

CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	London Fields Lido Teaching Pool - Appointment of Works Contractor
Key Decision No.	CHE S191
CPIC Meeting Date	2 May 2023
Classification	Open Report with Exempt Appendix A:
Ward(s) Affected	London Fields
Cabinet Member	Cllr. Caroline Woodley (Cabinet Member for Families, Parks and Leisure)
Key Decision	<p>_____</p> <p>Yes</p> <p>_____</p> <p>This results in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service/function</p>
Group Director	Rickardo Hyatt (Group Director, Climate, Homes & Economy)
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	c.£3.9m exc. VAT (£4.2m inc. VAT)
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	18 months

1. Cabinet Member's Introduction

- 1.1 The development of a teaching pool at London Fields Lido is a key priority for the Council having been published as a Manifesto commitment in '**Working Together for a Better Hackney (Hackney Labour Manifesto 2022-2026)**'.
- 1.2 The Council's review of Indoor Sports Facilities, as set out in the Indoor Sports Facilities Strategy, confirmed that there is an identified under-supply of water

space in the Borough and the delivery of a teaching pool at London Fields Lido will help reduce this under-supply, creating additional accessible provision for the whole community. The results of the Indoor Facilities Strategy are summarised in the [Hackney Council Infrastructure Delivery Plan \(2018\)](#) (p126 - 141).

- 1.3 Introducing a new teaching pool at London Fields Lido will also increase programme flexibility and improve access to the facility for a variety of groups, ages and abilities who may currently be excluded. Some of the main beneficiaries will be children and young people for learn to swim sessions, faith groups, single gender sessions, disability groups etc.
- 1.4 The teaching pool extension will enhance the Lido facilities and enable the re-use of the former paddling pool site for accessible sports and leisure use year round, and funding has therefore been included in the 2022/23 and 2023/24 capital programmes to deliver the project, which I wholeheartedly support.

2. Group Director's Introduction

- 2.1 Funding has been approved and included in the Council's capital programme to progress the delivery of the new teaching pool at London Fields Lido, aimed at improving the quality of provision in the Borough and expanding the offer to a wider section of the community.
- 2.2 In September 2022, an experienced project management and design team was appointed, using the Pagabo Professional Services Framework - Lot 1, to ensure the successful delivery of the London Fields Lido Teaching Pool, and in January 2023, Hackney Procurement Board (HPB) approved the proposed strategy for the procurement of a works contractor.
- 2.3 The appointed consultant team have made good progress with design options for the teaching pool and ancillary facilities at London Fields Lido with ground investigations and various site surveys having been completed. Consultation meetings have taken place with the Local Planning Authority and an extensive community engagement exercise has recently been completed.
- 2.4 The following Report sets out the process for the procurement of the works contractor (the Contractor) through a two-stage design and build procurement route using the Scape Framework and recommends the appointment of the preferred Contractor.

3. Recommendations

- 3.1 **That Cabinet Procurement & Insourcing Committee (CPIC) approves the selection of the preferred contractor (Contractor B), as noted in the Exempt Appendix A, and the issue of the Scape 'Project Request' form to Contractor B to carry out the Feasibility Study to develop the new teaching pool and ancillary facilities at London Fields Lido.**

- 3.2 Subject to the satisfactory completion of the Feasibility Study, that CPIC agrees to delegate the approval to enter into a 'Pre-Construction Services Agreement' with Contractor B referenced in paragraph 5.15, to the Group Director, Climate, Homes & Economy Directorate in consultation with the Group Director of Finance and Corporate Resources.
- 3.3 That CPIC agrees to delegate the approval of the Contract Award for the appointment for the main works (subject to agreement being reached with the Contractor B on price and supporting information for the building contract) to the Group Director, Climate, Homes & Economy Directorate in consultation with the Group Director of Finance and Corporate Resources.
- 3.4 Subject to the award of contract in paragraphs 3.1 and 3.3 above, that CPIC agrees to authorise the Director, Legal, Democratic and Electoral Services to agree and enter into all necessary legal documentation in relation thereto.

4. Related Decisions

- 4.1 At its meeting on 20 January 2020, the Council's Cabinet gave resource approval for £4.5m to develop a new learner/teaching pool at London Fields Lido to expand and complement the current offer of the main pool.
- 4.2 At its meeting on 9 August 2022, Hackney Procurement Board (HPB) approved the appointment of an experienced Consultant Team, using the Pagabo Framework, to ensure the successful delivery of the London Fields Lido teaching pool project.
- 4.3 At its meeting on 10 January 2023, HPB approved the proposed strategy for the procurement of a construction / works contractor for the development of the teaching pool and ancillary facilities at London Fields Lido through a two-stage design and build procurement route using the Scape Framework.

