

**TITLE OF REPORT**

Kings Hall Leisure Centre Design Team Services Contract Award

**CONTRACT APPROVAL**

**Key Decision No.** FCR S126

**CPIC MEETING DATE**

3 October 2022

**CLASSIFICATION:**

Open with exempt appendix

**If exempt, the reason will be listed in the main body of this report.**

**WARD(S) AFFECTED**

Homerton

**CABINET MEMBER**

Philip Glanville, Mayor of Hackney

**KEY DECISION**

Yes

**REASON**

Spending/or saving

**GROUP DIRECTOR**

Ian Williams, Group Director for Finance & Corporate Resources

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1. This report focuses on taking forward commitments made in this administration's manifesto with regard to safeguard the immediate and long term future of Kings Hall Leisure Centre (KHLC) and eventual full refurbishment.
- 1.2. The Council has long recognised the impact that sport and physical activity can have on the achievement of its priorities and since 2005 has made improvements to both the quality and operation of its sport and leisure facilities all across the borough. Since the Olympics in 2012, Hackney residents have become more active: from 6th most inactive borough in London in 2012 to 19th most inactive borough in 2022, one of only two boroughs to make such progress.
- 1.3. To ensure we continue to improve sport and physical activity opportunities for residents we need to make decisions about how our leisure facilities continue to meet the demands and expectations of the community, within the context of a growing population and reducing resources. We have already done this with the development of the new Britannia Leisure Centre that opened in June 2021; investment in London Fields Lido, Clissold Leisure Centre and the West Reservoir Centre; and we now need to turn our attention to securing the future of Kings Hall Leisure Centre (KHLC).
- 1.4. KHLC is an important social and historic landmark for the borough and an important component of the borough's overall leisure provision. However, the condition of KHLC continues to deteriorate, with the building in a poor condition, repair costs rising rapidly and the integrity of the building worsening. Reflecting this, the administration made a commitment in its 2018 Manifesto to "develop plans to ensure that Kings Hall Leisure Centre continues to meet the needs of residents in the east of the borough for the future." This reflected that doing nothing is simply not an option nor can we keep patching up this valuable community asset. We also know that in recent memory similar challenges were faced at Haggerston Baths and we are determined to make decisions now that will ensure KHLC remains open. We are therefore delighted to bring forward proposals to develop clear plans for what a refurbished KHLC will look like and how it will serve Homerton, Clapton and all Hackney residents, alongside accurate estimates for what it will cost in order to inform future decision making. We are determined, even in the context of significant financial challenges, to continue to prioritise investment in much-loved local leisure facilities like KHLC that attracts approximately 380,000 visits annually.
- 1.5. I commend the procurement approach taken to ensure that the delivery of this project advances with expediency through the Pagabo Framework, with a team with a proven track record and knowledge of the challenges

associated with the KHLC, and a strong commitment to delivering Social Value through the delivery of the contract.

## **2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1. This report sets out the business case for, and contract award of design services to support the delivery of the KHLC refurbishment project. Services which are required in order to inform the Council's broader decision making in relation to the financial business case for the refurbishment project, and how the Council will deliver upon its manifesto commitments.
- 2.2. As a project which is both of great community interest, and of technical complexity (due to its current state of repair, and Grade II Listed status), this project will be brought to Cabinet in order to approve the financial business case and procurement approach for the project. This is currently anticipated to be at the beginning of 2024. As part of this, there is a need to consider the overall budgetary commitment to this scheme as part of the Council's overall capital strategy and priorities.
- 2.3. In advance of this further scrutiny, the cost of these design Services is within the budget envelope presented and approved by Cabinet in July 2021 for this initial phase of design and planning preparations.

