

ESSEX COUNTY COUNCIL

Management of Ongar Business Centre

SPECIFICATION

Issued 18 September 2020

Procurement Project CO0015

1. **Introduction**

Essex County Council is dedicated to improving Essex and the lives of our residents. Our ambition is to deliver the best quality of life in Britain. We will achieve this by providing high-quality, targeted services that deliver real value for money.

The Essex Organisation Strategy sets out our aims and priorities for the period 2017-21. It articulates how we will achieve better outcomes for Essex and secure the ambitions set out in the Vision for Essex. Our ambition, at the end of this period, is for Essex to be the best local authority in the country.

Ongar Business Centre (‘the Centre’) is a 15,000 sq ft office building owned freehold by Essex County Council (‘ECC’, ‘the Authority’).

The Centre supports ECC’s Organisation Strategy 2017-21, aiming to “enable Essex firms in high-growth sectors to consolidate and expand, by providing advice and increasing business space”.

The Centre is currently managed by a third party. In January 2020, the Centre was 94% occupied by floorspace / 92% occupied by units.

Further information can be found on the [ECC website.](http://www.essex.gov.uk/Your-Council/Strategies-Policies/Pages/EssexWorks-Pledges-2011_12.aspx)

1. **Background and context**

The current agreement for management of the Centre is due to expire on 31 April 2021. ECC’s Sustainable Growth Directorate is therefore issuing a tender to secure a new longer-term agreement with a service provider to manage the Centre on its behalf.

Ongar is currently the only such centre managed on behalf of ECC; however, the Council plans to take a proactive approach to the provision of business workspace in the coming years.

* 1. The Centre

Ongar Business Centre is located at The Gables, Fyfield Road, Chipping Ongar, Ongar, CM5 0GA (see Figure 1 below). It is situated in the London-Stansted-Cambridge Corridor, 20 minutes from Harlow Town Centre and the Central line at Epping.

The building is two storeys, of steel frame construction, finished externally with brick work. The roof is timber trusses finished externally with tiles. The current managing agent has an ongoing programme of interior redecoration, and provisions have been made to remediate any dilapidations identified at the end of their contract. Bidders should contact ECC if they wish to conduct a site visit.

The Centre currently provides around 12,690 sq. ft lettable area across 35 units, with an average unit size of around 365 sq. ft.

A Tenant Satisfaction Survey carried out in July 2020 indicates a high level of satisfaction from existing tenants, with a Net Promoter Score (NPS) of +44.4% (on a scale of -100 to +100).

Floorplans are provided at Appendix A.

Figure 1 – Site boundary (red line)



* 1. Staffing

The Authority has considered this procurement in relation to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (the Regulations). The Authority’s preliminary view is that those Regulations apply to the transfer of activity envisaged by the award of the Contract. This is a preliminary view only and ultimately whether or not the Regulations apply is a matter of law. Bidders are therefore advised to seek their own independent legal advice on whether or not the Regulations apply. Bidders should indicate whether or not their tender is submitted on the basis that the Regulations do or do not apply.

There is currently one full-time Centre Manager, with cover provided by the Contractor when they take leave from work (holiday, sickness, etc.).

* 1. Tenancy

Decisions whether to enter into an agreement with prospective tenants and whether that agreement should be a licence (typically six months) or lease (one or two years) were taken following an interview. Given that much of the demand for space at the Centre comes from immature businesses, financial vetting was not a key tool in deciding whether to enter into agreement, but background checks are carried out via the DueDil company information database. Deposits are collected from all new tenants, equivalent to one month’s rental fee.

Landlord’s incentives vary but have typically been 10% of first year’s rent. Short term leases / licenses offer opportunities to increase passing rents, subject to market conditions.

In January 2020, the Centre was 94% occupied by floorspace / 92% occupied by units. In June 2020, following the Covid-19 pandemic, the Centre was 84% occupied by floorspace / 83% occupied by units.

Over the period May 2017 to Feb 2020, the following tenant exits occurred.

Figure 2 – Tenant exits May 2017 to Feb 2020

|  |  |
| --- | --- |
| Duration of stay | Number of tenants |
| Less than one year | 0 |
| One year | 3 |
| Two years | 0 |
| Three years | 3 |
| Four years | 1 |
|  |  |
| **Total (tenant exits)** | **7.0** |
| **Average tenant exits per annum** | **2.5** |
| **Annual churn rate (tenant exits per annum as % of units)** | **7.1%** |
| **Average duration of stay (years)** | **2.5** |

An Accommodation and Tenancy Schedule is provided at Appendix C.

* 1. Financial performance

Figures 3 and 4 provide headline financial information drawn from unaudited infernal management accounts, covering the periods below.

* Year 1 – Pro rata based on 10 months 1 June 2017 to 30 March 2018
* Year 2 – 12 months 1 April 2018 to 30 March 2019
* Year 3 – Pro rata based on 13 months 1 April 2019 to 30 April 2020

Please note that the Centre was expanded by approximately 40% in between Years 1 and 2.