5. Reason(s) For Decision / Options Appraisal

- 5.1 The Council has long recognised the impact that sport and physical activity can have on the achievement of its vision / priorities and, in recent years, has made improvements to both the quality and operation of its sport and leisure facilities. However, we are now at a watershed in terms of having to make some decisions about how the facilities will continue to meet the demands and expectations of the community, within the context of a changing population and reducing resources.
- 5.2 The future of the Council's Sport and Leisure provision has been re-evaluated over recent years, given the expected changing population, increasing customer expectations and age and condition of the leisure buildings. The review process adopted an integrated approach towards the Council's leisure facilities that sought to:

- Improve the quality of provision to ensure it continues to meet the demands and expectations of the community;
 - Remove barriers, improve access and increase participation;
 - Improve the financial and environmental sustainability of provision; and
 - Identify opportunities to attract inward investment to fund the new or improved sport and leisure provision.
- 5.3 This Report relates to the appointment of a preferred works contractor following completion of a procurement exercise using the Scape Framework, for the development of the new teaching pool at London Fields Lido.
- 5.4. As previously mentioned, in September 2022, a multi-disciplinary consultant team was appointed to project manage and design the development of a new enclosed teaching pool at London Fields Lido. The new pool will provide a valuable new facility that can be used by the whole community throughout the year and will complement the existing and extremely popular open air 50m main Lido. The new facility needs to be sustainable, both financially and economically, and reduce carbon emissions.
- 5.5 The Project is logistically challenging, being built within a live site, as both the Lido and adjacent Parks' depot will need to remain in use. The new pool and associated accommodation will also need to be connected to the existing building and will require structural alterations. Pool projects are inherently difficult, specialist developments and it is therefore important to employ a contractor with suitable experience of this type of project.
- 5.6 The total Project Budget is £4.5m, with £3.9m of this being the construction cost. This is below the Public Contract Regulations - 'Public Works' threshold of £4,447,447, excluding 20% VAT. There are no additional revenue costs to the Council associated with the development of the new teaching pool and ancillary facilities, as London Fields Lido is already included within the leisure management contract with GLL and any increase in operational costs will be offset by the additional income generated by the new teaching pool.
- 5.7 COVID, Brexit, and most recently the war in Ukraine and the cost of living crisis, are all having a significant impact on the construction market, with an upturn in construction activity coinciding with a lack of available materials and resources. This has led to significant price increases and contractors will therefore prioritise well run, low risk projects, with a high probability of them going ahead.
- 5.8 A potential recession may slow down construction activity, however this is only likely to see a levelling of the market, rather than a wholesale reduction in prices, and it will inevitably put contractors under financial strain. It will be important, therefore, to select a contractor that is both experienced in the delivery of wet leisure facilities and financially stable.
- 5.9 As reported to HPB, the original preferred route for the procurement of a works contractor for the London Fields Lido teaching pool was to appoint the

contractor through a single stage design and build procurement utilising an established framework such as Constructionline. However, the final decision would depend on the available frameworks, and the appetite of the contractors for this project and a single stage design and build procurement route. To confirm the procurement route, soft market testing of this approach was carried out to assess the level of interest and experience of the contractors available i.e. good leisure and swimming pool experience.

5.10 The results of the soft market testing confirmed that:

- There was no appetite for a single stage procurement route from contractors with suitable leisure/pool experience;
- The contractors approached are still busy with a good pipeline of opportunities and are only interested in a two-stage procurement route;
- The project is too small for some of the contractors; and
- Without being prompted, interested contractors suggested the use of an established framework and subsequently confirmed their interest in bidding through the Scape Framework.

5.11 A 'Two Stage Develop and Construct' procurement route was therefore chosen for the project, with the Building Contract being procured through the Scape Framework (England and Wales, £0-£7.5m), which fully complies with Regulation 28 of the Public Contracts (England, Wales and Northern Ireland) Regulations 2015.

5.12 Two contractors were appointed to this Framework. Tenders were requested from both contractors who were also invited to a Post Tender Presentation Meeting. The tenders were assessed on a quality only basis, following assessment of both their tender documents and their post tender presentation (see Exempt Appendix A for details of the Scape Framework contractors).