## **3. RECOMMENDATION(S)**

**Cabinet Procurement and Insourcing Committee is recommended to:**

**(a) Award the contract for core Design Team Services for Kings Hall Leisure Centre (KHLC) refurbishment project to Supplier A by way of a call off from the Pagabo Professional Services Framework Lot 1 (OJEU - 2020/S 079-187629) in line with the fee set out in Exempt Appendix A - Tender Detail, and**

**(b) Enter into a call off contract and any other ancillary legal documentation necessary relating thereto with Supplier A for the Services under such terms as shall be agreed by the Director of Legal, Democratic and Electoral Services, and authorise the Director of Legal, Democratic and Electoral Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report.**

## **4. RELATED DECISIONS**

- 4.1. Cabinet Budgetary Approval - FCR R78 Capital Update Report dated 19 July 2021.

## **5. REASONS FOR DECISION/OPTIONS APPRAISAL.**

- 5.1 This joint business case/contract award report sets out the reason for recommending and awarding a direct contract award for design Services for the Kings Hall Leisure Centre (KHLC) refurbishment project to Supplier A (as the lead multidisciplinary consultant) via the Pagabo framework.
- 5.2 As set out in the Cabinet Capital Update Report on 19 July 2021, the KHLC is in urgent need of both repairs (to ensure its continued safe operation), and permanent refurbishment works to continue to meet the needs of residents and deliver upon 2018 manifesto commitments. As a much loved community asset and Grade II Listed building, there is an urgent need to progress feasibility level designs to a level of due diligence which will enable the Council to robustly consider a financial business case for its refurbishment. Budgetary approval for this financial commitment was considered and approved by Cabinet in July 2021. The focus since then has been on emergency structural and roof repairs to keep the centre safe and operational. This report now recommends the appointment of a team to drive forward the refurbishment project from feasibility level to Stage 3 design/planning submission.
- 5.3 The key drivers for the delivery of the project are to ensure it is: Expedient, Experienced, Confident and delivers Best Value. The procurement of the team to drive this forward thus also needs to demonstrate these traits.
- 5.4 A feasibility study was completed in 2018 by a consultant team appointed via the Pagabo framework, with Supplier A appointed as the lead multidisciplinary consultant. The Pagabo framework allows a bespoke team to be scoped and engaged, responding to the specific nature of the challenges presented by an historic Grade II Listed building. Value for Money has been demonstrated through the original framework procurement approach and continues to be demonstrated through benchmarking of fees against other similar projects; in this case, the refurbishment of wet leisure facilities within Grade II Listed buildings.
- 5.5 The feasibility team, led by Supplier A, included all of the core disciplines, including the project manager, architect, and MEP/Pool Engineer who delivered the award winning Britannia Leisure Centre. Given the complexity of the KHLC scheme, and the need to understand the existing structural and condition status of the building fabric/constraints, the continuity of this feasibility stage team is key to ensuring delivery in line with our key drivers. This core team includes the following disciplines:
- Project Manager
  - Cost Consultant & Principal Designer (CDC Regs)
  - Architect and Design Lead
  - Civil and Structural Engineer
  - MEP Engineer
  - Pool Consultant

- Planning Consultant

5.6 Given the importance of Heritage advice to the success of the scheme's delivery, a Heritage Consultant has also been nominated as part of this appointment and further details are provided in Exempt Appendix A.

5.7 An aligned requirement of the commission is to be able to ensure a coherent and coordinated approach to remedial works which are required in advance of the refurbishment project. This is to ensure that surveys are shared and inform both remedial and refurbishment decisions, and that abortive remedial works are kept to a minimum. As existing contracts recommend works to be undertaken, these will be scoped in conjunction with the refurbishment team - as variations to the base contract.

## 5.8 **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

5.8.1 Multidisciplinary design team services are required in order to deliver the outcomes of the KHLC refurbishment project. As such a 'Do Nothing' option is not a viable option. The tender proposal sets out a clear methodology and benchmarked fee to carry out the services. As such, there is no reason why the services should not progress to be awarded in line with this outcome.

