

LONDON BOROUGH OF TOWER HAMLETS
MAYORAL DECISION PROFORMA

Mayoral Decision Log No: 006

Title: Contract recommendation for the appointment of Mott McDonald to design and manage the proposed works to Mulberry Place to facilitate vacating Anchorage House.

Is this a Key Decision: No ~~006~~

UNRESTRICTED

EXECUTIVE SUMMARY

To provide further background and supporting information in relation to the proposal to appointment Mott McDonald to support the delivery of the Smarter Working Programme.

Full details of the decision sought, including reasons for the recommendations; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Assistant Chief Executive (Legal Services); implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.


DECISION

The mayor is recommended to approve the appointment of Mott McDonald to undertake the work to design and manage the proposed works to Mulberry Place to ensure delivery of the Smarter Working Programme. Total fees £331,000.

APPROVALS

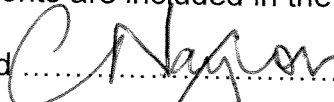
1. Corporate Director

I approve the attached report and recommendations above for submission to the Mayor.

Signed  Date 15/6/2011

2. Chief Finance Officer

I have been consulted on the above recommendations and my comments are included in the attached report.

Signed  Date 14/6/2011

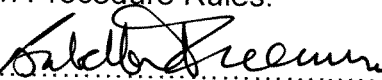
3. Assistant Chief Executive (Legal Services)

I have been consulted on the above recommendations and my comments are included in the attached report.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 29.6.11

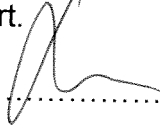
4. Chief Executive

The recommendations above are consistent with the Council's agreed Budget and Policy Framework and will contribute to the achievement of the authority's Strategic Plan.

Signed  Date 30/6/11

5. Mayor

I agree the recommendations above for the reasons set out in the attached report.

Signed  Date 7/7/11

Committee/Meeting: Mayoral approval	Date: 15 June 2011	Classification: Exempt	Report No:
Report of: Corporate Director for Resources Originating officer(s) Andy Algar Service Head, Asset Management		Title: Contract recommendation for the appointment of Mott McDonald to design and manage the proposed works to Mulberry Place to facilitate vacating Anchorage House. Wards Affected: All	

Lead Member	Cllr Choudhury, Resources
Community Plan Theme	One Tower Hamlets
Strategic Priority	Work efficiently and effectively as one Council.

1. **SUMMARY**

- 1.1 To provide further background and supporting information in relation to the proposal to appointment Mott McDonald to support the delivery of the Smarter Working Programme.

2. **DECISIONS REQUIRED**

The Mayor is recommended to:-

Approve the extension of Mott McDonald's appointment to enable them to undertake the final design work for Mulberry Place and subsequently manage the implementation of the works. The cost is estimated at £331,000.

3. **REASONS FOR THE DECISIONS**

- 3.1 To support the Council's aim of vacating Anchorage House it was necessary to appoint specialist technical advisors to support it in the new design and implementation of the works. Without this support the programme cannot proceed and the potential savings will be at severe risk. These skills are

- Space layout and design
- Mechanical and electrical engineering

- General building surveying advice
- Construction cost advice
- Management of tender process to appoint contractors.
- Management of construction process to deliver work at Mulberry Place.
- Overall project management of design and construction delivery

4. ALTERNATIVE OPTIONS

- 4.1 The Council does not have the range of skills or capacity to deliver this project “in house”. If Mott McDonald were not appointed and a new procurement exercise were undertaken it is unlikely that the Mulberry Place works and moves could be completed in time to enable the Anchorage House leases to be surrendered in June 2013.

5. BACKGROUND

- 5.1 In Autumn 2010 the Smarter Working Board agreed that the Council needed specialist advice to support its aim of undertaking adaptations to Mulberry Place to facilitate the vacating Anchorage House.

6. BODY OF REPORT

- 6.1 Following the decision of the Smarter Working Board to appoint specialist property advice for the project, options for procurement were reviewed. The cost of the service would exceed the OJEU limit which would create unacceptable delay for the programme. A decision was therefore taken to utilise the Office of Government Commerce Buying Solutions framework for construction services.
- 6.2 These contracts have been pre-tendered and are therefore OJEU compliant and the necessary due diligence has been undertaken on all suppliers by OGCBS. All hourly rates and percentage fees have been pre-set as part of the OGCBS competitive tender process.
- 6.3 Bids were received from all eight firms of the framework and, following initial shortlist, this was reduced to four. Four companies were interviewed to get a better understanding of their experience and approach.
- 6.4 The evaluation criteria for selection are pre-set by OGC but it is a combination of cost and quality. Following this evaluation the recommendation was to appoint Mott McDonald.
- 6.5 Mott McDonald have been working on the project to date and have developed the initial design proposals and are on target to completed “Stage D” design (the stage at which there is sufficient detail to tender the works) by the end of July.

- 6.6 The extension of Mott McDonald's appointment to cover the tender and implementation phase will enable the tender process to proceed in August to enable works to start on site in October/November.

7. **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

8. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

9. **ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 The changes to Mulberry Place is part of a programme to facilitate new ways of working which will support the delivery of all Council services by allowing staff to be more efficient.

10. **SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 The move to Mulberry Place will considerably reduce the Council's energy consumption from its office portfolio.

11. **RISK MANAGEMENT IMPLICATIONS**

- 11.1 The programme for the delivery of the works is tight. The Council has a one off opportunity to serve a break clause to terminate the Anchorage House lease with effect from June 2013. If this is missed, the lease will run to 2018 at an additional cost of £26m.
- 11.2 The Council needs to plan to vacate Anchorage House by autumn 2012 in order for it to undertake dilapidation works (basically works to put the building back into the same condition as when the lease was taken). If these works are not completed there are considerable financial penalties.
- 11.3 In order to plan and manage this process and minimise risk the Council needs to "buy in" expertise and capacity. Without this external support the programme (and the consequent saving) will not be delivered.

12. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

None

13. **EFFICIENCY STATEMENT**

- 13.1 Successful delivery of this programme will generate annual savings of £8m and will also facilitate more effective and efficient work patterns for staff.

14. APPENDICES

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
None	N/A