

Committees: Barbican Residents Consultation Committee (For Information) Barbican Residential Committee (For Decision) Projects Sub Committee (For Decision)		Dates: 04 March 2019 18 March 2019 22 March 2019
Subject: Barbican Estate Redecoration Programme 2020-25 Unique Project Identifier: 12035	Gateway 3/4: Options Appraisal (Regular)	
Report of: Director of Community & Children's Services Report Author: David Downing; Steven Murray		For Decision
<h1>PUBLIC</h1>		

1. Next steps and Requested decisions	<p>Project Mission statement: This project will address the cyclical redecoration of internal and external areas of the residential blocks of the Barbican Estate as identified for the next five financial years (2020/21-2024/25) of the redecoration programme.</p> <p>Next Gateway: <i>Gateway 5: Authority to Start Work</i></p> <p>Next Steps:</p> <p>Pre-tender S20 consultation with long leaseholders. Procurement Post-tender S20 consultation with long leaseholders.</p> <p>Requested Decisions:</p> <p>The Barbican Estate Residents Consultation Committee is asked to note this report for information only.</p> <p>The Barbican Residential Committee and the Projects Sub Committee are asked to note and approve the following:</p> <ol style="list-style-type: none"> 1. That Option 2 is approved for proceeding to Procurement and Gateway 5. 2. That the project scope is to be expanded to include the internal redecoration of those six blocks removed from the expiring redecoration contract due to the ongoing uncertainty regarding the need to replace internal fire doors.
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	<p>3. That the estimated total project budget of £3,037,500 - £3,375,000 is noted.</p> <p>4. That an additional budget of £3,000 is approved to reach the next Gateway.</p>												
<p>2. Resource requirements to reach next Gateway</p>	<p><i>From recommended option</i></p> <table border="1" data-bbox="528 539 1390 1043"> <thead> <tr> <th data-bbox="528 539 762 680">Item</th> <th data-bbox="762 539 1007 680">Reason</th> <th data-bbox="1007 539 1235 680">Funds/ Source of Funding</th> <th data-bbox="1235 539 1390 680">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 680 762 972">Staff Costs</td> <td data-bbox="762 680 1007 972">Procurement, Consultation</td> <td data-bbox="1007 680 1235 972">Long Lessee contributions (95%) / Barbican Res. Local Risk budget (5%)</td> <td data-bbox="1235 680 1390 972">£3,000</td> </tr> <tr> <td data-bbox="528 972 762 1043">Total</td> <td data-bbox="762 972 1007 1043"></td> <td data-bbox="1007 972 1235 1043"></td> <td data-bbox="1235 972 1390 1043">£3,000</td> </tr> </tbody> </table>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff Costs	Procurement, Consultation	Long Lessee contributions (95%) / Barbican Res. Local Risk budget (5%)	£3,000	Total			£3,000
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<p>3. Overview of project options</p>	<p>There are two options:</p> <p>Option 1 is founded upon procuring a series of redecoration contracts to cover the identified works on an annual basis.</p> <p>Option 2 is to build upon the previous successful approach by procuring a single contractor for a 5-year programme of works.</p>												
<p>4. Recommended Option</p>	<p>Option 2 is recommended. A single procurement exercise will minimise project development costs, will present cost savings via economies of scale and provide cost surety throughout the programme during an uncertain economic climate. Furthermore, a single contractor will have an ongoing commitment to maintaining the Estate to the standards required. The current redecoration contract as held by K&M McLoughlin Ltd, which expires March 2020, was procured in this manner. This contract has to date been a clear success, with works completed on time and to budget whilst meeting the high standards required by both the City and residents for the Barbican Estate.</p>												
<p>5. Procurement approach</p>	<p>The route to market will be via an open (below-OJEU) tender advertised on the Capital E-sourcing portal. The recommended technical/price evaluation ratio is 60:40 for this contract.</p> <p>City Procurement Project Reference: 16/189PS.</p>												

Appendices

Appendix 1	Project Coversheet
Appendix 2	PT4 Procurement Form

Contact

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Options Appraisal Matrix

<i>Option Summary</i>	<i>Option 1 – annual procurement</i>	<i>Option 2 – 5-year programme</i>				
1. Brief description of option	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 procured 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, a contractor will be appointed to complete a 5-year programme of works. This is the approach that was used to procure the current redecoration contract which expires March 2020. This contract has to date been a clear success, with works completed on time and to budget whilst meeting the high standards required by both the City and residents for the Barbican Estate.				
2. Scope and exclusions	<p>The project applies to the Barbican Residential Estate. Blocks will be addressed through annual projects.</p> <p>Due to uncertainty on the long-term strategy of the possible replacement of flat front doors as a result of fire safety tests, internal redecoration cannot be procured on a 1-year basis until the results become clear and a strategy developed in the event of the front doors being replaced/upgraded. The initial procurements for</p>	<p>The programme applies to the Barbican Residential Estate, multiple blocks will be included as part of a 5-year programme.</p> <p>The external redecoration programme is as follows:</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th>External Redecoration</th> </tr> </thead> <tbody> <tr> <td>2020/21</td> <td>Bryer Court Bunyan Court John Trundle Court</td> </tr> </tbody> </table>	YEAR	External Redecoration	2020/21	Bryer Court Bunyan Court John Trundle Court
YEAR	External Redecoration					
2020/21	Bryer Court Bunyan Court John Trundle Court					

the early years of the programme will therefore be for external works only.