## 6. **PROJECT PROGRESS**

6.1. **Developments since the Business Case approval.** As a joint Business Case/Contract Award report, This report recommends the appointment of a core design team to progress feasibility Option 5 - 'Max Wet' to Stage 3 design and planning submission. This moves the project from feasibility, through concept design (Stage 2) and Spatial Coordination (Stage 3), in readiness to submit a planning application. The fee proposal also gives core team fees for Stages 4 (Technical Design) to Stage 7 (Use), excluding Stages 5 to 7 for the architect and civil and structural engineer - who will be novated to the successful contractor. The initial instruction will be to complete Stage 2 and Stage 3 design and prepare for planning; the project will then be taken to Cabinet in order to approve the financial business case, contractor procurement route, and update on resident engagement prior to instructing the team to submit a planning application and move forward to the Stage 4 technical design and contractor procurement phase.

6.2. **Whole Life Costing/Budget.** As set out in the financial comments section, funding for this project has been secured for the first phase of design (to Stage 3 / planning). This design will enable the project to be technically presented to a stage where a robust cost financial business case can be presented to Cabinet for approval, including moving to Stage 4 design and contractor procurement. The design team will consider whole life

costs in the specification of the refurbishment project; the financial business case will also consider whole life costs as part of the investment decision being presented.

- 6.3. **SAVINGS.** This report relates to the development of a capital project, which is required to address ongoing maintenance issues with an historic community asset. The project will work to minimise nugatory spend on the asset prior to these refurbishment works, through a coordinated approach in relation to surveys and interim remedial works.

7. **SUSTAINABILITY ISSUES** As part of the proposal required from the direct call off tender, Supplier A was required to consider the Council's Sustainable Procurement Strategy and propose Social Value outcomes as part of their proposal. Key elements are highlighted below:

7.1. **Procuring Green**

Building on corporate sustainability principles of: a society for our future; an environment with a future; and a responsible business of the future. Supplier A set out that one way this is achieved is by setting high carbon emission reduction standards, e.g. being a carbon neutral business, committed to science-based targets to be net zero carbon by 2030. UK Green Building Council (UKGBC) gold members. In relation to the KHLIC project, the team will ensure that at briefing stage there are defined and agreed targets for realising the project's Net Zero Carbon (NZC) objectives. Carbon budgets will be provided for key elements of the design packages, and a contractor briefing package outlining the project's NZC design and aspirations. There will be monthly reporting against the carbon budget and project briefing document. On conclusion of the project, a final carbon statement, assessing output against the initial project aspirations, as well as a post occupancy evaluation report expanding on whole life carbon impacts.

7.2. **Procuring for a Better Society**

Supplier A has committed to resourcing a dedicated social value consultant who will liaise with the Authority and stakeholders and coordinate the volunteering hours of the extended team. Using a corporate Social Value methodology, governance, and Themes, Outcomes and Measures (TOMs) Framework guidance to define what constitutes social value evidence, this role will produce a quarterly report which includes a dashboard that shows:

- Social Value created by Theme
- Total Social Value created (£ Social Value Add)
- Case studies of Social Value created showing the quantified social impact of each social value activity

Supplier A has also submitted a specific Social Value proposition for the engagement, which is set out below. This follows National TOMs' themes and measures and will be monitored as a Key Performance Indicator in line with the timelines presented for each theme.