Figure 3 – Historical financial performance

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year 1 (pro rata based on 10 months) | Year 2 (12 months) | Year 3 (pro rata based on 13 months) |
| Total income (£) | 247,564 | 349,198 | 332,890 |
| Total expenditure (£) | 205,579 | 179,428 | 194,397 |
|  |  |  |  |
| **Surplus / deficit (£)** | **41,985** | **169,770** | **138,493** |

Figure 4 – Breakdown of expenditure

|  |  |  |
| --- | --- | --- |
|  | Average per annum (£, pro rata based on relevant number of months) | Average per annum (% of total) |
| Salaries | 43,239 | 21.4% |
| Utilities | 31,460 | 15.6% |
| IT, telephone & post | 9,071 | 4.5% |
| Cleaning | 22,769 | 11.3% |
| Legal and Professional | 9,593 | 4.8% |
| Maintenance | 50,634 | 25.1% |
| Advertising | 4,584 | 2.3% |
| Business rates | 28,827 | 14.3% |
| Other | 1,678 | 0.8% |
|  |  |  |
| **Total expenditure** | **201,855** | **100%** |

Income is collected by Direct Debit, and at the end of February 2020 there were no arrears.

All ongoing service contracts are capable of being terminated / novated before the contract commencement date in May 2021, offering bidders opportunities for economies of scale from existing contracts.

The National Non-Domestic Rates (i.e. ‘business rates’) regime is set by central government. At present, each occupier is responsible for their own. We understand that one unit (representing 9% of floorspace) is within the Small Business Rates Relief taper relief band (£12,000 to £15,000 Rateable Value), with the remainder being eligible for 100% Small Business Rates Relief.

The successful bidder would be liable for business rates for the communal areas, and empty business rates charges after any exemption period (currently three months for offices). The average over the period May 2017 to April 2020 was £28,827 per annum.

1. **Requirements for proposal**

The strategic objectives for the new management arrangements are:

* Deliver a priority return of £63,000 (index-linked) to ECC, plus a share of any remaining surplus
* Support business and economic growth
* Maximise rental income
* Minimise operation and maintenance costs
* Ensure high levels of tenant satisfaction
* Obtain key insurance policies and indemnify ECC against key risks
* Ensure compliance with all relevant legislation and ECC policies

The SMART contract objectives to be monitored are:

* Maintain rental values and occupancy levels such that a rental income of at least £350,000 is achieved in each year of the contract
* Manage costs such that expenditure remains below £200,000 in each year of the contract
* Maintain a Net Promoter Score of +25% in a Tenant Satisfaction Survey carried out before each anniversary of the Commencement Date
  1. Deliver a priority return of £63,000 (index-linked) to Essex CC, plus a share of any remaining surplus

The Contractor shall enter into a Fully Repairing and Insuring (FRI) head lease and concession contract for an initial period of five years, with the option to extend for up to five further years, with option for either party to terminate on each anniversary of the Commencement Date, upon providing three months’ written notice. The head lease will have a peppercorn rent.

Under the concession contract, the Contractor shall:

* Collect on ECC’s behalf all income, applying VAT where applicable, and provide account of this to ECC monthly, issuing invoices in ECC’s name and using ECC’s VAT number.
* Any income and VAT collected will be remitted to ECC by way of bank balance transfer within 60 days of receipt Pay all costs all costs required for the operation and maintenance of the Centre - including but not limited to insurance premiums, rates, utilities and licenses - from the Contractor’s own cash reserves (or debt, if necessary).

Where there is a financial surplus in the year to date, the Contractor shall invoice ECC monthly for eligible costs in the year to date and the Contractor’s share of any surplus remaining after accounting for ECC’s Priority Return Amount, calculated pursuant to Appendix B of the Specification.

Where there is a financial deficit in the year to date, the Contractor shall invoice ECC monthly for eligible costs in the year to date up to the level of income received for the year, calculated pursuant to Appendix B of the Specification.

Both parties shall make any residual adjustments necessary upon the anniversary of the Contract Start Date.

The initial Priority Return Amount is £63,000 per annum.

The initial Priority Return Amount will be amended on each anniversary of the Commencement Date based on the Consumer Price Index (CPI) as published by the Office for National Statistics.

* 1. Support business and economic growth

The Essex Prosperity and Productivity Plan (ECC / Success Essex Board, 2020) identifies four ‘missions’ to 2040:

* **A dynamic economy** - We aim to create a more productive county, where more people are in knowledge-intensive, well-paid jobs, where strong demand for skills drives greater supply, and where innovation and rapid adoption of technology drive new opportunities across the economy.
* **A resilient economy** - We aim to create an economy which is sustainable, where people, firms and institutions benefit from measures driven by technological and climate change and where the costs of change are managed effectively.
* **An inclusive economy** - We aim to create a county in which all communities and individuals have the opportunity to participate in, and share the benefits of, economic growth.
* **A connected economy** - We aim to ensure good quality, sustainable digital and physical connectivity, linking businesses to markets and people to opportunities – within Essex and the rest of the UK and internationally.