The year 1 programme is as follows:

YEAR	External Redecoration
2020/21	Bryer Court Bunyan Court John Trundle Court

Subsequent procurements would, beyond those blocks indicated at Gateway 2 (see Appendix 1 - Project Coversheet) include a further six blocks (Gilbert House, Willoughby House, Bunyan House, Cromwell Tower, Speed House & Defoe House) whose internal redecoration was deferred from the expiring redecoration contract due to uncertainty regarding the internal fire door strategy. The scheduling of these blocks within the 5-year programme of annual procurements is dependent on the determination of that strategy.

YEAR	External Redecoration
2021/22	Ben Jonson House Breton House Cromwell Tower Frobisher Crescent
2022/23	Lauderdale Tower Shakespeare Tower
2023/24	Andrewes House Defoe House Speed House
2024/25	Brandon Mews Gilbert House Willoughby House

The following list of blocks are also to have internal redecoration included within this proposed 5-year programme:

Ben Jonson House, Breton House, Mountjoy House, Andrewes House, Lauderdale Tower, Seddon House, Shakespeare Tower, Thomas More House, Gilbert House, Frobisher Crescent.

		<p>The scheduling of these blocks within the 5-year programme is dependent on the determination of the Barbican Estate internal fire door strategy.</p> <p>A further six blocks (Gilbert House, Willoughby House, Bunyan House, Cromwell Tower, Speed House & Defoe House) whose internal redecoration was deferred from the expiring redecoration contract due to uncertainty regarding the internal fire door strategy, are to be added to the previously approved Gateway 2 project scope. The inclusion of these additional works is estimated to increase the total estimated project budget by £775,000.</p> <p>With having the internal redecoration procured within this 5-year programme, we will then have both cost certainty for each block for the next 5 years along with the flexibility to be able to commence with the works once the long-term strategy for the flat front doors has been made following receipt of the fire safety test results. Furthermore, by ensuring that the internal redecoration were procured on a basis whereby the cost of redecoration the existing fire doors and surroundings could be included or omitted on instruction we would ensure that the internal works proposed would remain appropriate in terms of price and scope whatever the outcome of the fire door strategy.</p>
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Project Planning		
3. Programme and key dates	<p>Year 1 programme:</p> <ul style="list-style-type: none"> • Gateway 3/4 Options Appraisal – March 2019 • Procurement of year 1 contractor – complete August 2019 • Gateway 5 (year 1) – Autumn 2019 • Deliver year 1 works– through April 2020 – March 2021 • Procurement of year 2 contractor – complete August 2020 • Gateway 5 (year 2) – Autumn 2020 • Deliver year 2 works– through April 2021 – March 2022 <p>Years 3-5 would proceed on a similar pattern.</p>	<p>Overall programme:</p> <ul style="list-style-type: none"> • Gateway 3/4 Options Appraisal – March 2019 • Procurement of contractor – complete August 2019 • Deliver works– through April 2020 – March 2025 <p>Key dates: Contract to commence in April 2020.</p> <p>Other works dates to coordinate: The project will have regard to other projects on the Barbican Estate. This included aligning the external redecorations of the Barbican Centre with the residential floors above within Frobisher Crescent and co-ordinating the redecoration programme around Phase II of the podium water proofing project.</p>
4. Risk implications	<p>Overall project option risk: Green</p>	
5. Stakeholders and consultees	<ul style="list-style-type: none"> • Residents, including leaseholders through Section 20 consultation where they stand to incur service charges. • Departments of City Surveyor’s, Town Clerks, Planning and Chamberlain’s (including CityProc). 	

	<ul style="list-style-type: none"> • Members and Ward Members. • Barbican Centre (with regard to Frobisher Crescent). 	
6. Benefits of option	<ul style="list-style-type: none"> • An under performing contractor can be removed from site with minimal risk to the overall programme. 	<ul style="list-style-type: none"> • A single procurement exercise. • Cost surety provided throughout the programme during uncertain economic climate. • A single contractor with an ongoing commitment to maintaining the Estate to the standards required. • Economies of scale from 5-year contract. • Replicates current contract which has operated successfully.
7. Disbenefits of option	<ul style="list-style-type: none"> • Considerable increase in officer time and associated staff costs due to annual procurements. • Potential for multiple contractors could lead to differing standards of work throughout the estate. • Little scope for achieving economies of scale. 	<ul style="list-style-type: none"> • Should market conditions change dramatically during the 5-year period, works may have to be re-procured to ensure continued value for money.

Resource Implications		
8. Total Estimated cost	£700,000 - £750,000 (works costs) per annum. £787,500 - £843,750 (including fees/staff costs) per annum Total Project Budget: £3,937,500 - £4,218,750	£2,700,000 - £3,000,000 (works costs) £3,037.500 - £3,375.000 (including fees/staff costs) Total Project Budget: £3,037.500 - £3,375.000
9. Funding strategy	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.	
10. Investment appraisal	N/A	
11. Estimated capital value/return	N/A	
12. Ongoing revenue implications	There will be annual one-off costs relating to individual blocks that are decorated each year.	There will be annual costs relating to the 5-year programme. The costs will be known in advance aiding financial planning.
13. Affordability	The works have been factored into the Asset Management plans for the Barbican Estate. Circa 95% of the cost is recoverable from long leaseholders.	The works have been factored into the Asset Management plans for the Barbican Estate, the programmed approach is considered more cost effective. Circa 95% of the cost is recoverable from long leaseholders.

14. Legal implications	Maintaining the assets in a compliant way discharges the City's legal and statutory obligations.	
15. Corporate property implications	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.	
16. Traffic implications	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.	
17. Sustainability and energy implications	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.	
18. IS implications	N/A	
19. Equality Impact Assessment	N/A	
20. Data Protection Impact Assessment	N/A	
21. Recommendation	Not recommended	Recommended