

Acting Chief Executive	Ref No: OKD22 19-20
October 2019	Key Decision: Yes
Award of Contract for Design Services for Horsham Blue Light Centre	Part I
Report by Strategic Manager, One Public Estate	Electoral Divisions: Horsham Hurst, Horsham Riverside, Horsham East

Summary

This report concerns a project included within the [One Public Estate](#) (OPE) West Sussex Programme. To enable fulfilment of the County Council's ambition of delivering a new Fire & Rescue Service Blue Light Centre in Horsham, a contract award is required for design services works in accordance with Cabinet Member decision [report](#) FR22 18.19 and following a competitive procurement exercise undertaken in accordance with the Public Contracts Regulations 2015 (PCR 2015).

The contract for the Pre-Construction Services Agreement (PCSA) agreement will take the County Council from [RIBA stages](#) 1 to the end of RIBA stage 4, at which point the second stage tender negotiation will take place to agree a contract sum with the provider. This will be the subject of a further key decision.

West Sussex Plan: Policy Impact and Context

This proposal will support the delivery of three of the five priorities in the West Sussex Plan, in collaboration with public sector partners:

- ensuring West Sussex is a prosperous place (Horsham Growth Deal)
- communities being strong, safe and sustainable (modern, fit-for purpose facilities for and co-location of emergency services)
- being a council that works for communities (Horsham Growth Deal/modern, fit-for-purpose facilities for and co-location of emergency services/modernised facilities for adults with learning disabilities)

Financial Impact

This award of contract for design fees will be met from the available capital budget for OPE. If the project does not proceed the incurred costs will be a revenue pressure.

Recommendation:

That the Acting Chief Executive approves the award of contract for design services for Horsham Blue Light Centre to Willmott Dixon for a contract period of 8 months commencing from October 2019 at a value of £933,847.00.

Proposal

1. Background and Context

- 1.1 The One Public Estate Programme (OPE) is an established national initiative which aims to improve service delivery through co-location and integration of services and rationalising the public estate thereby generating revenue savings and securing capital receipts from the disposal of surplus land and assets.
- 1.2 The Horsham Blue Light project is part of the One Public Estate West Sussex Programme, to create a new Blue-Light operational and training centre at Highwood, Horsham. This will provide a new fire station, a new, centralised Fire & Rescue Service training centre and facilities for joint training across the blue-light sector.
- 1.3 The site is located on the western outskirts of Horsham near to the village of Broadbridge Heath to the west and Southwater to the south. The site is adjacent to the A24 dual carriageway to the west, open land and River Arun to the south east and Highwood Mill care housing block to the northeast. A new housing development is under construction to the south and east. The County Council is the freehold owner of the site.
- 1.4 Following agreement via the Cabinet Member Decision [report](#) FR22 dated March 2019, a competitive procurement exercise has been undertaken.
- 1.5 This project will be procured under the Southern Construction Framework (SCF), which is a two-stage design and build negotiated process to achieve a fixed priced lump sum at the conclusion of the 2nd stage under a PCSA.
- 1.6 The purpose of the 1st stage tender process is to invite competitive tender submissions to fix certain elements of cost, including the PCSA fee, and to provide confidence in the selection of a contractor partner to work alongside through a second stage process and arrive at a fixed price contract sum for the works.
- 1.7 Under the SCF process contractors on the appropriate Lot were invited to participate in an Invitation to Mini Competition Part 1. From this process, four contractors were selected to proceed to the Mini Competition Part 2.
- 1.8 Tenders were returned from all four tenderers by the deadline of 09 August 2019 via the InTend portal. The 1st stage tender submissions asked for responses to the following key items:
 - Financial Control
 - Supply Chain
 - Buildability issues
 - Framework / Project Delivery
 - Handover & Aftercare
 - BIM (Building Information Modelling)
 - Quality Assurance & performance
 - Social Responsibility
 - Programme of works

- Design Management
- Sustainability & Environment

- 1.9 The successful tenderer would then be expected to enter into a PCSA agreement to develop the design and procurement of the subcontract works packages to arrive at a fixed price contract sum offer at the end of the second stage to construct the works.
- 1.10 All four tenderers were invited to a post-tender interview to give a short presentation on specific elements of their tender submission, after which the evaluation panel asked clarification questions about the Contractor's tender submission.
- 1.11 The tenders were reviewed in detail and scored independently by the project team and then moderated at a meeting chaired by the County Council's procurement team that reviewed the technical response by each Tenderer for each criterion. Individual scores were discussed, and the strengths and weaknesses of each criteria were taken into account to agree a single moderated score for each. This moderated score was then used as the final score for each Tender.
- 1.12 The underlying principle of the tender evaluation methodology was to select the most economically advantageous tenderer for this project (in terms of the technical and commercial criteria described below) which met the Council's requirements. Tenderers received a score out of 100 on the basis of a split of 75% (quality)/25% (price) respectively.
- 1.13 The submissions received were comprehensive, the team reached a unanimous recommendation to proceed with Willmott Dixon. In concluding this recommendation the team examined the advantages and disadvantages for each tenderer and the combined conclusion was that Willmott Dixon offered the best balance between quality and price.

