

<b>Committees:</b>	<b>Dates:</b>	<b>Item no.</b>
Barbican Estate – Residents Consultation Committee (RCC) Barbican Residential Committee(BRC) Projects Sub	24/11/2014 08/12/2014 21/01/2015	
<b>Subject:</b> Communal repairs and redecorations programme for the Barbican Estate	<b>Gateway 3/4 Options Appraisal</b>	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services		<b>For Information –</b> RCC <b>For Decision –</b> BRC/Projects Sub

### **Summary**

Project Status	Green
Time Line	<b>Overall programme:</b> Undertake programming exercise – November 2014 Gateway 3/4 Options Appraisal – December 2014/January 2015 Procurement of contractor – complete March 2015 Schedule works in accordance with programme – through 2015/6 – 2017/18; with the potential to extend to 2019/20.
Programme status	Pending Approval of Gateway 3/4 – Options Appraisal
Latest estimated cost of works	Up to £1.5m (if a 3-5 year programme approved)
Expenditure to date	N/A.

#### Progress to Date:

No expenditure has been incurred. An outline programming exercise has been carried out to map out the necessary redecoration works to each block for the next 5 years. Please see Appendix 1 detailing the planned programme.

#### Overview of options:

There are two options. Option 1 is proceeding with the previous approach of procuring on an annual basis; this approach has been effective. Option 2 is to build upon the previous approach by procuring for a 3-5 year programme of works. Option 2 is recommended.

#### Procurement Approach:

The procurement approach will be similar for either 1-year or 3-5-year programme. The tenders will be advertised on the London Portal.

#### Current Estimate of Costs:

<b>Description</b>	Option 1: annual one-off procurement	Option 2: 3-5 year programme
Works Costs (range as works)	£300,000 - £400,000	£1.2 - £1.5m

required vary per year)			
Fees & Staff Costs	£37,500 - £50,000	£150,000 - £ 187,500	
<b>Total</b>	£337,500 - £450,000	£1,350,000 - £1,687,500	
<b>Funding Strategy</b>			
Source	City Fund	City Fund	
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• Approval is given to go out to tender to seek a contractor to undertake the redecoration work, including enabling repairs, for a 3-5 year programme.</li> <li>• Approval of the estimated budget of up to £1,687,500.</li> </ul>			

### **Options Appraisal Matrix**

See attached.

### **Contact**

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## Options Appraisal Matrix

	<i>Option 1 – annual requirement</i>	<i>Option 2 – 3-5 year programme</i>
<b>1. Brief description</b>	This project will address the cyclical redecoration of internal and external areas of the predominantly residential aspects of the Barbican Estate. Under this option, the works will be carried out on an annual basis.	This project will address the cyclical redecoration of internal and external areas of the predominantly residential aspects of the Barbican Estate. Under this option, the works will be carried out on a 3-5 year programme.
<b>2. Scope and exclusions</b>	The project applies to the Barbican Residential Estate. Blocks will be addressed through annual projects. Exclusions – all other City assets.	The programme applies to the Barbican Residential Estate, multiple blocks will be included as part of a 3-5-year programme. Exclusions – all other City assets.
<b><i>Project Planning</i></b>		
<b>3. Programme and key dates</b>	<p><b>Overall programme:</b> Gateway 3/4 Options Appraisal – December 2014/January 2015 Procurement of contractor – complete March 2015 Works - April 2015 to March 2016.</p> <p><b>Key dates:</b> Contract to commence in April 2015.</p> <p><b>Other works dates to coordinate:</b> The project will have regard to other projects on the Barbican Estate.</p>	<p><b>Overall programme:</b> Undertake programming exercise – November 2014 Gateway 3/4 Options Appraisal – December 2014/January 2015 Procurement of contractor – complete March 2015 Schedule works in accordance with programme – through 2015/6 – 2017/18 with the potential to extend to 2019/20.</p> <p><b>Key dates:</b> Contract to commence in April 2015.</p> <p><b>Other works dates to coordinate:</b> The project will have regard to other projects on the Barbican Estate.</p>
<b>4. Risk implications</b>	<p><b>Overall project risk:</b> Green</p> <p>The works are required as the City has a duty to preserve these assets, the costs per annum are relatively low.</p>	
<b>5. Benefits and disbenefits</b>	<p>Disbenefits:</p> <p>This option will offer a higher-cost option, caused by procuring annually for the requirements.</p>	<p>Benefits:</p> <p>This option will offer a lower-cost option, caused by procuring a longer-term contract. By advertising a contract which includes multiple blocks over a greater</p>