National TOMs' Themes	JOBS <i>Promote Local Skills &amp; Employment</i>		GROWTH <i>Supporting Growth of Responsible Regional Business</i>		SOCIAL <i>Healthier, Safer, and more Resilient Communities</i>		ENVIRONMENT <i>Decarbonising &amp; Safeguarding our World</i>	
National TOMs' Measures	<b>What</b>	X 1 new local hire (FTE) on the contract	<b>What</b>	Engage with x4 SMEs/MSMEs per year to deliver business support	<b>What</b>	x16 staff hours on the contract for Community engagement for the project	<b>What</b>	x1 session of 1 hour per year to support x4 SMEs to work towards carbon neutrality
	<b>How</b>	In collaboration with our supply chain	<b>How</b>	via The Hackney Business Network	<b>How</b>	via <a href="#">Volunteer Centre Hackney</a>	<b>How</b>	via The Hackney Business Network
	<b>When</b>	over the duration of contract	<b>When</b>	Throughout the contract	<b>When</b>	Throughout the contract	<b>When</b>	Annually
	<b>What</b>	x4 staff hours per quarter to support jobseekers with LinkedIn training, CV writing guidance, interview preparation and mock interviews	<b>What</b>	Engage with x4 VCFSEs per year to deliver business support	<b>What</b>	x16 staff hours on the contract Communications support to educate on benefits of sports and wellbeing	<b>What</b>	x1 session of 1 hour per year to support x4 VCFSEs to work towards carbon neutrality
	<b>How</b>	via LB Hackney's JCP	<b>How</b>	via <a href="#">Volunteer Centre Hackney</a>	<b>How</b>	via LB Hackney Council	<b>How</b>	via <a href="#">Volunteer Centre Hackney</a>
	<b>When</b>	every quarter	<b>When</b>	Throughout the contract	<b>When</b>	Throughout the contract	<b>When</b>	Annually
	<b>What</b>	x8 staff hours per year of Built Environment Career talks in schools & colleges	<b>What</b>	Create new opportunities via x1 meet the buyer event per year for the local supply chain	<b>What</b>	x8 volunteering staff hours per year to encourage utilisation of newly created leisure centre	<b>What</b>	x8 Volunteering staff hours per year with community's sustainability projects
	<b>How</b>	Via LB Hackney colleges	<b>How</b>	via The Hackney Business Network	<b>How</b>	LB Hackney Council	<b>How</b>	via <a href="#">Volunteer Centre Hackney</a>
	<b>When</b>	Annually	<b>When</b>	Annually	<b>When</b>	Annually	<b>When</b>	Annually
	<b>What</b>	x32 staff hours per year spent on school and college visits delivering talks on ED&I, Carbon Literacy	<b>What</b>	Promote Sports & Health & wellbeing at work sessions/workshops to x8 SMEs per year	<b>What</b>	x8 volunteering staff hours per year on sports & wellbeing community projects		
	<b>How</b>	LB Hackney schools & colleges	<b>How</b>	via The Hackney Business Network	<b>How</b>	via <a href="#">Volunteer Centre Hackney</a>		
	<b>When</b>	Annually	<b>When</b>	Annually	<b>When</b>	Annually		
	<b>What</b>	x5 Work placements on the contract	<b>What</b>	x4 one-hour sessions per year of ED&I awareness across the supply chain	<b>What</b>	£500 Sponsorship of sporting events		
	<b>How</b>	via <a href="#">Hackney Opportunities</a>	<b>How</b>	via The Hackney Business Network	<b>How</b>	via LB Hackney Council		
	<b>When</b>	Throughout the contract	<b>When</b>	Annually	<b>When</b>	Annually		

### 7.3. Procuring Fair Delivery

Supplier A's UK & Europe ED&I Strategy for 2021-2023 is 'Different Makes a Difference'. This Strategy was developed to demonstrate their commitment to cultivating a diverse and inclusive work environment in the UK & Europe. The three themes which come under this are: 'Weave ED&I Into Everything We Do; Remove Barriers Every Step of the Way; and Become a Leading Voice for Change'. In relation to the KHLC project, Supplier A recognises that to provide the best innovative service they need to have diverse representation across their internal team structure and project teams. The team for KHLC will be reviewed with their National ED&I Lead. All staff are paid above the London Living Wage, and a worldwide company policy is in place for tackling modern slavery and human trafficking.

### 7.4. Equality Impact Assessment and Equality Issues:

The quality of facilities at KHLC will be greatly enhanced through the refurbishment project, with a key consideration of the design team in the first phase of the project being to enhance the accessibility of the facilities being provided, enabling broader access and enjoyment for all.