5.13 The Contractors on the Framework were provided with as much information about the project as possible and posed 3-4 questions, such as team/track record, methodology/programme, added value and social value. The contractors prepared a presentation in response to the questions and presented this to our evaluation panel. The topics/questions were weighted to help with the scoring and selection, as per the ITT documents that Procurement issued via ProContract.

5.14 This process will allow the selection of a preferred Contractor to work with the Council's project team during the pre-construction phase (Stage 1).

5.15 Once the Contractor has been appointed, the Scape 'Project Request' form will be issued to the Contractor to complete a Feasibility Study, which will include their view on design, enabling works, demolition, surveys, utilities, programme, risk, construction logistics etc., and will provide a cost estimate and confirm their pre-construction fees in line with the Scape Framework Agreement. Assuming this is satisfactory, the preferred contractor will be appointed under a Pre-Construction Services Agreement (PCSA), to work with the Council's project team and price the works once the design has been

developed in sufficient detail (for this project it will be at the end of Stage 4). This will be carried out on an open book basis where the contractor obtains 3-4 quotes for each package. The agreed Overhead & Profit and management rates set out in the Framework Agreement are then added to this and the quotations for each package will be scrutinised by the cost consultant (F+G) to ensure the Council achieves best value. This is broadly the same process that the Council followed for the development of the new Britannia Leisure Centre, albeit through a different Framework.

5.16 The Building / Works Contract will then be entered into with the preferred Contractor upon completion of the pre-construction period, tendering the sub-contractor packages and agreeing a fixed contract sum for the works (Stage 2). There is no obligation to enter into the Building / Works Contract if an agreement cannot be reached with the preferred Contractor during the pre-construction period.

5.17 As outlined in recommendations 3.2 and 3.3, delegated approval is being sought for the reasons outlined below:

- Once the contractor's Feasibility Study has been completed and considered satisfactory by the Council's project team, it's important that the preferred contractor is appointed under a Pre-Construction Services Agreement (PCSA) without delay, to work with the Council's project team to develop the design in sufficient detail to allow the preferred contractor to tender their subcontractor packages and agree a fixed contract sum for the works.

Completion of the contractor's Feasibility Study is a very quick exercise, taking 3 weeks and would normally be done under a PCSA. However, the Scape Framework requires this to be two separate instructions, hence the need to be able to move quickly and seamlessly into the PCSA following the successful completion of the Feasibility Study.

- Due to the current volatility of construction costs, the contractor's supply chain needs to be engaged as soon as possible, to keep costs low and ensure the project is delivered within budget. It's worth noting that the cost of the teaching pool project has increased by more than 20% since the project was approved and funding included in the Council's capital programme. Any delay in the reporting and approval process could result in further cost increases which could render the project undeliverable.

Alternative Options (Considered and Rejected)

5.18 Alternative options considered and rejected for the procurement of the works contractor for the new teaching pool at London Fields Lido were outlined in the Business Case report presented to HPB:

Procurement Route	Pros	Cons	Reason for Rejection
Do nothing	<ul style="list-style-type: none"> • There are no advantages in 'doing nothing' for the reasons outlined in the adjacent 'Reason for Rejection' column. 	<ul style="list-style-type: none"> • The disadvantages of a 'doing nothing' option are outlined in the adjacent 'Reason for Rejection' column. 	<ul style="list-style-type: none"> • The development of a teaching pool at London Fields Lido needs to be delivered as it is a published Manifesto commitment in 'Working Together for a Better Hackney (Hackney Labour Manifesto 2022-2026)'. • Funding has been allocated in the 2022 / 23 and 2023/ 24 capital programmes for the project. • The Indoor Sports Facilities Strategy confirmed that there is an identified under-supply of water space in the Borough and the delivery of a teaching pool at London Fields Lido is designed to help reduce this under-supply, creating additional accessible provision for the whole community.
Traditional	<ul style="list-style-type: none"> • Complete control over design and product selection. • Reduction in post contract changes. 	<ul style="list-style-type: none"> • Longest lead time before starting on site, therefore a longer overall programme. • Design risk sits with the client. • No price certainty until much later in the project. • No sub-contractor input. 	<ul style="list-style-type: none"> • This approach is rarely used under framework agreements

