

	Key Decision
	Report to the Strategic Director of Regeneration and Environment
Authority To Tender for the procurement of a contractor: New Council Homes at Pharamond and Longley Avenue	

Wards Affected:	Pharamond: Brondesbury Park Longley Avenue: Alperton
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:	2 Appendix 1 – site plan for Pharamond Appendix 2 – site plan for Longley Avenue
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Henry Kuteyi Project Manager henry.kuteyi@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 New Council Homes at Pharamond & Longley Avenue. This report requests approval of the pre-tender considerations set out at paragraph 3.11 below, as required by Contract Standing Orders 88 and 89.

2.0 Recommendation(s)

That the Strategic Director of Regeneration and Environment:

- 2.1 Approves issuing an Open Tender for the purpose of procuring a contractor on the basis of the pre-tender considerations set out in section 3 of this 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 3.11 of this report.

3.0 Detail

3.1 Brent Council has a programme of new affordable homes to be delivered in the borough over the next five years. The Council has already delivered on New Council Homes for the borough and are now bringing forward the next schemes. The following sites have received planning approval and therefore need to progress to next stage of sourcing a contractor for the build out of the scheme.

3.2 The sites and estimated contract values for the works contracts are detailed below, along with the Wards and a breakdown of the number of units to be provided on each site.

Scheme	Site Names	Ward	Building Type	1 Bed	2 Bed	3 Bed	4 Bed	Units	Indicative Project Costs
1	Pharamond	Brondesbury	1 block	2	6	2	-	10	£2,300,000
	Longley Ave	Alperton	1 House	-	-	-	1	1	£285.600
Total								11	£2,585,600

3.3 Pharamond: This comprises of a series of garages at the rear of Pharamond House. All garages are under the full control of Brent council. The site plan is attached for reference (appendix 1).

3.4 Longley Avenue: This is a previous garage site situated between council houses. There is an industrial unit to its northern front which overlooks the site. The site is approximately 400sqm in area. The site plan is attached for reference (appendix 2).

3.5 The estimated cost of the works for both sites is based on quantity surveyor analysis is £2.6m for the project. The value of the projects is classified as a medium value works contract (£250,000 - £5,000,000) as per CSO 82.

3.6 Programmes of this nature can be difficult to manage in terms of finding suitability skilled small to medium sized contractors who are experienced in delivering high-quality projects on small sites.

3.7 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.

3.8 It was also felt that frameworks have a limited number of approved suppliers, resulting in less competition for a small works contract. This also drives higher

costs and reduces the value for money which the Council is seeking for these works.

3.9 Following discussions with Procurement, it was agreed that the open tender approach will provide the Council with the best platform for sourcing and appointing qualified contractors for the programme.

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

- Provide the Council with a wider selection of small to medium sized contractors who are more suited to the Infill Programme.
- Small to medium sized contractors are thought to be more competitive and will seek to offer 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. There will also 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 easy of entry into the market for smaller suppliers, and this can help new 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.

3.11 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.

Ref.	Requirement	Response
(i)	The nature of the works.	New Build homes at the following sites: Pharamond: 1 block (10 units) Longley: 1 house
(ii)	The estimated value.	£2,585,600 estimated
(iii)	The contract term.	The contract duration is estimated at 12 Months with a 12 months' defects liability period after completion of the works.

Ref.	Requirement	Response																																
		This will be a JCT 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:																																
		Issue Invitation to Tender	6 November 2020																															
		Deadline for Tender submissions	29 January 2021																															
		Moderation Mtg	12 February 2021																															
		Report recommending Contract award circulated internally for comment	22 February – 4 March 2021																															
		Forward Plan (Publish Report)	5 March 2021																															
		Contract Award Decision	15 March 2021																															
		Contract Start date	31 March 2021																															
(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" data-bbox="724 1256 1485 1904"> <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>Traffic Management</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> <th>Social Value</th> <th>Area weighting</th> <th>Overall weighting</th> </tr> <tr> <td>Social Value</td> <td>100%</td> <td>10%</td> </tr> <tr> <th>Commercial - Cost</th> <th>Area weighting</th> <th>Overall weighting</th> </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> <p>Note: social value weighting is 10%. The sub criteria for social value to be confirmed before issuing ITT.</p>		Technical / Quality	Area weighting	Overall weighting	Project Delivery & Programme	30%	35%	Design Development	25%	Project Resources	20%	Traffic Management	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.
(x)	Any staffing implications, including TUPE and pensions.	None identified
(xi)	The relevant financial, legal and other considerations.	As set out in this Report

3.12 The Strategic Director is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4.0 Financial Implications

4.1 The estimated build cost is £2.6m for this contract.

4.2 It is anticipated that the cost of this contract will be funded from capital programme with grants from the GLA.

5.0 Legal Implications

5.1 The contract falls within the definition of 'public works contract' under the Public Contracts Regulations 2015 ('EU Regulations') but as the value of the contract is below the EU procurement threshold for works (currently £4,733,252), the procurement is 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 contract, it is deemed a Medium Value Contract under the Standing Orders (CSO) and for such contracts, CSO provides that tenders should be invited in accordance with CSO 96 (a) and CSO96 (b) (i.e a Single Stage Tender). Approval of the pre-tender considerations set out in paragraph 3.11 above and to invite of tenders are also required in accordance with Standing Order 89 and Standing Order 88. Paragraph 3.11 of this report sets out the procurement process that will be used and the pre-tender considerations for approval.
- 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 this project as the value of the contract 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 Design & Build with the Council's amendments.
- 5.6 As this is a new build development, there are no TUPE implications.

6.0 Equality Implications

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

7.0 Consultation with Ward Members and Stakeholders

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

Pharamond

- Resident consultation July 2019
- Planning team led consultation ended Feb 2020
- Committee hearing June 2020

Longley Avenue

- Planning led resident consultation the end of Feb 2020

One objection received from tenant in Longley Avenue as follows:

- The proposal would reduce the size of their garden.
- Impact on Parking
- Impact of construction vehicles

All issues were addressed by the Planning dept/ Planning consultant.

- There was no committee hearing

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 Project Manager and 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.

Report sign off:

Operational Director for Property and Assets

Nick Ljustina