The successful bidder should support these missions by:

* Working with Essex CC to develop a lettings policy promoting the objectives of the *Essex Prosperity and Productivity Plan* (2020), and reviewing this regularly by agreement
* Ensuring that major service / supplier procurement considers social value for Essex residents and businesses, promoting environmental sustainability and fair work
* Reviewing the branding and marketing of the Centre in line with the lettings policy and any other commercial property owned by Essex CC
* Ensuring that all tenants have access to ultrafast broadband internet and supporting the delivery of 5G mobile connectivity at an appropriate point
* Signposting tenants to business support services available across Essex
* Considering opportunities to support the vitality of Ongar town centre

This support should not have a material impact on rental income or operation and maintenance costs.

* 1. Maximise rental income

It is anticipated that this will be achieved through:

* Proactive engagement with tenants to ensure that their business needs are being met
* Active marketing and promotion of the centre including but not limited to website, social media, activity at networking events, listings on online property portals, listings with local property agents – actively managing any potential conflicts of interest with other relevant centres
* Building a distribution list of potential occupiers, to be owned by ECC and held in ECC’s Customer Relationship Management (CRM) system
* Where notice is provided to vacate a unit, minimising the void period by efficient operation and maintenance processes
* Ensuring that new tenancies and renewals are competitive in the marketplace through competitor surveillance on specification, services, rental values and other fees, contract terms including duration and termination notice period, landlord’s incentives, etc.
* Positioning the offer for occupiers within the broader marketplace, potentially in cooperation with other relevant centres
* Financial vetting of potential tenants, recognising that many SME’s may not have a long trading record or strong balance sheet
* Active management of arrears and taking appropriate enforcement action
* Appropriate maintenance, adaptations and improvements of the Centre
* Other good industry practice
  1. Minimise operation and maintenance costs

It is anticipated that this will be achieved through:

* Robust budget preparation, monitoring and management
* Proposing of cost-saving and rent-maximisation initiatives, potentially in cooperation with other relevant centres
* Proactive risk and issues management, including health and safety
* Competitive procurement processes
* Effective financial, legal and HR processes and access to appropriate advice
* Ensuring that tenancies are contracted outside of the Landlord and Tenant Act 1954 in terms of automatic right to renewal
* Obtaining approval of ECC before entering into any service / supplier contracts beyond the contract duration
* Other good industry practice
  1. Ensure high levels of tenant satisfaction

It is anticipated that this will be achieved through:

* Appropriate arrangements for ensuring business continuity in the event of staff absence
* Providing proactive, timely and accurate information to tenants
* Applying consistent and transparent policies to routine decision making
* Providing appropriate training for relevant staff to support their personal development in line with the strategic objectives of the contract, potentially in cooperation with other relevant centres
* Carrying out an Entry Survey with firms starting tenancies, the contents and format of which to be agreed by and responses shared with Essex CC
* Carrying out an Exit Survey with firms terminating their tenancy, the contents and format of which to be agreed by and responses shared with Essex CC
* Facilitating distribution of and maximising response rates for an annual Tenant Satisfaction Survey. Assisting in the preparation of a response for tenants, including a summary of results and Action Plan addressing relevant issues
* Other good industry practice
  1. Internal maintenance, adaptations and improvements

The contractor shall:

* Maintain, upgrade and refresh the Centre and relevant Contractor’s Assets as appropriate in line with the strategic objectives of the contract, good industry practice and any manufacturer’s recommendations.
* Maintain a complete, accurate and up-to-date register of relevant contractor assets, including details of location and condition
* Obtain written approval from ECC for any adaptations required to the Centre, including signage
* Not make any proposal to alter the rateable value of the Centre or its units as it appears on any draft rating list without approval of ECC
  1. Contract management, monitoring and reporting

The contract shall operate on an open-book accounting basis.

On a monthly basis, the Contractor shall provide a written report providing items including but not limited to:

* Health and safety incidents
* Performance against the SMART objectives for the contract
* Financial performance against budget (to be provided in Microsoft Excel format), with explanatory notes where appropriate
* Tenancy schedule including occupancy forecasts (to be provided in Microsoft Excel format)
* New tenants and exiting tenants, including responses to Entry and Exit Surveys
* Take-up rates of other income-generating services
* Forthcoming / progress on significant procurement projects
* Forthcoming / recent significant management decisions
* Key risks and issues

On a quarterly basis, the Contractor shall meet with ECC to discuss items including but not limited to:

* Health and safety incidents
* Performance against the SMART objectives for the contract
* Issues arising from the monthly written reports
* The Action Plan arising from the Tenant Satisfaction Survey
* Potential cost-saving and rent-maximisation initiatives
* The condition, specification and configuration of the Centre
* Key risks and issues

ECC officers may, on an annual basis, undertake sample audits.

