



Cabinet

7 April 2026

Gateway 3 Contract Award: Gun Wharf Building Refurbishment Works

Portfolio Holder: Councillor Zoe Van Dyke, Portfolio Holder for Business Management

Report from: Adam Bryan, Director of Place

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Procurement Overview:

Total Contact Value:	£14,995,041 excluding VAT
GWIP Additional Costs Associated:	£7,268,225
GWIP Total Capital Budget:	£22,263,266
FTS reference number:	2025/S 000-066341
Contract Term:	
Contract (Provisional) Start Date:	18 May 2026
Contract (Provisional) End Date(s):	Phase 1 – 21 December 2026 Phase 2 – 30 July 2027

Summary

This report seeks permission to commence with the award of the contract for the Principal Contractor for the refurbishment of Gun Wharf (Council Office).

1. Recommendation

- 1.1. It is recommended that the Cabinet agrees to award the contract for the refurbishment of Gun Wharf to Apex Contractors Ltd. for the sum of £14,995,041, understanding that they have evaluated as the most advantageous tender against the Council's award criteria as per the evaluation spreadsheet contained within the Exempt Appendix to the report.

2. Suggested reasons for decision

- 2.1. Apex Contractors Ltd overall provided a robust response to all the questions, which demonstrated they have an excellent understanding of the specification and expected outcomes for Gun Wharf. Evaluators all agreed that their bid was well written, with clear and concise answers that evidenced additional value and innovation over the length of the contract.
- 2.2. The refurbishment of Gun Wharf aligns to the One Medway Council Plan.

3. Background Information

3.1. Refurbishment Scope and Objectives

- 3.1.1. Whilst this Gun Wharf Improvement Programme (GWIP) came about due to the discovery of reinforced autoclaved aerated concrete (RAAC) in Gun Wharf back in October 2023, the scope has evolved beyond the remediation and repair of the building. The scope has evolved to encompass aspirations to redesign the interior of the building and transform the way the Council works, supporting Medway Council's ambition to be recognised as an Employer of Choice.
- 3.1.2. This is as an opportunity for us to 'reset' our working environment, evolving the culture and attitude towards Gun Wharf as our headquarters, looking at more creative, and innovative spaces in the building. We want to provide good conditions for our staff and drive productivity with a building we can all be proud of.
- 3.1.3. The overriding priority within the programme is to ensure that the building is safe and fit for purpose. This includes an element of future proofing, so that we are not only addressing the building's current issues, but also proactively managing works and investing in improvements that will ensure the building's longevity after it is handed back for full operations.
- 3.1.4. The works will comprise the full refurbishment of all floors within Gun Wharf, improving safety, compliance and accessibility. Delivery will be phased, with Phase 1 covering Levels 3, 4 and 5, followed by Phase 2 covering Level 2 and the basement (Level 1).
- 3.1.5. The works refurbishment package will deliver a more welcoming and accessible reconfigured reception both front of house and to the rear vastly improving the flow around the building. The works will also include improved accessibility for all users, a flexible

space capable of conversion into a Council Chamber of sufficient capacity to accommodate Local Government Reorganisation, whilst able to be easily adapted to create hot desks and team working opportunities when not in use as a chamber.

- 3.1.6. A refurbished self-service café, involving full strip-out and reconfiguration, alongside the replacement of toilet and welfare facilities across the entire building to support inclusivity. The proposals also include enhanced meeting rooms with upgraded digital and audiovisual technology, dedicated wellbeing spaces, and a more flexible office floorplate. Together, these improvements will create a fresh, modern working environment, including new floor finishes, redecoration, and associated works. All interventions will be delivered in a manner that fully respects the Grade II listed status of the building.
- 3.1.7. Phase 2 of the refurbishment will focus primarily on Level 2 of the building, complementing improvements already delivered within the Ministry of Justice (MoJ) area and the CCTV Monitoring Hub. Works will include the creation of destination office spaces, an enhanced ICT suite, and associated supporting spaces.
- 3.1.8. Less visible but also included in the works is the mechanical and electrical (M&E) replacement of facilities across the buildings to address failing elements. New windows, together with internal and external doors, are proposed to be replaced throughout the building to improve thermal efficiency and environmental performance; and bring the building up to modern standards. The quantum and volume of materials required due to the size of the building makes up the vast performance of the spend, which are all accounted for in the detailed specification and drawings supplied to the market.