	<b><i>Option 1 – annual requirement</i></b>	<b><i>Option 2 – 3-5 year programme</i></b>
		number of years, rather than one or two on an annual basis, a contractor has greater certainty. This enables them to offer lower costs for both works and supplies, as the contractor can hire staff and procure supplies with greater confidence.
<b>6. Stakeholders and consultees</b>	Residents, including leaseholders through Section 20 where they stand to incur service charges. Departments of City Surveyor's, Comptroller and City Solicitor, Town Clerks and Chamberlain's (including CLPS).	
<b><i>Resource Implications</i></b>		
<b>7. Total Estimated cost</b>	£300,000 - £400,000 (works costs)	£1.2 - £1.5m (works costs)
<b>8. Funding strategy</b>	The project is funded by the City Fund, the majority (circa 95%) of the cost is recoverable by way of service charges from leaseholders, the remainder (circa 5%) is funded from ongoing annual Barbican Residential local risk revenue budgets.	
<b>9. Estimated capital value/return</b>	N/A.	
<b>10. Ongoing revenue implications</b>	There will be annual one-off costs relating to individual blocks that are decorated each year.	There will be annual costs relating to the 3-5 year programme. The costs will be known in advance aiding financial planning.
<b>11. Investment appraisal</b>	N/A.	
<b>12. Affordability</b>	The works have been factored into the Asset Management plans for the Barbican Estate.	The works have been factored into the Asset Management plans for the Barbican Estate, the programmed approach is considered more cost-effective.
<b>13. Procurement</b>	The opportunity will be advertised on the London	The opportunity will be advertised on the London Portal. Tenderers will be asked to submit a price for the next 3

	<b><i>Option 1 – annual requirement</i></b>	<b><i>Option 2 – 3-5 year programme</i></b>
<b>strategy</b>	Portal, seeking a 1-year contract.	<p>years of identified works, and made aware of the potential of extending for a further 2 years subject to condition surveys.</p> <p>The contractor will be made aware of the potential variations within the contract. A schedule of rates will also be built into the contract to address any reactive items that are identified during the contract period.</p>
	<p>For both options, where practicable and under advice from CLPS, synergy with and potential efficiencies from other Corporation maintenance requirements/contracts will be explored. The Department of Community and Children's Services will hold discussions with other departments, e.g. the Barbican Centre where there is shared maintenance responsibility in certain areas.</p>	
<b>14. Legal implications</b>	Maintaining the assets in a compliant way discharges the City's legal and statutory obligations.	
<b>15. Corporate property implications</b>	It is important that the City's assets remain in good, safe and statutory compliant condition. Therefore all necessary action should be taken to ensure that assets are kept as such throughout the assets' lifetime.	
<b>16. Traffic implications</b>	This would be discussed and agreed with appointed contractors where the works have any impact on roads/highways, this does not apply to the majority of the Barbican Estate.	
<b>17. Sustainability and energy implications</b>	The finishes will be specified to be of high quality and as durable as possible, ensuring the cycle of required redecorations is not disrupted by early failure of materials.	
<b>18. IS implications</b>	N/A.	
<b>19. Equality Impact Assessment</b>	N/A.	
<b>20. <u>Recommendation</u></b>	Not recommended	Recommended
<b>21. Next Gateway</b>	Gateway 5 - Authority to Start Work	Gateway 5 - Authority to Start Work

	<i><b>Option 1 – annual requirement</b></i>	<i><b>Option 2 – 3-5 year programme</b></i>
<b>22. Resource requirements to reach next Gateway</b>	<p>£3,000 in consultancy costs to complete specification.</p> <p>£1,000 in staff costs to undertake procurement.</p> <p>Funding source: the City Fund, proportions as outlined in the Funding Strategy (Box 8).</p>	<p>£6,000 in consultancy costs to complete specifications.</p> <p>£2,000 in staff costs to undertake procurement.</p> <p>Funding source: the City Fund, proportions as outlined in the Funding Strategy (Box 8).</p>