In the event of non-delivery against the SMART contract objectives, in the first instance ECC will work with the Contractor to identify and understand the relevant issues and agree mitigations.

Should performance be continuously 20% below the SMART contract objectives for one quarter, ECC will work with the Contractor to develop a Recovery Plan.

Should performance be continuously 20% below the SMART contract objectives for two consecutive quarters, ECC will reserve the right to terminate the contract upon three months’ written notice.

1. **Key Dates**
   1. Commencement of services date: 01/05/2021.
   2. Completion date: 30/04/2026.
   3. Duration: 60 months.
   4. Required delivery dates/milestones: As per SMART objectives.
2. **Statement of Technical Requirements**
   1. Information Handling and Security

Bidders will be required to adhere to the Data Protection Act (DPA) 2018 and General data Protection Regulations.

The preferred bidder may be required to provide evidence of its security policy / policies following award of contract.

* 1. Exit Plan

The preferred bidder shall complete an exit plan following award of contract. This may include (but is not limited to):

* Building appropriate company cash reserves / obtain bonds for winding down costs, including but not limited to redundancies and pension underperformance – with the costs to be borne by the Contractor
* Hand-over process, transition between providers
* Software and Licences
* Intellectual Property Rights
* TUPE
* Training and Knowledge transfer
* Support arrangements
* Decommissioning and disposal of Contractor Assets – with the costs to be borne by the Contractor
  1. Implementation/mobilisation

In advance of the Commencement Date, the Preferred Bidder shall work with the current contractor to develop and implement a Transition Plan to ensure an orderly continuation of service after termination or expiry of the contract. This should include, but not be limited to:

* **Human resources** – Payroll functions and transfer of HR files
* **Finance** – Transfer of deposits; knowledge transfer of any arrears management cases; transfer accounts payable and receivable functions; transfer of business rates responsibilities
* **Operations and maintenance** – Transfer of relevant files; dilapidation survey and remedial work (responsibility of current contractor); review of current contractor assets requiring replacement (e.g. ICT devices); review of Standard Operating Procedures; review of relevant service contracts, and novation / termination and re-procurement as appropriate
* **Marketing and promotion** – Transfer of domain name and web hosting; knowledge transfer for website and social media; knowledge transfer of CRM system; review of promotional materials requiring re-branding
* **Communications with tenants** – Key dates, what to expect, new contact details, etc.
  1. Business Continuity

Preferred bidders will be required to provide a copy of their high-level business continuity plan that covers the service(s) they are providing, to be reviewed periodically.

* 1. Delivery and Ongoing Requirements

The Contractor shall:

* Implement appropriate security measures (physical, mechanical and electrical, and processes)
* Prepare and implement Standard Operating Procedures for routine tasks, to be reviewed periodically

1. **Health and safety requirements**

The Preferred Bidder must ensure all tenants are aware of their responsibilities under Health and Safety legislation for the safety of their employees, contractors and visitors within their demise. The tenants also need to be aware of an incident or anything else that creates a health and safety hazard or issue, and they are responsible for taking whatever action is necessary to resolve the situation.