Procurement Route	Pros	Cons	Reason for Rejection
		<ul style="list-style-type: none"> ● No incentive for contractors to solve problems. ● Rarely used for this type of project i.e. development of a swimming pool. 	
Management Contracting / Construction Management	<ul style="list-style-type: none"> ● Client retains full control of the project. ● Design and construction are overlapped, therefore reducing the overall programme. ● Flexibility to make changes. ● Open book approach. 	<ul style="list-style-type: none"> ● Client unable to transfer design and project risks. ● Increased contract management. ● No price certainty until very late in the construction phase. ● Very resource intensive for the Client team. ● More suited to large complex projects. 	<ul style="list-style-type: none"> ● There are currently no frameworks available for this type of procurement.
Partnering	<ul style="list-style-type: none"> ● Least adversarial. ● Open book approach. ● Early contractor input on buildability issues. ● Should achieve a high-quality product. 	<ul style="list-style-type: none"> ● More costly. ● Client is unable to transfer design and project risks. ● No price certainty until the end of the construction phase. ● Not suited to one-off projects where there is little opportunity to benefit from a long-term relationship. 	<ul style="list-style-type: none"> ● There are currently no frameworks available for this type of procurement, although some frameworks do introduce an element of partnering.

6. Project Progress

6.1 Developments since the Business Case approval

6.1.1 There have been no unforeseen changes or developments since the business case approval.

6.2 Whole Life Costing/Budgets

6.2.1 The budget for the construction of the teaching pool is approximately £3.9m, which will be funded from the Council's capital budget for the teaching pool development (£4.5m).

6.2.2 The funding for the project management and design team is being met from the capital budget, which has been ring fenced specifically for the project.

6.2.3 The operation of the new teaching pool will be included in the existing contract with GLL and will not result in any additional cost to the Council.

6.3 Risk Assessment/Management

6.3.1 The following table summarises the major risks associated with the project and includes headline mitigation actions required to minimise them. The project was allocated a 'Medium' risk rating through the procurement Risk Assessment Tool (RAT).

6.3.2 A project risk register has been created following a risk management workshop attended by the entire project management and design team in February. This will be updated throughout the project lifetime, however, outlined below are some examples of the risks that could impact on the delivery of the project:

Risk	Likelihood	Impact	Overall	Action to Avoid or Mitigate Risk
	L - Low; M - Medium; H - High			
Design proposals for the facility are not supported by the community.	M	M	M	Ensure consultation with key stakeholders and local residents is undertaken to secure community support for the facility improvements.
Planning approval and / or PINS consent cannot be obtained for the teaching pool at London Fields Lido.	L	H	M	Continued liaison with the planning department throughout the design phase of the Project, and prior to the submission of a planning application.

Risk	Likelihood	Impact	Overall	Action to Avoid or Mitigate Risk
	L - Low; M - Medium; H - High			
Limited interest from framework contractors to tender for the work.	L	H	M	Ensure soft market testing is undertaken to confirm interest in the project from experienced contractors.
The initial cost plans for the preferred facility development are higher than the capital budget.	L	M	L	Accurate costing by the cost consultant, design adjustments and value engineering if required.
Delays to the project timescales.	M	H	M	Ensure that a realistic, thorough timeline and plan (critical path) is in place so that key milestones are met.

7. **Savings**

- 7.1 There will be no significant impact on cashable savings, although procurement will seek best value for money wherever possible.

8. **Sustainability Issues and Opportunities, Social Value Benefits**

8.1 **Procuring Green**

- 8.1.1 The architects and M&E consultant have incorporated as many green and environmental features as possible within the design elements of the Project, to provide a successful, sustainable and energy efficient facility.
- 8.1.2 During the construction / installation works there is the potential for short term negative impacts on the local environment. However, these impacts will be carefully managed and mitigated as far as possible by the project team, in conjunction with the preferred contractor.
- 8.1.3 Working hours will be restricted and any disruption during the course of the works will be carefully managed, monitored and clearly communicated so that disruption is kept to a minimum.
- 8.1.4 The ITT required the Framework contractors to have a good track record of environmental management and suitable environmental accreditations, for example be members of the Considerate Contractors Scheme.

8.1.5 The construction contract will also include appropriate environmental procedures and during the work on site there will be regular monitoring including a requirement of the contractors to submit details of their proposal for the removal of any waste materials. KPI's relating to the above environmental considerations such as reporting on waste management and local sourcing of materials, will also be included in the contract.