## 8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

8.1. The options which were considered by way of a procurement route were to issue a Find a Tender Service (FTS) notice or to progress with a mini tender via an appropriate Framework route. Pros and Cons of each route were considered, with the main pros of the direct award route being as follows:

- Compliant with Public Contract Regulations
- Shortest timeline to procure – 2 to 3 months
- Experienced and proven team prequalified and identified

- Continuity / expediency of maintaining team who carried out the feasibility work
- Concurrent addressing of existing condition issues with refurbishment development (given expediency to get onboard)

8.2. The main cons of both the FTS and Framework mini competition route were as follows (with the FTS taking longer than the mini competition route):

- Timeline to procure
- Additional time required to assess market appetite/available frameworks and soft market test
- Knowledge/Continuity of feasibility team likely to be lost
- Delays and/or splits the concurrent addressing of existing condition issues with refurbishment development

8.3. Each of the routes were scored on a Red/Amber/Green basis against the delivery drivers for the project, with the direct award via Pagabo being the most advantageous route for this specific project.

Option	Expedient	Experienced	Confident	Best Value
FTS Tender				
Framework (mini comp)				
Pagabo Framework (direct award)				

8.4. Given the specialist nature of the design team services, insourcing is not an appropriate route given the current structure and capabilities within the Council.

## 9. TENDER EVALUATION

9.1. **Evaluation:** Supplier A was invited to submit a proposal in response to an invitation to tender document which was issued on 17 August 22. A tender response was received by the deadline date of 12 September 22, and has been reviewed by the Project Director in order to confirm it meets the requirements of the brief. In particular, the tender responds to the Council's requirements in the following areas:

- 9.1.1. The Delivery Approach - Supplier A set out their approach to Gateway Approvals, Supply Chain Management, Procurement of Surveys / Non-Core Services, and Social Value.
- 9.1.2. Proposed Company Profiles - Setting out the approach and experience of each company proposed as part of the core design team. This drew out corporate experience of delivering leisure facilities, and specifically wet leisure facilities, in complex Local Authority stakeholder environments. It also set out corporate experience of delivering leisure facilities using sustainable and low carbon technologies and within historic buildings.
- 9.1.3. Organogram and Team Structure (incl. CVs) - As well as demonstrating corporate experience, the proposal set out a clear organogram, setting out how the team would be managed and linked into the Council's governance and management structure. CVs for key team members were provided, further evidencing the capability and relevant experience of the proposed team. Recent experience of the team includes: Dover District Leisure Centre, Britannia Leisure Centre, Kirby Leisure Centre, Princes Parade Leisure Centre, The Bridge, Tides Leisure Centre, Sovereign Leisure Centre, and the Kings Hall Leisure Centre feasibility study.
- 9.1.4. Programme - A programme was submitted, which was split into two Phases; the first being the Pre Planning Stage (Stage 2 and 3 design); the second being the Post Planning Stage. The programme is based on a 2-stage design approach to the contractor procurement, and the requirement to secure Cabinet sign off prior to submitting planning and progressing to the Post Planning Stage of the project.
- 9.1.5. Sustainable Procurement Strategy (SPS) - as set out paragraph 7 of this report, Supplier A submitted a comprehensive SPS response and engagement specific Social Value plan.
- 9.1.6. Approach to Digital Modelling and Data Capture - Supplier A evidenced their experience of and approach to delivering digital modelling through the design stages of the procurement, and in particular, how data capture from surveys would be specified and delivered in a way which could be brought into the project digital model. Supplier A's approach to digital modelling was exemplified through a case study on how this was approached on the Britannia Leisure Centre.
- 9.1.7. Fee Proposal and Benchmarking - a fixed price lump sum bid was submitted for the core design team services, and has been broken down by design stage. The fee assumes an initial instruction for the Pre Planning phase and a subsequent

instruction to progress to the Post Planning phase. Fees for novated consultants (architect and civil & structural engineer) are excluded from the Pagabo forecast fee for stages 5-7. Fees were broken down by discipline, stage, staff grade, and Pagabo day rate. Supplier A also submitted fee benchmarking data. Against an estimated construction value of circa £35m, estimated design team and survey fees for the delivery of the whole project to Stage 7 are estimated at 15% (including a 15% contingency). This benchmarks acceptably against available data for six other relevant leisure and/or listed building projects, which have a high of 20.2% and an average of 16.8%. In relation to the benchmarking of the specific services being procured through this contract award, the combined fee % of 11.1% is below average; being higher (as would be expected) for Building Services and Structural & Civil Engineer. Given the feasibility option and condition of the structure; these fees seem of an appropriate level.