* 1. Incident Reporting and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR)
* In the context of this building any premises related RIDDOR reportable incidents bidders must have an established system of collating and reporting all incidents.
* RIDDOR is the law that requires employers, and other people in control of work premises, to report and keep records of:
  + work-related accidents which cause death;
  + work-related accidents which cause certain serious injuries (reportable injuries); diagnosed cases of certain industrial diseases; and
  + certain ‘dangerous occurrences’ (incidents with the potential to cause harm). There are also special requirements for gas incidents (see ‘Reportable gas incidents’).
* In this context any premises related RIDDOR reportable incidents should be reported to ECC as soon as the Preferred Bidder is made aware of the incident.
  1. Asbestos
* ECC has undertaken an Asbestos Management survey of the premises, which has asbestos present in various forms.
* The Preferred Bidder must ensure all Tenants are aware of the asbestos in their demise, how to obtain a copy of the asbestos survey and of the precautions ECC has taken to reduce the risk of exposure.
* The Preferred Bidder must also ensure all Tenants are aware of the need to conduct an asbestos refurbishment and demolition by a competent asbestos surveyor prior to undertaking any work that is likely to disturb the fabric of the building.
* The Preferred Bidder must also ensure that Tenants are aware of the need to employ a competent asbestos contractor if any work to remove asbestos is to take place.
  1. Control of Substances Hazardous to Health (COSHH)
* The Control of Substances Hazardous to Health Regulations 2002, states general requirements on employers to protect employees and other persons from the hazards of substances used at work by risk assessment, control of exposure, health surveillance and incident planning.
* In this context hazardous substances may be used by tenants as part of their service activity or cleaning regime. The Preferred Bidder must ensure tenants to be aware of their legal responsibilities and that they have a COSHH register available on site that include COSHH Data Sheets and Risk Assessments
  1. Water Safety
* Legionella Pneumophila, commonly referred to simply as 'legionella', is a bacterium that causes the infection Legionellosis. Infection is caused by breathing in small droplets of water contaminated by the bacteria.
* Legionnaires ‘disease can be very serious and indeed fatal, but in most cases it can be treated successfully with antibiotics and healthy people usually recover. The disease cannot be passed from one person to another
* Any water system that has the right environmental conditions could potentially be a source for legionella bacteria growth. Therefore, the Preferred Bidder must ensure there are contracts in place to carry out regular water risk assessments and on-going monitoring; and this is an activity that is monitored in accordance with ‘The control of legionella bacteria in water systems L8 and the accompanying guidance HSG 274.
  1. Electrical Safety
* To mitigate the safety risks associated with the electrical systems hidden within the fabric of the building, the Preferred Bidder must ensure there are contracts in place to carry out electrical testing.
* The Preferred Bidder must also ensure any repairs, maintenance and alterations to the electrical systems are certified and tested by a competent contractor. The Tenants must be made aware by the Preferred Bidder that they should under no circumstances attempt to tamper with the electrical systems or contract their own electrician to do so.
  1. PAT Testing
* The Preferred Bidder must ensure that Tenants understand their obligations to appoint a responsible person to monitor the use of electrical equipment, arrange an appropriate system of formal visual inspection and to ensure Portable Appliance Testing (PAT) tested is carried out by a competent person in accordance with HSE standards. These standards are available on-line.
* ECC will require proof (ideally a copy of the testing schedule) that all portable electrical equipment is PAT tested periodically because ECC are required to share that information with fire safety professionals.
  1. Gas Safety
* The Preferred Bidder must ensure there are contracts in place to carry out periodic gas safety and boiler checks by competent, experienced engineers registered with the Gas Safety Register in accordance with Gas Safety (Installation and Use) Regulations to ensure gas appliances, fittings and flues are safe. ECC will require evidence that all such checks have been undertaken
* The Preferred Bidder must ensure that Tenants are aware that if they staff smell gas they should report the matter immediately to the centre manager and an alternative contact name and phone number. Appropriate notices shall be posted within the centre and maintained with the correct contact information.
  1. Fire
* The Preferred Bidder must carry out their obligations to fully meet the requirements of the Regulatory Reform (Fire Safety) Order (2005).
* The Preferred Bidder should ensure that Tenants are familiar with:
  + the sound of the fire alarm
  + the routes to the nearby fire exits
  + the location of the Assembly Points
  1. Fire Safety and Regulations

Under the Health and Safety at Work Act 1974 and the Regulatory Reform (Fire Safety) Order (2005) all buildings are required to have set procedures for carrying out:

* testing of fire safety systems
* regular annual evacuation drills
* dealing with fire system alarm activations
* dealing with emergency situations such as fire, bomb threat, etc.

This section explains the requirement to undertake the various tests and the Fire Policy.

**Fire Systems Testing for Buildings**

Tenants, visitors, their employees and contractors have a statutory obligation to co-operate in safety tests and procedures.

The Preferred Bidder must ensure the fire alarm system is tested on a weekly basis. The weekly test is to give tenants the opportunity to listen to the alarm output and familiarise themselves with the signal and to report any concerns to the Preferred Bidder.

The Preferred Bidder must make all Tenants aware of the specific times and arrangements of the fire alarm tests and ensure that fire evacuation drills are arranged approximately every 12 months – records of these drills must be made available to ECC.

**The Preferred Bidder must ensure Tenants are aware of the fire evacuation plan, which should include the following information:**

* The action to be taken if you discover a fire and for contacting the fire and rescue service:
  + raise the alarm by activating the nearest manual fire alarm call point
  + ensure all doors and windows leading to other areas of the building are closed
  + never try to fight a fire without first raising the alarm
  + if you feel confident, tackle the fire using the appropriate appliance
  + do not put yourself at risk
  + never try to fight a fire if you are on your own in the area
  + evacuate through the nearest fire exit, proceed to the assembly point and report to your Fire Warden the whereabouts of the fire, the size of the fire and any other relevant details
* The action to be taken if you hear the fire alarm:
  + evacuate the building via the nearest available exit
  + close doors and windows as you leave
  + assist members of the public as required
  + do not run
  + do not use lifts
  + go to your assembly point
  + do not re-enter the building until you are told it is safe to do so by a Fire Warden or the Fire & Rescue Service

**The Preferred Bidder must ensure Tenant are aware of the need for them to appoint a suitable number of fire wardens, names and contact details to be provided to the Preferred Bidder for display on notice boards.**

**The Preferred Bidder must ensure that Tenants are aware of the need to integrate and co-operate with the Preferred Bidder in executing the Fire Management Plan, training of staff and management of emergency response planning.**

**Fire risk assessments**

A fire risk assessment is an organised and methodical look at the premises, the activities carried out there and the likelihood that a fire could start and cause harm to those in and around the premises.

