

**REPORT TO:** CABINET

**DATE:** 11 SEPTEMBER 2014

**TITLE:** AWARD OF CONTRACT FOR STOW OFFICE TO  
FLAT CONVERSION (PROJECT NO. 14/021)

**PORTFOLIO HOLDERS:** COUNCILLOR ROD TRUAN  
COUNCILLOR TONY DURCAN

**LEAD OFFICERS:** GRAEME BLOOMER, HEAD OF REGENERATION  
(01279 446270)

ANDREW MURRAY, HEAD OF HOUSING (01279  
446676)

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I002533**

**This decision is subject to Call-in**

**This decision will affect Mark Hall Ward.**

**RECOMMENDED that:**

- A** The vacant office space at 59, 60, 71 and 72 The Stow is converted into five self-contained residential units and leased for use as temporary accommodation.
- B** The most economically advantageous tender submitted by Contractor C is accepted in the sum of £253,156.99 “subject to formal contract” for completion of the conversion works.

## **REASON FOR DECISION**

To enable the Council to enter into a contract for the works in compliance with Standing Orders Relating to Contracts and Financial Regulations and make use for homeless temporary accommodation.

## **BACKGROUND**

1. The Offices form part of the Council’s Non-housing Investment Portfolio managed by the Council’s Property and Facilities Team. The offices extend to approximately 1,895 square feet in total and are located on the first and seconds floors above retail units within the Stow Shopping Centre.

2. Historically, all offices have been leased, however in recent times the tenants have relocated. Office 71 has been vacant for over two years. In addition Offices 59, 60 & 72 have been vacant for over nine months, following the Council's long term tenants surrendering their leases.
3. Whilst vacant, the Council is meeting all costs associated with business rates, maintenance, security and insurance.
4. The offices are now in a poor state of repair, requiring significant investment to bring them up to a lettable standard. Office vacancy rates in Harlow are also high, with supply outstripping demand.
5. In view of the above and taking into account external competition in prime locations, it is considered that the re-letting of these offices will be very difficult. Therefore alternative uses have been considered.

### **TEMPORARY ACCOMMODATION USE**

6. The Council's Homelessness Strategy 2014 – 2019 identifies a key theme to improve the quality of temporary accommodation. The Council needs to review its portfolio of temporary accommodation to ensure it is fit for purpose.
7. There is a shortage of high quality suitable temporary accommodation. The Council have a statutory duty in line with the homelessness legislation and the Homelessness Code of Guidance for Local Authorities to assist with the discharge of its homelessness duties to provide good quality self-contained temporary accommodation.
8. There is a consistent pressure on the availability of homelessness resources particular with the non-availability of high quality self - contained temporary accommodation.
9. There are approximately eight households per month placed in temporary accommodation and around 130 households residing in temporary accommodation at any one time.
10. The proposal is to convert the vacant offices into apartments for use as temporary accommodation. The conversion of the office space will deliver good quality self-contained temporary accommodation for households that are faced with homelessness. The vacant office space will provide:
  - One three bedroom flat.
  - Three one bedroom flats.
  - One studio flat.

11. The cost of the conversion can be met from the Council's 2014/15 Capital Programme approved by Cabinet on 30 January 2014.

## **THE PROCUREMENT PROCESS**

12. The Council invited five suitably qualified and experienced contractors to tender for the works. Four bids were returned by the deadline. Contractor D failed to submit a compliant tender and was rejected from the process and Contractor E declined to tender.
13. The tender analysis has been undertaken on the basis of the most economically advantageous against a 40:60 quality price split. A full evaluation of written bids has been undertaken against the criteria set out in the invitation to tender.
14. Contractor C has submitted the most economically advantageous bid. The prices, rankings and weighted scores are shown below:-

<b>Contractor</b>	<b>Quality Weighted Score</b>	<b>Total Price for Delivery £'s</b>	<b>Price Weighted Score</b>	<b>Total Points Score</b>	<b>Ranking</b>
<b>A</b>	3080	288,799.60	5280	8360	3
<b>B</b>	4000	282,071.24	5400	9400	2
<b>C</b>	3560	253,156.99	6000	9560	1
<b>D</b>	Non-Compliant Bid				
<b>E</b>	Declined to Tender				

## **IMPLICATIONS**

### **Regeneration (includes Sustainability)**

This is a pragmatic proposal that brings a redundant building back into beneficial use by providing much needed domestic accommodation.

Author: **Graeme Bloomer, Head of Regeneration**

### **Finance (Includes ICT)**

The scheme will be funded from the approved 2014/15 Non Housing Capital Programme

Author: **Simon Freeman, Head of Finance**

### **Housing**

As outlined in the body of the report.

Author: **Andrew Murray, Head of Housing**

**Community Wellbeing (includes Equalities and Social Inclusion)**

As outlined in the body of the report.

Author: **Graham Branchett, Chief Operating Officer**

**Governance (includes HR)**

Officers should ensure that the award of the contract conforms with the provisions of the Council's Invitation to Tender documentation.

A bond is proposed to be supplied by the selected contractor in line with the Invitation to Tender documentation.

The change of use of the building, the proposed works and the associated procurement process accord with the Council's fiduciary duty to the taxpayer in managing public assets efficiently and in complying with its statutory duty of securing best value.

Officers must ensure that all aspects of the scheme are compliant with planning and other statutory requirements.

Author: **Amanda Julian, Legal Service Manager for Brian Keane, Interim Head of Governance**

**Background Papers**

None.