2. Proposal Details

- 2.1 It is proposed that the County Council enter into a PCSA agreement for design services for Horsham Blue Light Centre and award the contract to Willmott Dixon following the PCR 2015 compliant procurement exercise to develop the design work up to a 2nd stage tender to provide a fixed price offer to construct the works.
- 2.2 The contract is scheduled to commence in October 2019. A core period of 8 months has been indicated to be sufficient to complete the works.

Factors taken into account

3. Consultation

- 3.1 A range of stakeholder engagement and consultation activities have been undertaken so far, as follows:
- A series of staff engagement workshops with West Sussex FRS staff

- A public engagement exercise with leaflet drops and two public consultation drop in events
- Local members have been kept informed of progress through which the County Local Committee

Further consultations will take place with internal stakeholders and the community as the project progresses into delivery.

4. Financial (revenue and capital) and Resource Implications

- 4.1 The table below indicates the estimated expenditure profile. A capital allocation of £1.5m was agreed earlier this year (Decision FR22.18/19).
- 4.2 The funding requested will enable the project to be fully designed, a planning application to be submitted and full costs to be established against initial estimates provided through the feasibility stage.

Source	19/20	20/21	21/22	22/23	Total
Capital Budget – Blue Light	£1.5m	£8.3m	£14m	£2.7m	£ 26.5m
Proposed Expenditure	£0.9m				£0.9m
Remaining Budget	£0.6m	£8.3m	£14m	£2.7m	£25.6m

5. Legal Implications

- 5.1 The preferred procurement approach has been identified as part of the detailed design process and agreed by the County Council’s Procurement Board. A collaboration agreement or lease or other appropriate legal document will be completed if the new facilities are to be shared with any third-party partners. The terms of the occupancy of any shared facilities will be covered by appropriate, binding lease or licence agreements.

6. Risk Assessment Implications and Mitigations

- 6.1 Risks have been considered in the feasibility phase of the project. The key risks (and identified mitigation proposals) are identified as:

Risk	Mitigating Action (in place or planned)
Delay in approving funding impacts on programme:	Project delays would result in increased costs and impact on linked projects. Risk mitigated by development of detailed business cases and timely progress through governance.
Not approving or delaying funding	This will have a reputational impact with the contractor companies that have been through an intensive two-part tender process. This

	could impact interest on tendering for future capital projects.
Not progressing this proposal	Impact would mean continued use and operation of 50-year-old facilities, which will increasingly become unfit for purpose without significant investment. Risk mitigated by progressing new build option.
Project costs come in over projected budget, making the project unaffordable.	Risk mitigated by close management of project scope, use of value engineering where possible, and adherence to programme to reduce costs.
Inflation: construction costs will increase due to inflation over time and are currently running at around 6% per annum.	Risk mitigated by timely progress through governance to delivery to minimise impact of inflation.
The projected income generated does not meet expectations and the new facility increases running costs.	Risk mitigated through detailed market testing, a clear commercial strategy for the facilities, and ongoing market appraisal to maximise opportunities.
Borrowing costs increase resulting in increased revenue costs.	Risk mitigated through options to reprioritise within FRS revenue budget or capital programme to balance additional costs.

7. Other options considered

- 7.1 A number of other options were considered for the wider project as stated in decision [report FR22 18.19](#). The other option considered as part of this award of contract was to not proceed with design services work. This was discounted as it would result in the project not moving forward.

8. Equality and Human Rights Assessment

- 8.1 No anticipated human rights issues have been identified. During both the design and construction phases, consideration will be given to the nine protected characteristics, including race, sex, disability and religion or belief.

9. Social Value and Sustainability Assessment

A sustainability appraisal for the project has been undertaken, which identified significant opportunities. A stand out opportunity was in regard to carbon and energy. More work has been done to explore this potential, which has enabled a significant energy element to be incorporated into the project. Further design is required but the intention is to deliver renewable energy generation, alternative fuel vehicles and energy management systems. Combined, these will greatly contribute to the sustainability of the site.

Other sustainability elements will be explored and incorporated where possible as the design process develops.

Wilmott Dixon scored very highly on the social value commitments associated with the project and committed to spend 80% of project revenue within a 40-mile radius of the site. Wilmott Dixon has also agreed to meet with WSCC at the start of the project to determine which social commitments would have the best impact and will commit to supporting these throughout the lifetime of the project.

10. Crime and Disorder Reduction Assessment

Not applicable

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