8.2 Procuring for a Better Society

8.2.1 There will be no adverse economic impacts. The improvement to the Lido's facilities will have a positive impact on the local community as they will be more attractive, more accessible and offer more to visitors in terms of interest and activities.

8.2.2 The Council seeks to encourage employment and training opportunities, arising from any commission, to benefit local residents and local businesses. In particular, the Council seeks to support vulnerable and disadvantaged sections of the community including women, BAME groups, disabled people and unemployed youth (18-25 years).

8.3 Procuring Fair Delivery

8.3.1 The principles of procuring fair delivery include: fulfilling our public sector equality duty; following ethical practices such as Fair Trade; paying the London Living Wage; tackling modern slavery and human trafficking and ensuring that communities, suppliers and workforces are diverse.

8.3.2 The Council is committed to ensuring that workers' rights are preserved in the context of fair and prompt payment to subcontractors, and as part of the procurement of new contractors, and when a decision is made to in-source a service. Each bidder will be required to comply with the Council's requirements with regards to the specification, local labour and employment and skills.

8.3.3 In accordance with the Sustainable Procurement Strategy we will require our suppliers to offer wages and benefits that, at a minimum, meet relevant industry benchmarks and nationally required standards, and to consider pay and workforce conditions in its services and works contracts in a manner consistent with Best Value, ensuring that pay rates are at least equivalent to the London Living Wage.

8.3.4 Facility improvements will meet all relevant British Standards and Regulations and will be compliant with the Equality Act 2010 .

8.4 Equality Impact Assessment and Equality Issues

8.4.1 Introducing a new teaching pool at London Fields Lido will increase programme flexibility and improve access to the facility for a variety of groups, ages and abilities who may currently feel excluded. Some of the main beneficiaries will be children and young people for 'learn to swim' sessions, faith groups, single gender sessions, disability groups etc.

- 8.4.2 The proposed extension will enhance the Lido facilities through the provision of an enclosed 13m x 7m teaching pool that can be used all year round and, in line with other Council swimming pools in the Borough, the new teaching pool will offer 'free swimming for under 18's'. It is expected that the design of the new pool and external terrace area, along with the 100% moveable floor, will be able to replicate to some degree the 'paddling pool experience' for local residents in the summer.
- 8.4.3 There will be no adverse impacts to the local community or economy. The improvements to the Lido's facilities will have a positive impact on the local community - they will be new, accessible and offer more for customers in terms of accessibility, interest and activities. The teaching pool extension will enhance the Lido facilities and enable the re-use of the former paddling pool site for accessible sports and leisure use.

8.5 Social Value Benefits

- 8.5.1 The ITT required the contractors' submission to demonstrate how the outcomes of the Council's Sustainable Procurement Strategy would be delivered through the delivery of the Project. The Social Value proposition is considered a key element of the Brief and will be monitored as a core part of performance reporting. The contractors' response included completion of the Council's Employment and Skills Plan Template and provided specific proposals for the social value measures identified as 'client' in schedule 18, part B of the Scape Framework Agreement such as local labour, local spend, SME engagement, SME spend, client satisfaction - Value for Money etc.
- 8.5.2 The Social Value plan submitted by the preferred contractor is offering to deliver social value outcomes on the Project over and above the Scape Framework requirements. The preferred contractor is a familiar employer and has previous experience of delivering social value outputs and outcomes in the Borough. This is a relatively low value contract (construction value c£3.9m) and there is a commitment for apprenticeships, work placements, supported internships and employment. The preferred contractor's presentation confirmed a collaborative approach and demonstrated a commitment to meeting the Council's needs in terms of social value and indicated that they will work with the Council to, if required, amend the social value plan to achieve the Council's objectives.
- 8.5.3 The delivery of the Social Value will be monitored and managed throughout the lifetime of the contract by both the Scape representative and the project team, to secure added value.