The Preferred Bidder must ensure that a Fire Risk Assessment is undertaken for the premises and that Tenants are aware of their responsibility to undertake fire risk assessments for their demised area(s). The fire risk assessments must be made available for ECC.

* 1. First Aid

The Preferred Bidder must ensure Tenants are aware of their obligations under the First Aid at Work regulations. In doing so they should consider the circumstances of their workplace, workforce and the health and safety risks that may be present to help them decide what arrangements they need to put in place.  They need to make an assessment of the first-aid needs appropriate to the circumstances of their business.  As a minimum, they must have:

* a suitably stocked first-aid kit
* an appointed person to take charge of first-aid arrangements;
* information for all employees giving details of first-aid arrangements to the Preferred Bidder
  1. Health and Safety Law Poster

The Health and Safety Information for Employees Regulations 1989 requires the HSE-approved law poster to be displayed in workplaces. The Preferred Bidder must ensure that a copy of the Health and Safety Law Poster is displayed where all Tenants can see it.

* 1. Inspections

The Preferred Bidder must conduct regular checks of the premises to ensure all Tenants are complying with all health and safety legislation and that the premises are statutory compliant, the checks must be undertaken at least monthly and the records made available to ECC, with any deficiencies reported immediately. ECC and the Preferred Bidder will agree the format of the inspection sheet and report before service commencement.

* 1. Useful links
* [RIDDOR](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Friddor%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369899409&sdata=tHf1%2BK1trVrElGHOFIqFBzt42nMzXIeEFA8CTaIFMwo%3D&reserved=0)
* [Asbestos](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Fasbestos%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369899409&sdata=MPeZuR7p3Beu8UnkKFH8taZCo8r0Sp3Qn91DU7UNtOI%3D&reserved=0)
* [COSHH](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Fcoshh%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369909404&sdata=6%2B%2FRleA8Oev1kxR5e8EUKEmwv8NIanROy7JKlui1M%2FU%3D&reserved=0)
* [Water Safety](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Flegionnaires%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369909404&sdata=80tyrrCn9Du8UrpT7kzAH4BsMBd21Qv8ZbIOcuuR0Mg%3D&reserved=0)
* [Electrical safety](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Felectricity%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369909404&sdata=smQb8e63kciJFd5JwTafa5%2BAq%2FJe5uV9zl3pQv8GtoM%3D&reserved=0)
* [Portable electrical appliances](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Fpubns%2Fbooks%2Fhsg107.htm&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369919396&sdata=J0QoXrQ7Nm5diozNtekfUAn8Zoud9BiBWfmBJeyuVd0%3D&reserved=0)
* [Gas Safety](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Fgas%2F&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369919396&sdata=YYV%2Fm88zw18%2FvnKkVK6x4g8TlXgbiiSOZoBb%2FuaQSP0%3D&reserved=0)
* [Fire Safety](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fworkplace-fire-safety-your-responsibilities&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369929391&sdata=bVC6y%2BkWQOxCvLZzUR7iU2QmrznNx4m2rWZ%2B%2BjfGo8U%3D&reserved=0)
* [Fire risk assessments](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fworkplace-fire-safety-your-responsibilities%2Ffire-risk-assessments&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369929391&sdata=hUv0r%2BAL9W63xwZ7I5GOk4j2lseuRjU5MNjlePZe6CY%3D&reserved=0)
* [Health & Safety law poster](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Fpubns%2Fbooks%2Flawposter.htm&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369929391&sdata=r5vPC%2F7jhYzMrjctAMdRxgnIsJswjyBelFQIRvjRFHM%3D&reserved=0)
* [First Aid](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Ffirstaid%2Fwhat-employers-need-to-do.htm&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369939385&sdata=K6vsEONyC0Bv%2FjA%2BJs8L6gdvN5Qy%2Bnmn5OmwfsqjD78%3D&reserved=0)
* [Inspections](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hse.gov.uk%2Finvolvement%2Finspections.htm&data=02%7C01%7C%7C6f1a9fdf023b46875aa408d824b72907%7Ca8b4324f155c4215a0f17ed8cc9a992f%7C0%7C0%7C637299716369939385&sdata=9dkIegULD%2Fv5VXTVHJUI2b%2B2B5JYkb6f929OkwK%2FAZM%3D&reserved=0)

1. **Authority’s policies**

The Contractor shall ensure compliance with all relevant legislation and Essex CC policies, including but not limited to:

* **Council’s Information Policy Requirements** - <http://www.essex.gov.uk/Business-Partners/Supplying-Council/Documents/ECC_information_policy_requirements_for_contractors.pdf>.
* **Health & Safety Policy Statement** - <http://www.essex.gov.uk/Your-Council/Strategies-Policies/Code-of-Governance/Documents/Health_and_Safety_Policy_Statement.pdf>
* **Environmental Statement** - <https://www.essex.gov.uk/our-environmental-statement>.
* **Complaints** - <https://assets.ctfassets.net/knkzaf64jx5x/6RBSJhEp9xJPvNrW81sKoQ/1c92c766c9846ac6fc850907e620802d/Complaints_and_Representations_Policy_2019.pdf>
* **Equality** - Bidders must comply with laws on equality and diversity, [guidelines on preventing](https://www.gov.uk/employer-preventing-discrimination) discrimination on GOV.UK. [The Equality and Human Rights Commission](https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice) has produced a code of practice on employment, services and equal pay. This explains how the law applies to employers in everyday situations.

