



Officer Key Decision
22 July 2019

**Report to the Strategic Director of
Regeneration and Environment**

**Infill Programme – Authority To Procure (Contracts in
respect of Infill Projects 1 & 2)**

Wards Affected:	Barnhill, Queensbury, Stonebridge, Willesden Green
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Peter De-Bique Development Project Manager Tel: 07776 665802 Peter.de-bique@brent.gov.uk

1.0 Purpose of the Report

- 1.1 The purpose of this report is to seek approval to tender for the procurement of suitable contractors for the Infill Programme Projects 1 and 2.
- 1.2 The projects have a combined value of approximately £6.95m and are made up of 5 individual sites scattered throughout the Borough. There are a total of 29 homes to be delivered ranging from a number of detached bungalows, semi-detached 3 bedroomed homes, and low rise blocks containing between 4-8 units.
- 1.3 It is intended to divide the programme in line with the geographical make-up of the sites. This has resulted in forming two separate projects split as follows:
 - New Build - Mason Court, Hindhurst and Kings Drive (estimated at £3.901m)
 - New Build - Gloucester Close and Frontenac (estimated at £3.064m)

2.0 Recommendation(s)

That the Operational Director - Property and Assets:

- 2.1 Approves inviting tenders for Project 1: New Build – Mason Court, Hindhurst and Kings Drive under the Infill Programme on the basis of the pre-tender considerations set out in paragraph 3.9.1 of the report.
- 2.2 Approves Officers evaluating the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.9.1 of the report.
- 2.3 Approves inviting tenders for Project 2: New Build – Gloucester Close and Frontenac under the Infill Programme on the basis of the pre-tender considerations set out in paragraph 3.9.2 of the report.
- 2.4 Approves Officers evaluating the tenders referred to in 2.3 above on the basis of the evaluation criteria set out in paragraph 3.9.2 of the report.

3.0 Detail

- 3.1 The Infill Programme will provide a total of 29 new homes in the Borough, and will help alleviate the pressure on the provision of temporary housing.
- 3.2 The sites and values are detailed below, along with the Wards and a breakdown of the homes to be provided on each site.

Site Name	Ward	1 Bed	2 Bed	3 Bed	Units	Start on Site	Indicative Project Costs
Mason Court HA9 9PD	Barnhill	1	7	0	8	01/01/2020	£ 1,432,000.00
Hindhurst NW10 0NJ	Queensbury	6	2	0	8	01/01/2020	£ 1,157,000.00
Gloucester Close NW10 8EG	Stonebridge	0	2	3	5	01/01/2020	£ 2,071,000.00
Kings Drive HA9 9JB	Barnhill	0	4	0	4	01/01/2020	£ 1,312,000.00
Frontenac NW10 3RA	Willesden Green	0	1	3	4	01/01/2020	£ 993,000.00
					TOTAL HOMES	29	

- 3.3 The estimated cost of the works, based on quantity surveyor analysis is £3.901m for Project 1 and £3.064m for project 2. The value of the projects is such that they are each classified as Medium Value Works Contracts (£250,000 - £5,000,000) as per Contract Standing Order 82.
- 3.4 Programmes of this nature can be difficult to manage in terms of finding suitability skilled contractors (including small to medium sized contractors) who are experienced in delivering high-quality projects on small sites.
- 3.5 A framework approach was considered, however due to the geographically scattered nature of the programme and the low value of the works - it was felt that this could result in a lack of interest from framework contractors who typically prefer larger contracts.
- 3.6 It was also felt that frameworks have a limited number of approved suppliers, resulting in less competition for a small works contract, which would also drive higher costs and reduce the value for money the Council are seeking for these works.
- 3.7 Following discussions with Procurement it was agreed that the open tender approach to divide the programme into two projects will provide the Council with

the best platform for sourcing, and appointing qualified contractors for the programme. The justification for two separate procurements is as follows:

- The sites are located in four different Wards, and it was appropriate to merge two Wards together.
- Attractiveness to contractors, as the locations would be easier to manage rather than the projects being spread across the borough.
- From previous experience of similar projects, contractors tended to struggle when faced with managing multiple sites which are scattered across the borough.
- This approach will give an opportunity to local SME contractors.
- Dividing the programme into two projects will also ensure that any possible delays in one project will not impact the other.