9. Tender Evaluation

9.1 Tender Evaluation Team

- 9.1.1 The Tender Evaluation and Moderation Team consisted of the following:
- Interim Project Manager (Leisure and Green Spaces) - Hackney Council

- Social Value Lead - Hackney Council
- Procurement Category Manager - Hackney Council
- Consultant Project Manager - Hadron Consulting
- Cost Consultant - Faithful+Gould (F+G)
- Lead Director - FaulknerBrowns Architects
- Lead Architect - FaulknerBrowns Architects
- Scape Framework Manager - Observer only

9.2 Evaluation Criteria and Weightings

9.2.1 The evaluation criteria and weightings used for Tender Evaluation were as follows:

Evaluation Criteria	Score
Quality	100%
Experience	40%
Methodology and Programme	30%
Social Value	20%
Added Value	10%

9.3 Tenders Received

9.3.1 Tender documents were issued to the Scape Framework contractors on Wednesday 22 February 2023, via the Council's tender portal (ProContract) and tenders were to be received by the return deadline - 12 noon on Monday 13 March 2023. A Post Tender Presentation Meeting took place on Wednesday 15 March 2023 with submissions being assessed on a 100% quality basis. The evaluation criteria (outlined in paragraph 9.2.1 above) including sub-criteria and weightings, were clearly set out in the tender documents and the tender evaluation scores have been summarised in Exempt Appendix A.

10. Recommendation

10.1 It is recommended that Contractor B is appointed as the preferred contractor. The initial appointment will be for the pre-construction phase (Stage 1), including the Feasibility Study and Pre-Construction Services Agreement (PCSA) stages, and subsequently the Building Contract (Stage 2), assuming

agreement is reached on the scope, design, price and any other contract matters.

10.2 A summary of the evaluation of Contractor B's submission is outlined below:

- **Experience:** Contractor B's submission provided a clear project organogram together with details of each team members' existing commitments and their % allocation to the teaching pool project. The team has good overall experience with some relevant experience of working on wet leisure projects. The site manager is currently working on a site adjacent to a live area, which demonstrates an acknowledgement and appreciation of the risks involved in working sympathetically next to existing live environments i.e. the Lido and Park. Good team continuity was demonstrated pre to post contract and post competition.
- **Methodology and Programme:** Contractor B submitted a detailed programme as part of their submission and their methodology included 'opportunities and risks' and mitigation measures demonstrating that they have reviewed and considered the supporting documents in the ITT. The response picked out some key risks and opportunities as well as stress testing elements of the programme. The supply chain, which would be involved, has been clearly identified with early engagement emphasised to keep costs low to ensure scheme delivered within budget.
- **Social Value:** The social value plan submission from Contractor B is offering to deliver social value outcomes on the project over and above those required as part of the Scape framework agreement. Contractor B also indicated that, if required, they will work with the Council to amend the social value plan to achieve the Council's objectives. Their approach to social value is localised and focused on creating opportunities for local people and they have committed to support local economic growth by creating decent jobs for Hackney residents, paying the London Living Wage. Contractor B will ensure that all jobs are advertised with Hackney's brokerage services (Hackney Works) and preferred partners.
- **Added Value:** Contractor B is offering some added value in the continuity of the team who appear to have a good relationship. Their response talked about early involvement of the supply chain to drive best value and the streamlining of utilities was also a good measure.

11. Contract Management Arrangements

11.1 Resources, Project Management and Key Milestones:

11.1.1 The project will be managed internally by the Project Sponsor (the Head of Leisure, Parks and Green Spaces). The technical Project Manager and internal Client Project Manager will report to the Project Sponsor and provide regular progress reports.

11.1.2 The Contractor will be required to report performance monthly against the agreed Scape KPI's, contained in the preferred contractor's signed Framework

Agreement National Construction Framework – Lot 1, and attend regular contract review meetings.

11.2 **Key Performance Indicators**

11.2.1 A sample of the KPI's that the Contractor will be expected to achieve are outlined below:

Main KPI Targets Set	Monitoring
<p>1. Time Pre-Construction Stage: To measure the reliability of forecasts provided by the Contractor for the duration of the pre-construction stage of a project allowing for the effect of client agreed changes.</p>	<p>Monthly contractor reports to include programme updates to indicate whether the pre-construction stage has taken longer than programmed, (excluding the effects of client agreed changes).</p>
<p>2. Time Construction (allowing Client Changes): To measure the reliability of forecasts provided by the Contractor for the duration of the construction stage of a project allowing for the effect of client agreed changes.</p>	<p>Monthly contractor reports to include programme updates to indicate whether construction has taken longer than programmed, excluding the effects of client agreed changes.</p>
<p>3. Whole Project Cost Construction (allowing for Client Changes): This PI indicates how reliably the costs of a project have been forecast at 'Commit to Construct' stage when compared to the final value entered upon Completion (allowing for the effect of client agreed changes), to improve accuracy of contract pricing.</p>	<p>Monthly contractor reports to include the actual project cost at 'Available for Use' less the anticipated project cost at 'Commit to Construct', less the cost of any client agreed changes, expressed as a percentage of the anticipated project cost at 'Commit to Construct' stage.</p>
<p>4. Fair Payment: To ensure the supply chain is paid promptly, in line with (or better than) Government fair payment policies.</p>	<p>The number of payments made by the Contractor (Tier 1) to the Tier 2 supply chain (by number not value) within 19 days of each due date, taken as a percentage of the total number of payments made. Data collected and to be reported monthly by the Contractor.</p>

