre and it is proposed, therefore, that they will not be invited to tender.

- 5.11 The remaining seven candidates have demonstrated that they have a suitable interest in a relevant site and are in a position to deliver a building by the stated date of December 2011. Some tender submissions were stronger than others but all met the minimum requirements and it is proposed therefore that all seven are passed through to the second stage of the tender process.
- 5.12 The Council's consultancy team is in the process of preparing tender documentation which will enable a detailed and objective analysis of developers' responses against the following criteria:

Financial	Non financial
Rent	Location
Lease terms including rent review provisions	Potential regeneration benefits
Financial contributions	Sustainability
Other incentives	Deliverability
Running costs	Development programme
	Design quality

6.0 Timetable

- 6.1 The timetable for the remainder of the procurement process is outlined in the table below:

Date	Event
July 2008	Candidates informed and Invitations to Tender released
August to October	Developers' tender period
November 2008	Submissions received and reviewed
December 2008	Recommendations to Cabinet regarding preferred candidate. Developer selected.
By March 2009	Target for completion of Agreement for lease

- 6.2 The target date for completion of the selected building is towards the end of 2011 with the council taking possession during 2012.

7 Appendices Attached

Appendix A: Part II Report (on pink paper)

8 Background Papers

Cabinet Report dated 11th February 2008