1. **Insurance and warranties**

The Contractor shall obtain and provide evidence of insurance policies for:

* Public liability with at least £10m cover
* Employer’s liability with at least £5m cover
* Building contents

The Contractor shall indemnify ECC against:

* Acts and omission of tenants
* Loss or damage to any of the Contractor’s assets at the Centre, unless due to the negligent act or omission of ECC
* All rates, taxes and other impositions relevant to the Centre, its operation and maintenance (or a fair proportion of these, if they are payable in respect of the Centre with other land or property)

1. **Agreement term**
   1. The Agreement term for this agreement with be five (5) year(s) with an option to extend for a period of up to 60 month(s) in two periods of 24 months and one period of 12 months i.e. 2 + 2 + 1 years. The decision to extend the Agreement is at the sole discretion of Essex County Council.
2. **Commercial Response**
   1. The Tenderer is to complete the commercial response detailed within the E-sourcing portal.
3. **Payment** 
   1. The Contractor shall:

* Collect on ECC’s behalf all income, applying VAT where applicable, and provide account of this to ECC monthly, issuing invoices in ECC’s name and using ECC’s VAT number.
* Any income and VAT collected will be remitted to ECC by way of a bank balance transfer within 30 days of receipt.
* Pay all costs required for the operation and maintenance of the Centre - including but not limited to insurance premiums, rates, utilities and licenses - from the Contractor’s own cash reserves (or debt, if necessary).
  1. Where there is a financial surplus in the year to date, the Contractor shall invoice ECC monthly for eligible costs in the year to date and the Contractor’s share of any surplus remaining after accounting for ECC’s Priority Return Amount, calculated pursuant to Appendix B of the Specification.
  2. Where there is a financial deficit in the year to date, the Contractor shall invoice ECC monthly for eligible costs in the year to date up to the level of income received for the year, calculated pursuant to Appendix B of the Specification.
  3. Both parties shall make any residual adjustments necessary upon the anniversary of the Contract Start Date.

# Appendix A - Floorplans



# Appendix B – Example financial calculations

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Income to ECC after Month 4** | **Eligible costs incurred by Contractor after Month 4** | **Financial surplus after Month 4** | **Priority Return Amount (assuming £5,250pcm) after Month 4** | **Remaining surplus after Priority Return Amount after Month 4** | **Maximum of all invoices from Contractor to ECC (assuming Contractor bid to retain 35% of any remaining surplus after Priority Return Amount) after Month 4** | **Retained by ECC after Month 4** |
|  | **A** | **B** | **C=A-B** | **D=5,250\*4** | **IF D < C THEN:**  **E = C-D**  **ELSE:**  **E = ZERO** | **LOWER OF: F=B+(E\*0.35)**  **OR:**  **A** | **G = A-F** |
| Example 1 | £130,000 | £70,000 | £60,000 | £21,000 | £39,000 | £83,650 | £46,350 |
| Example 2 | £130,000 | £140,000 | -£10,000 | £21,000 | £0 | £130,000 | £0 |
| Example 3 | £130,000 | £115,000 | £15,000 | £21,000 | £0 | £115,000 | £15,000 |

