

Economy and Property Committee	
Meeting Date	17 th December 2024
Report Title	Contract Award - Masters House Alterations and Refurbishment (Sheerness Revival)
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place
Lead Officer	Inger Lorraine, Capital Programme Manager
Classification	Open
Recommendations	1. That the Committee approves the appointment of Company 'B' for the alterations and refurbishment of obsolete garages at Masters House, Sheerness at a value of £329,730 exc. VAT.

1 Purpose of Report and Executive Summary

- 1.1 In October 2024, Place services launched a one stage tender process for the alterations and refurbishment of the obsolete garages at Masters House in Sheerness. The process set out that bids would be evaluated on 60% price and 40% quality.
- 1.2 This report summarises the procurement process and its results and seeks Committee approval to instruct the recommended contractor.

2 Background

- 2.1 Sheerness Revival is a programme of three complementary town centre regeneration projects funded by the UK government's Levelling Up Fund. Funding of £20m was awarded in January 2023, and the Grant Determination Agreement was signed in April 2023.
- 2.2 The Masters House workspace project is a 2-phase conversion of a redundant former Council office to create 589sqm of flexible office workspaces suitable for SMEs, in addition to the conversion of obsolete sheds to create 82sqm of studio spaces suitable for SMEs and/or creative enterprises to address the lack of supply of high-quality, flexible workspace suitable for SMEs in Sheerness and support employment and GVA related outcomes.
- 2.3 Phase 1 was completed at the end of 2023 which consisted of fit out and environmental improvements to the main building (Masters House).
- 2.4 Phase 2 is the current conversion of existing garages and plant room space to create 3 Class E workshop spaces with integrated toilet and kitchenette, replacement of fencing around the rear courtyard including new vehicular and

pedestrian gated access, surface treatment to the rear courtyard and installation of Solar PVs on the main building roof.

- 2.5 £320k budget was allocated for these works from Levelling Up Funding (LUF), including contingency. In order to attract quality bids (and given funding flexibilities within the overall Sheerness Revival budget) a ceiling price of £360k was set at tender stage.
- 2.6 Planning permission was granted in September 2024 prior to a full tender process being undertaken in accordance with current procurement procedure, with interested parties asked to respond to five set quality questions and provide a pricing schedule.
- 2.7 12 bids were received, three of which exceeded the £360k ceiling price and, were automatically excluded from the evaluation stage. The remaining nine bids were assessed by the evaluating panel with scores shown in the table in 2.9 below.
- 2.8 The recommended contractor B scored highly for both quality and cost, and as such represents the most economically advantageous tender. The value of the contract is £329,730 which brings the value above budget at £9,730 and below the ceiling price.
- 2.9 The tender assessment panel consisted of two Swale Borough Council officers and one external project manager for Masters House project, each panel member scored independently, and this was followed by a moderation meeting to review and finalise the scores as follows:

Company	Price Score	Quality Score	Total
A	48.25	28.00	76.25
B	46.65	38.00	84.65
C	60.00	23.00	83.00
D	44.69	22.00	66.69
E	42.86	36.00	78.86
F	46.83	33.00	79.83
G	45.86	17.00	62.86
H	51.28	33.00	84.28
I	42.92	34.00	76.92

- 2.10 Contractor B also scored especially highly in social value benefits and experience of working on similar projects to a high standard and quality.

3 Proposals

- 3.1 The Committee is recommended to approve:

The appointment of Contractor 'B' for the alteration and refurbishment at Masters House to the value of £329,730.00 exc. VAT.

4 Alternative Options

- 4.1 Given the robustness of the procurement process undertaken, in line with Council policy and procedure, the only alternative option is to not award the contract. This is not recommended, as there are multiple benefits in the project proceeding. In addition Swale Borough Council has a signed Grant Determination Agreement with central government which commits the Council to delivering the related project outputs and outcomes.

5 Consultation Undertaken or Proposed

- 5.1 Officers have regularly engaged with the Procurement team regarding the process and to remain in line with procedures.

6 Implications

Issue	Implications
Corporate Plan	The Masters House project underpins the Plan's Priority of Using the Levelling Up Fund as a catalyst for further regeneration on the Isle of Sheppey.
Financial, Resource and Property	<p>Anticipated spend on the alterations and refurbishments at Masters House Contract is £329,730 +VAT.</p> <p>Financial checks have been undertaken on the robustness of contractor B and have been reviewed by Finance.</p>
Legal, Statutory and Procurement	<p>The Council's Contract Standing Orders set out that all contracts above £120,000 inclusive of VAT require Committee approval for award of contract.</p> <p>The contract will be drawn up using JCT Intermediate with Contractor's Design along with the Council's supporting terms and conditions which have been approved by Mid Kent Legal Services and Finance.</p> <p>Under The Public Services (Social Value) Act 2012 the recommended contractor has undertaken to provide the following:</p> <ul style="list-style-type: none"> • Target of 60% works to be carried out by local subcontractors/personnel • Local recruitment days and job opportunities for SBC residents and businesses • Use of local labour and contractors (aim of 40%)

	<ul style="list-style-type: none"> • Work experience training placements for 2 students and engagement with schools to promote opportunities in construction, CV advice and interview skills training • Pre-work training sessions for 5 people • Ensuring ethical supplies • Championing and using ethical goods and services. • Reduce carbon footprint and protect biodiversity • Employee commitment to minimum day volunteering • Monetary donation to mutually agreed social value activity or charity
Crime and Disorder	This site / area is known to attract anti-social behaviour and this project aims to help improve this via physical improvements and new stewardship of a vacant site and through the social value contributions from the contractor.
Environment and Climate/Ecological Emergency	The conversion includes solar panels to the roof and the workshops will link to the existing heat source pump that currently serves the main building.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety. The recommended contractor's competence is evidenced through their responses to quality questions.
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage.

7 Appendices

None

8 Background Documents

None.