- 9.1.8. Project Experience - Supplier A provided a number of relevant case studies to back up the individual and joint experience of the proposed team. These included: Seymour Leisure Centre, Britannia Leisure Centre, Kingston Leisure Centre, Ironmonger Row Baths, and Kentish Town Sports Centre.

- 9.2. **Recommendation:** It is recommended to award the contract to Supplier A as a direct call off from the Pagabo Professional Services Framework. The bid has been evaluated to ensure that it meets the requirements of the brief and can demonstrate value for money. The proposal covered all of the required areas, and sets out how the lump sum fixed price was built up, and how this benchmarks against other projects of a similar nature and scale.

- 9.3. The submitted fee:

Core Design Team	Lump Sum Fixed Price* (Stages 2 to 3)  *Initial Instruction - Spend approval in place	Lump Sum Fixed Price** (Stages 4 to 7)  **Spend subject to future Cabinet approval	Total (Core Team)
Supplier A	£1,419,248.90	£1,950,829.50	£3,370,078.40

- 9.4. Further detail is provided at Exempt Appendix A in relation to the breakdown of the fee. This also includes clarity on the schedule of rates which has been

used to build up discipline fees, and would be applied to any variation, e.g. in relation to any support relating to remedial surveys and works.

## 10. CONTRACT MANAGEMENT ARRANGEMENTS

- 10.1. **Resources and Project Management (Roles and Responsibilities):** The KHLC refurbishment project is led and project managed under the same governance arrangements which were put in place to deliver the Britannia Masterplan. The leadership of this team is procured via a Consultancy Agreement which is in place through the Local Education Partnership (LEP), which ensures continuity of resource, and agreed call off rates and scope of services.
- 10.2. The Project Director is responsible to the Senior Responsible Officer (SRO), Group Director Finance & Corporate Resources, and the KHLC project Board for the delivery of the project, supported during the design and planning phase of the project by the following core team:
- PMO Officer - LBH
  - Procurement Category Lead and Coordinator - LBH
- 10.3. **Key Performance Indicators:** The Key Performance Indicators for the project are as follows:

Main KPI Target Set	Monitoring
1. Completion of Stage Reports (Stages 2 and 3)	At the end of each design stage, formalised by a Stage approval letter
2.Completion of Stage 4 Report (subject to separate instruction)	
3.Submission and successful determination of Detailed Planning Submission	Following SRO approval to submit (post Cabinet update)
4.Delivery against Social Value Plan commitments	As set out in the Social Value Plan by Theme
5.Progress and Delivery of procurement recommendation report in relation to a D&B Contractor	Monthly, during procurement stage of the programme
6.Support in delivering the Council's stakeholder and engagement plan for the project	Monthly, as part of routine project management

Main KPI Target Set	Monitoring
7.Support in the procurement of additional consultants and surveys to enable the delivery of the programme.	Monthly, as part of routine project management