3.8 An open tender approach could have the following benefits for the Council:

- Provide the Council with a wider selection of contractors to include small to medium sized contractors who may be more suited to the Infill Programme and offer better value for money in terms of quality and costs.
- The open tender approach will afford the Council an opportunity to engage with local suppliers and businesses who could benefit from the Council's Development Programme, and this could help ease unemployment and bring revenue into the Borough.
- It gives the Council better scope to seek the best supplier for the works, as tenders are carefully evaluated for cost and quality, and there will be a wider selection to choose from.
- The Council should experience a boost in innovation, as the field of competition would be extended, and contractors will need to demonstrate how they will offer efficiencies and absorb reasonable risks to deliver the programme.
- Open tendering also offers ease of entry into the market for smaller contractors, and this can help small experienced firms to get a foothold in the market or industry, which will help lower the traditional barriers faced by many small but very experienced contractors.

3.9 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Strategic Director of Regeneration & Environment in respect of each project.

3.9.1 Project 1: New Build - Mason Court, Hindhurst and Kings Drive

Ref.	Requirement	Response
(i)	The nature of the works.	New Build low rise block made up of: Mason Court: 1 block (8 units) Hindhurst: 1 block (8 units)

Ref.	Requirement	Response																															
		Kings Drive: 4 bungalows																															
(ii)	The estimated value.	£3,901,000																															
(iii)	The contract term.	The contract duration is estimated at 8 Months with a 12 months' defects liability period after completion of the works. This will be a design and build contract.																															
(iv)	The tender procedure to be adopted.	Single stage open tender procedure as per CSO 96(b)																															
v)	The procurement timetable.	Indicative dates are:																															
		Invite to Tender	25 July 2019																														
		Deadline for Tender submissions	4 October 2019																														
		Moderation Mtg	18 October 2019																														
		Interviews (if required)	w/c 21 October 2019																														
		Report recommending Contract award circulated internally for comment	w/c 28 October 2019																														
		Contract Award Decision	11 November 2019																														
		Call-in period expires	18 November 2019																														
		Contract Start date	6 January 2020																														
(vi)	The evaluation criteria and process.	<p>1. An open tender will be undertaken.</p> <p>2. The panel will evaluate the tenders against the following criteria:</p> <table border="1"> <thead> <tr> <th>Technical / Quality</th> <th>Area weighting</th> <th>Overall weighting</th> </tr> </thead> <tbody> <tr> <td>Project Delivery & Programme</td> <td>30%</td> <td rowspan="6">35%</td> </tr> <tr> <td>Design Development</td> <td>25%</td> </tr> <tr> <td>Project Resources</td> <td>20%</td> </tr> <tr> <td>Application of Experience</td> <td>15%</td> </tr> <tr> <td>Community Engagement</td> <td>10%</td> </tr> <tr> <td>Total for Quality/Technical</td> <td>100%</td> </tr> <tr> <td>Social Value</td> <td>Area weighting</td> <td>Overall weighting</td> </tr> <tr> <td>Social Value</td> <td>100%</td> <td>10%</td> </tr> <tr> <td>Commercial - Cost</td> <td>Area weighting</td> <td>Overall weighting</td> </tr> <tr> <td>Commercial (Price)</td> <td>100%</td> <td>55%</td> </tr> <tr> <td colspan="2">Total</td> <td>100%</td> </tr> </tbody> </table>	Technical / Quality	Area weighting	Overall weighting	Project Delivery & Programme	30%	35%	Design Development	25%	Project Resources	20%	Application of Experience	15%	Community Engagement	10%	Total for Quality/Technical	100%	Social Value	Area weighting	Overall weighting	Social Value	100%	10%	Commercial - Cost	Area weighting	Overall weighting	Commercial (Price)	100%	55%	Total		100%
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Ref.	Requirement	Response
(vii)	Any business risks associated with entering the contract.	None identified
(viii)	The Council's Best Value duties.	The Council has a duty under Best Value to secure cost-effective and efficient services that meet the needs of the Borough's customers. This will be achieved through inviting bids from the open market and awarding the contract based on Most Economic Advantageous Tender
(ix)	Consideration of Public Services (Social Value) Act 2012	10% of the evaluation criteria is assigned to evaluating the bidders social value proposals. It is likely offers will include local employment opportunities (new jobs, apprentice), training, spend with local suppliers and opportunities for local communities.
(x)	Any staffing implications, including TUPE and pensions.	None identified
(xi)	The relevant financial, legal and other considerations.	As set out in this Report