# Appendix C – Accommodation and tenancy Schedule (June 2020)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Unit Number** | **Floor** | **Approx. size (sq ft)** | **Approx. size (sq m)** | **Tenant** | **Tenant sector (self-reported)** | **Tenant employees** | **Rent (£pcm)** | **Rent (£pa)** | **Lease / license expiry** |
| 28 | First | 339 | 32 | ADVFN | Information and communication | 2 | 880 | 10,560 | 30/04/2021 |
| 21 | First | 277 | 26 | ASL Ltd | Construction | 3 | 707 | 8,484 | 30/06/2021 |
| 18 | First | 339 | 32 | Big Picture | Professional and administrative services | 4 | 783 | 9,396 | 30/05/2021 |
| 10 | First | 294 | 27 | BluMarble | Financial and insurance activities | 3 | 785 | 9,420 | 30/09/2020 |
| 29 | First | 339 | 32 | Bower Retirement | n/a | 6 | 838 | 10,056 | 30/12/2020 |
| 27 | First | 421 | 39 | Bower Retirement | n/a | 3 | 1,093 | 13,116 | 31/12/2020 |
| 30 | First | 619 | 58 | Bower Retirement | n/a | 36 | 1,577 | 18,924 | 31/12/2020 |
| 19 | First | 278 | 26 | Chapman Widgery | Construction | 2 | 574 | 6,888 | 30/04/2021 |
| 15 | First | 270 | 25 | CJK Counselling | Public administration, education and health | 1 | 700 | 8,400 | 31/08/2020 |
| Suite A | Ground | 847 | 81 | ClearTec IT | Information and communication | 6 | 1,780 | 21,360 | 31/10/2020 |
| 23 | First | 277 | 26 | CMCCE | n/a | 4 | 718 | 8,616 | 28/02/2021 |
| Suite E | Ground | 522 | 53 | Encoded Media | Information and communication | 1 | 1,159 | 13,908 | 18/03/2021 |
| Suite D | Ground | 577 | 55 | Encoded Media | Information and communication | 4 | 1,212 | 14,544 | 18/03/2021 |
| 13 | First | 527 | 49 | Equinoxe Solutions | Accommodation and food | 15 | 1,369 | 16,428 | 30/04/2021 |
| 24 | First | 338 | 31 | Finance One | Financial and insurance activities | 6 | 828 | 9,936 | 30/09/2021 |
| 6 | Ground | 270 | 25 | Freeman & Co Ltd | Construction | 5 | 698 | 8,376 | 31/12/2020 |
| Suite F | Ground | 110 | 10 | Graffham Consulting Ltd | Professional and administrative services | 3 | 350 | 4,200 | 31/08/2020 |
| 5 | Ground | 278 | 26 | Hallmark Finance | Financial and insurance activities | 4 | 631 | 7,572 | 31/07/2021 |
| 12 | First | 152 | 14 | Investment Products Dev | Recreation, other services and household activities | 1 | 433 | 5,196 | 30/10/2020 |
| 16 | First | 339 | 32 | LDBG Back to Business | n/a | 7 | - | - | 30/04/2021 |
| Suite C | Ground | 618 | 59 | Levett Consultancy | Public administration, education and health | 21 | 1,430 | 17,160 | 18/03/2021 |
| 22 | First | 339 | 32 | Little Bears Day Group | Public administration, education and health | 4 | 880 | 10,560 | 21/05/2021 |
| 7 | Ground | 278 | 26 | M A Security Sys | Information and communication | 3 | 742 | 8,904 | 31/12/2020 |
| 20 | First | 339 | 32 | Meads Construction | Construction | 5 | 880 | 10,560 | 31/07/2020 |
| Suite G | Ground | 250 | 23 | Merzario | Distribution and transport | 3 | 680 | 8,160 | 31/03/2021 |
| 8 | First | 199 | 19 | Moxa Hosp & Leis | n/a | 3 | 532 | 6,384 | 31/12/2020 |
| 3 | Ground | 527 | 49 | My Facilities Manager | Professional and administrative services | 4 | 1,256 | 15,072 | 31/12/2020 |
| 14 | First | 475 | 44 | National Skills Agency | Public administration, education and health | 8 | 1,152 | 13,824 | 23/04/2021 |
| 11 | First | 151 | 14 | Off Market Real Estate | Real estate activities | 2 | 430 | 5,160 | 30/10/2020 |
| 17 | First | 278 | 26 | Tendit Services Ltd | Information and communication | 5 | 718 | 8,616 | 30/04/2021 |
| 26 | First | 274 | 26 | VACANT | n/a | n/a | n/a | n/a | n/a |
| 9 | First | 299 | 28 | VACANT | n/a | n/a | n/a | n/a | n/a |
| 25 | First | 429 | 40 | VACANT | n/a | n/a | n/a | n/a | n/a |
| 4 | Ground | 475 | 44 | VACANT | n/a | n/a | n/a | n/a | n/a |
| Suite B | Ground | 616 | 58 | VACANT | n/a | n/a | n/a | n/a | n/a |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **TOTAL** |  | **12,956** | **1,215** |  |  | **174** | **25,815** | **309,780** |  |

# Appendix D – Net Promoter Score (NPS) calculation

Question asked in the Tenant Satisfaction Survey:

**How likely is it that you would recommend Ongar Business Centre to another small business looking for accommodation?**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Very unlikely |  |  |  |  |  |  |  |  | Very likely |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|  |  |  |  |  |  |  |  |  |  |

Definitions:

Promoters = Number of respondents rating 9 or 10

Detractors = Number of respondents rating 1 to 6

Total respondents = Number of respondents answering the question

Calculation of Net Promoter Score:

Net Promoter Score = (Promoters – Detractors) / Total respondents

Examples:

+20% = (5 promoters – 3 detractors) / 10 respondents

+7% = (7 promoters – 6 detractors) / 15 respondents

-15% = (1 promoters – 4 detractors) / 20 respondents