## **11. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

- 11.1. This report sets out a business case and procurement recommendation for the appointment of design team services to support the progression of the KHLC refurbishment project. A fixed price lump sum proposal has been sought, which is split into a Pre Planning and Post Planning phase.
- 11.2. In the July 2021 Capital Update, Cabinet resolved:
- “Approve £2.25m in the 2021/22 capital programme and give spend approval for the same to appoint a design team to both manage the remedial works programme (including surveys) and develop a design to RIBA Stage 3 (to submit a planning application) for the potential refurbishment of KHLC”*
- 11.3. Whilst expenditure has been incurred against Cabinet’s other approvals in relation to remedial works and surveys on Kings Hall Leisure Centre, no expenditure has yet been committed against the £2.25m to appoint the design team.
- 11.4. The initial instruction as a result of this procurement award will be to develop the design to Stage 3, in readiness to submit planning. Supplier A has submitted a fixed price lump sum fee of £1,419,248.90 for this pre planning phase.
- 11.5. As part of this pre planning phase, the indicative project budget produced by Supplier A as part of the tender, will be reviewed and tested, prior to being presented to Cabinet as part of a financial business case update. Whilst additional services will be procured and fees will be incurred in order to carry out this Pre Planning phase, these will need to be kept within this overall budget cap pending further due diligence and spend approval being granted.
- 11.6. The report only provides approval for initial instruction to develop the design to Stage 3. Supplier A fixed price lump sum fee of £1.4m for this pre planning phase, will be fully funded from the existing budget of £2.25m.
- 11.7. This contract award also includes a fixed price lump sum fee for the post planning phase (Stage 4 to 7) for the core design team. This is for the sum of £1,950,829.50, bringing the total engagement lump sum to £3,370,078.40. This is based on a four year programme, commencing in November 2022.

Further Cabinet approval will be requested before progressing to the post planning phase (Stage 4 to 7).

## **12. VAT Implications on Land & Property Transactions**

N/A

## **13. COMMENTS OF THE DIRECTOR, LEGAL, DEMOCRATIC & ELECTORAL SERVICES**

- 13.1. The contract in this Report was assessed as Low Risk. Paragraph 2.5.3 of Contract Standing Orders states that, in respect of procurements with a risk assessment of “Low Risk”, Cabinet Procurement and Insourcing Committee will determine the award of contracts above the value of £2m. The estimated maximum value of the contract in this Report is above £2m so therefore Cabinet Procurement and Insourcing Committee can agree the recommendations in this Report.
- 13.2. Details of the procurement process undertaken by officers are set out in this report.

## **14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD**

- 14.1. This report provides the Cabinet Procurement and Insourcing Committee with the outcome of a direct award procurement exercise via Lot 1 - Complete Service Solutions - of the Pagabo Professional Services Framework (OJEU reference 2020/S 079-187629.)
- 14.2. Supplier A will act as multidisciplinary lead consultant, providing core design services to progress the Kings Hall Leisure Centre (KHLC) refurbishment project from Stage 2 to Stage 7 design.
- 14.3. The proposed award is supported on the basis that Supplier A has submitted a proposal which meets the brief and cost requirements of the Council. Supplier A has also demonstrated a clear understanding of the Council's commitment to deliver sustainability and social value outcomes, and submitted a proposal which, together with their supply chain, meets the Council's expectations in this regard.
- 14.4. The direct award off a framework allows for relevant supplier checks and service quality assessments to be undertaken. Additionally, the competitive exercise undertaken for the supplier's appointment to the framework has provided competition and would evidence value for money.

## **APPENDICES**

## Exempt Appendix A - Tender Detail

### EXEMPT

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### CONFIDENTIAL

N/A

### BACKGROUND PAPERS

**In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required**

#### Description of document (or None)

None

<b>Report Author</b>	Full Name - Hayley Craig Tel: 0208 356 5792 Job Title: Project Director Email Address: hayley.craig@hackney.gov.uk
<b>Comments for and on behalf of the Group Director of Finance and Corporate Resources</b>	Full Name - Mizanur Rahman Tel: 0208 356 4347 Job Title: Chief Accountant Email Address: mizanur.rahman@hackney.gov.uk
<b>Comments for and on behalf of the Director of Legal &amp; Governance</b>	Full Name - Patrick Rodger Tel: 0208 356 6187 Job Title: Senior Lawyer Email Address: patrick.rodger@hackney.gov.uk
<b>Comments of Procurement Category Lead</b>	Full Name - Divine Ihekwoaba Tel: 0208 356 4681 Job Title: Construction and Environment Category Lead Email Address: Divine.Ihekwoaba@hackney.gov.uk