3.9.2 Project 2: New Build - Gloucester Close and Frontenac

Ref.	Requirement	Response	
(i)	The nature of the works.	New Build: Gloucester Close: 5 semi-detached houses Frontenac: 1 block (4 units)	
(ii)	The estimated value.	£3,064,000	
(iii)	The contract term.	The contract duration is estimated at 8 Months with a 12 months' defects liability period after completion of the works. This will be a design and build contract.	
(iv)	The tender procedure to be adopted.	Single stage open tender procedure as per CSO 96(b)	
v)	The procurement timetable.	Indicative dates are:	
		Invite to Tender	12 August 2019
		Deadline for Tender submissions	11 October 2019
		Moderation Mtg	25 October 2019
		Interviews (if required)	w/c 28 October 2019

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4.0 Financial Implications

4.1 Specific budgetary provision has been built into the three-year Capital Budget to fund the cost of infill works as noted in para 3.2.

4.2 Insurance limits (as minimums) will be set as follows:

Public Liability Insurance: £10,000,000

Employers Liability Insurance: £10,000,000

Professional Indemnity Insurance: £5,000,000

5.0 Legal Implications

5.1 The contracts fall within the definition of 'public works contract' under the Public Contracts Regulations 2015 ('EU Regulations') but as the value of each contract is below the EU procurement threshold for works (currently £4,551,413), the two procurements are not subject to the requirements of the EU Regulations. However, contracting authorities are expected to comply with the principles of the Treaty of the Functioning of the European Union of transparency, non-discrimination, fairness and equal treatment when procuring, by publishing the contract opportunity and undertaking a competitive procurement process before the contract is awarded.

5.2 Based on the value of the two contracts that are being individually procured, they are both deemed Medium Value Contracts under the Standing Orders (CSO). For such contracts, CSOs provide that tenders should be invited in accordance with CSO 96 (a), which details at CSO_96 (b) that a Single Stage Tender may be used. Approval of the pre-tender considerations set out in paragraphs 3.9.1 above and 3.9.2 above and to invite of tenders are also required in accordance with Standing Order 88. Paragraph 3.9.1 and 3.9.2 of this report sets out the procurement processes that will be used and the pre-tender considerations for approval for the 2 contracts.

5.3 Under section 3(a) of the table at paragraph 9.5 of Part 3 of the Constitution, Chief Officers have delegated to them power to invite expressions of interest, agree shortlists, invite Tenders, negotiate, award, and terminate contracts provided that any works contract will not exceed £5m over the life of the contract. It is considered that you have delegated authority to approve the invitations of tenders for these projects as the value of each of the contracts to be procured independently of one another is below £5m.

5.4 Once the tendering process is undertaken, Officers will report back to the Strategic Director of Regeneration & Environment in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

5.5 The project will be administered using the 2016 JCT Intermediate Contract with Contractors Design together with the Council's amendments.

6.0 Equality Implications

6.1 The proposals for this report have been subject to screening and officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 Public Exhibitions have been held for all sites as follows:

Date	Consultation	Project
May 2017	Public Exhibition	Frontenac
June 2017	Public Exhibition	Gloucester Close
June 2017	Public Exhibition	Kings Drive
July 2017	Public Exhibition	Mason Court
June 2017	Public Exhibition	Hindhurst

7.2 In addition to the Public Exhibitions, statutory planning consultation has been afforded to all those likely to be impacted by the projects, and responses have been managed by Development Project Managers and the Planning Consultant acting on behalf of the Council.

7.3 Further meetings will be held as the commencement date approaches, and this will take the form of inviting Ward Members, Councillors, residents and neighbouring private owners to an open meeting where discussions will be held concerning the works, and formally introducing all stakeholders to the project team and the contractor appointed to undertake the works.

8.0 Human Resources/Property Implications (if appropriate)

8.1 None applicable

9.0 Public Services (Social Value) Act 2012

9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. This duty does not strictly apply to the proposed contract as it is not a services contract. Nevertheless, Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

9.2 Ten per cent of the evaluation criteria is assigned to evaluating the bidders social value proposals. It is likely offers will include local employment opportunities (new jobs, apprentice), training, spend with local suppliers and opportunities for local communities.

Report sign off:

Amar Dave
Strategic Director for Regeneration
and Environment