3.2. **GWIP Programme Priority Hierarchy of Needs**

- 3.2.1. All decisions taken to date, and future decisions, have been and will continue to be prioritised in accordance with the 'GWIP Programme Priority Hierarchy', reflecting the factors most important to Medway Council within the available project budget. Priority 1 denotes the highest level of importance, with Priority 5 denoting the lowest.



GWIP Programme Prioritisation Hierarchy

3.3. Budget and Policy Framework

3.3.1. The policy framework for GWIP is firmly rooted in the strategic ambitions of the One Medway Council Plan 2024 – 2028, aligning with its priorities around sustainability, inclusivity, and modern public service delivery; and core values.

3.3.2. The GWIP also supports the Council's net zero by 2050 target through sustainable design and energy-efficient infrastructure, whilst also promoting inclusive, accessible and flexible workspaces that reflect the Council's values of equity and wellbeing.

3.3.3. This procurement has been classified as high risk.

3.4. Parent Company Guarantee/Performance Bond Required

3.4.1. This requirement was waived at the Gateway 1 stage of this project as the contract will be a JCT, which has a stated retention release clause.

4. Procurement Process

4.1. Procurement Approach

4.1.1. The Council adopted a single-stage contract award approach for this tender activity. Prior to issuing the Invitation to Tender, the GWIP team published a Prior Information Notice (PIN) and undertook market engagement through attendance at the South East Construction Expo.

- 4.1.2. While tendering at Royal Institute of British Architects (RIBA) Stage 3¹ would have allowed a workable construction period, it was discounted due to the inherent cost uncertainty of an evolving technical design and the potential for post-award variations. Alternative timings were therefore considered to achieve a more appropriate balance between programme certainty and cost control.
- 4.1.3. We took the approach of procuring part-way through RIBA Stage 3, as tendering at a full RIBA Stage 4² would have resulted in an unworkable 15-week plus construction period. This approach provided a more balanced solution, enabling improved design coordination, greater cost certainty, and a more deliverable construction programme.
- 4.1.4. While completion of the remaining design during the tender period was considered, this approach carried a risk of cost increases if design issues emerged post-tender. This risk is managed through the inclusion of appropriate contingency allowances (see Section 5 of this report) and the application of robust change control arrangements, enabling the programme to remain aligned with Cabinet timescales.

4.2. Procurement Process Undertaken

- 4.2.1. The procurement process undertaken was an Open ITT (Procurement Act 2023 compliant) process procedure in line with the Medway Council's Contract Procurement Rules. Site visits were made available to all bidders.

4.3. Evaluation Criteria Used

- 4.3.1. Tenders were evaluated to determine the **Most Advantageous Tender** (MAT) taking into consideration the following award criteria: -

Quality Score: **60%**
Social Value: **5%**
Price/Cost Score: **35%**

¹ **RIBA Stage 3:** focuses on coordinating the architectural, structural and building services designs so that they work together spatially. At this point, the design is refined, key systems are aligned, and sufficient information is prepared for planning submissions. The goal is to ensure the design meets the client's requirements and is technically feasible before moving into detailed design.

² **RIBA Stage 4:** develops the design into fully detailed technical information, including specifications, schedules and construction-ready drawings. All architectural and engineering elements are finalised so contractors can accurately price and prepare for construction. This stage bridges the gap between coordinated design and actual building work, producing the documentation needed for tender and building control approval

	Key Criteria	Weighting %
1	Case Studies / Similar Experience	5
2	Construction Programme	25
3	Technical Ability to Deliver	5
4	Health, Safety and Security	10
5	M&E Coordination & Continuity	10
6	Value Engineering Approach	5
	Quality	60%
	Social Value	5%
	Cost	35%

4.4. Contract Management

4.4.1 Contract management will be the responsibility of the Capital Projects Programme Manager and the Head of FM & Capital Projects.

5. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Unforeseen building fabric conditions	Unknowns discovered within the fabric of the building during the refurbishment works, reflecting the inherent complexity of a Grade II Listed building constructed in the 1970s.	A contract contingency has been included within the agreed contract sum to manage unforeseen issues.	BIII
Programme slippage	Unforeseen events or dependencies may cause delays to the agreed construction programme, impacting completion milestones.	A detailed and agreed construction programme established at contract award, with regular progress monitoring, early warning mechanisms and contract controls to manage delay.	BII
Delays with the service relocation effort	Delays in decanting staff from Gun Wharf may impact access to work areas and affect the agreed construction programme.	Clear and timely communication with staff, alternative accommodation arrangements agreed in advance, phased works with skeleton staff presence on Levels 2 and delivery through two defined work stages.	CIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
Value Engineering Scope and Cost Controls	It is recognised that poorly controlled value engineering proposals could result in unintended scope change, quality reduction, or adverse cost and programme impacts.	Formal change control process in place through Contract Administrator Instructions (CAI's) and RFIs, with all value engineering proposals assessed for cost, quality, programme and risk impacts. (Refer to Hierarchy)	CIV
Staff and public perception risk to this refurbishment work	Poor or unclear messaging during the refurbishment works could lead to negative staff and public perception, complaints or reputational impact.	Clear, consistent and timely communications delivered through agreed and controlled communications channels, with co-ordinated messaging and regular updates to staff through MedSpace/GW Newsletter and stakeholders.	CIV
Additional scope requirements outside of contract award	Additional requirements arising from other workstreams outside of the agreed contract scope could impact cost, programme and/or delivery priorities.	An element of clients' contingency remains within the overall project budget. Any additional scope requests to be subject to formal change control and approval through the Corporate Landlord Board.	BIII

For risk rating, please refer to the following table:

<i>Likelihood</i>	<i>Impact:</i>
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

6. Service Implications

6.1. Financial Implications

6.1.1. The procurement requirement and its associated delivery as per the recommendations will be funded through addition of £22,263,266 to the capital budget approved by Full Council, 29 February 2024.

6.2. Legal and Procurement Implications

6.2.1. A gateway 3 report was presented to procurement board (PB) on 5 March 2026 in respect of the Gun Wharf Renovations Works. Procurement board were advised that the process followed complied with both council procedures and legislative requirements in respects of a works projects for this quantum. Further, that the evaluation process was fair. On that basis PB approved the award whilst noting that the project was not without caveats which should be considered by Cabinet in deciding whether to proceed with the award of the contract.

6.2.2. The project was tendered at RIBA stage 4a. This is an enhanced version of RIBA 3 falling short of RIBA 4, which was defined in the report as:

RIBA Stage 4: develops the design into fully detailed technical information, including specifications, schedules and construction-ready drawings. All architectural and engineering elements are finalised so contractors can accurately price and prepare for construction. This stage bridges the gap between coordinated design and actual building work, producing the documentation needed for tender and building control approval.

This meant that some of the specification needed more detail which would follow on from engagement with the contractor appointment in respect of the outcomes, prices, quality and timelines. This means there is an increased risk associated with price, timelines, outcomes and quality.

6.2.3. As part of the procurement process once the tender was released a high number of clarifications were sought, circa 360. A large majority of these were either seeking information that was already within the documents issued or relatively simple yes/no type queries. As the use of RIBA 4a is relatively uncommon this may also have increased the number of clarifications submitted. The responses were shared with the bidders before the end of the bidding process.

6.2.4. There were approximately 30 amendments made to the tender documentation through the process, largely adding or revising technical drawings rather than changing the scope, and primarily served to ensure bidders were working from accurate and consistent drawings. As is to be expected the greater the number of clarifications and addendums, the greater the potential risk of challenge, as this could lead to a suggestion that the criteria should have been more explicit. Members need to be satisfied that the tender accurately reflects their desired outcomes and that they decide to proceed with the contract being cognisant of the risks.

6.2.5. If the Council determines to make an award, bidders, including those who did not apply, will have the 8 working-day standstill period to appeal, as well as a 30 day claim window (from when they ought to have known), to raise a challenge against the procurement process.

6.3. TUPE Implications

6.3.1. TUPE does not apply to this activity.

6.4. ICT Implications

6.4.1. The GWIP Team will work closely with ICT colleagues to manage any technology-related matters during the construction phase. A dedicated Technology Workstream Lead sits on the GWIP Board to ensure effective coordination and oversight.

7. Social, Economic & Environmental Considerations

7.1. Social value considerations given to the tender will be:

- Social: Healthier, Safer and more resilient communities;
- Promote local skills and employment;
- Growth: supporting growth of responsible regional businesses;
- Environment: decarbonisation and safeguarding our world;
- Innovation: promoting social inclusion.

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Appendices

Exempt Appendix 1 – Financial Analysis

Exempt Appendix 2 – Governance Framework for Contract Administration and Control

Background Papers

[Cabinet Report - Gateway 1 Procurement Commencement - Gun Wharf RAAC Remediation and Refurbishment](#)