Main KPI Targets Set	Monitoring
5. Health & Safety – RIDDOR: To measure the Partner’s safety performance.	Monthly contractor reports to include the number of RIDDOR reportable accidents.
6. Client Satisfaction: How satisfied the Client is with the Contractor’s performance using a 1 to 10 scale.	Data collected and reported by Scape

12. Comments of Group Director, Finance and Corporate Resources

- 12.1 This report seeks approval for the appointment of Supplier B initially for pre-construction phase 1 to develop the new London Fields Teaching Pool. If completed satisfactorily the contract will progress to stage 2 - the building contract.
- 12.2 The £4.5m budget for this project is already included in the 2023/24 Capital Programme and has been ring fenced specifically for this project.
- 12.3 Although there are no monetary savings the teaching pool will be included in the existing GLL Contract and will not result in any ongoing additional cost to the Council.

13. VAT Implications on Land & Property Transactions

- 13.1 None

14. Comments of the Director, Legal, Democratic & Electoral Services

- 14.1 On 10th January 2023 Hackney Procurement Board agreed a Medium Risk Business Case in respect of a tender process for the selection of a contractor to undertake the works for the London Fields Lido Teaching Pool. Paragraph 2.7.7 of Contract Standing Orders states that, in respect of procurements with a risk assessment of “Medium 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.
- 14.2 In addition to the recommendation in paragraph 3.1, it is proposed to delegate authority to award the Pre-Construction Services Agreement and the Main Works contract for the London Fields Lido Teaching Pool to the Group Director, Climate, Homes & Economy Directorate (subject to the provisions of paragraphs 3.2 and 3.3). The reasons for seeking such delegation are set out in paragraph 5.17.
- 14.3 Paragraph 2.2 ii) of the Cabinet Procedure Rules states that “If the Elected Mayor delegates functions to a Committee of the Cabinet, unless they direct otherwise, the Committee may delegate further to an officer.” Therefore,

subject to the approval of Cabinet Procurement and Insourcing Committee, the Group Director, Climate, Homes & Economy Directorate has the authority to award the Pre-Construction Services Agreement and the Main Works contract in this Report (subject to the provisions of paragraphs 3.2 and 3.3).

- 14.4 Details of the procurement process undertaken to appoint the proposed contractor are set out in this Report. The Council used the SCAPE Construction Framework (England and Wales, £0-£7.5m) to make the proposed award of contract.

15. Comments of the Procurement Category Lead

- 15.1 The tender exercise was carried out in accordance with Public Contracts Regulations 2015 and Public Procurement (Amendments) Regulations 2020. Prior to this exercise a RAT, PRIMAS and business case were approved. The Business Case recommended a framework call-off exercise conducted using Scape Framework, for the development of the new teaching pool at London Fields Lido. Social Value was assured and KPI's measures incorporated. All in-tender presentations and evaluation clarification questions were completed prior to tender evaluation and moderation. The tender exercise has been transparent, fair, equal and non discriminatory.
- 15.2 This exercise was conducted using the Council's e-tender portal. The two suppliers appointed to the Scape framework expressed an interest in the contract. Tender submissions and proposal presentation followed. The tender was evaluated on a 100% Quality weighting as approved in the 'Business Case'.
- 15.3 It is the considered opinion of the procurement team that this exercise followed a compliant process and has resulted in the Most Economically Advantageous Tender recommendation and is assessed as meeting all necessary requirements to deliver these works satisfactorily. The procurement team supports the appointment of Supplier B for the pre-construction phase 1 to develop the new London Fields Teaching Pool and subsequently for phase 2 to deliver the works as agreed.

Appendices

EXEMPT Appendix A: – Details of Preferred Contractor

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.

Background Documents

None

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