

	Officer Key Decision
	Report to the Strategic Director of Community Wellbeing
AUTHORITY TO AWARD CONTRACT FOR REDEVELOPMENT OF THE CHURCH ROAD CAR PARK, LONDON, NW10 9EP	

Wards Affected:	Dudden Hill
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>	Part Exempt – Appendices 1 and 3 are exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
No. of Appendices:	3 Appendix 1 – names of bidders Appendix 2 – evaluation grid Appendix 3 - Economic and financial standing assessment
Background Papers¹:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Adeola Oke Senior Project Manager Adeola.Oke@brent.gov.uk 0208 937 1756

1.0 Purpose of the Report

- 1.1 This report concerns the award of a design and build contract for the delivery of new Council homes on the Church Road Car Park site, London, NW10 9EP.
- 1.2 This report requests authority to award contract as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Strategic Director of Community Wellbeing:

- 2.1 Approves the award of contract for redevelopment of the Church Road Car Park site to Wates Construction Limited for the delivery of 99 new affordable homes, commercial space and a new market square.

3.0 Detail

- 3.1 Brent Council has embarked on an ambitious New Council Homes Programme (NCHP) with the aim to 'self-deliver' 1000+ new affordable homes by March 2024. The development of the Church Road Car Park site is part of the NCHP and is fundamental to delivering this target of 1000+ new affordable homes by March 2024.

- 3.2 The Council is the freehold owner of the entire Church Road Car Park site and has two separate planning permissions to deliver the following:

- In February 2017, planning permission (ref: 13/1098) was granted for 34 affordable homes, ground floor non-residential use space, a new market square and the stopping up of Eric Road.
- In May 2017, planning permission (ref: 13/2213) was granted to develop this part of the Church Road Car Park site for 65 affordable homes, 7 car park spaces and 298sqm of retail use space.

- 3.3 This key decision flows from the Cabinet decision of 19 July 2021 titled "Six Month Update on Supply of New Affordable Homes," whereby Cabinet delegated authority for the award of contracts for a number of schemes, including Church Road Car Park to the Strategic Director of Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform.

4.0 The Tender Process

- 4.1 The proposed contract has been procured through running a mini-competition via the Notting Hill Genesis Contractor Framework. The contract will be based on JCT D&B 2016 and will be let for a period of four (4) years.

- 4.2 Notting Hill Genesis Contractor Framework ('the Framework') was established by Notting Hill Housing Trust (now Notting Hill Genesis Group) and made available for London Local Authorities to use. The Director of Legal, HR, Audit and Investigations confirmed that the use of the framework was legally permissible and was obtained on 11th June 2020.

- 4.3 Six (6) suppliers on the Framework were identified as being capable to undertake a project of this size/complexity.

- 4.4 The mini-competition was issued on 10th September, 2021 with the tendering

instructions stating that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following:

Criteria	Weighting
Quality	50%
Social Value	10%
Price	40%
Total	100%

5.0 Evaluation process

- 5.1 The tender submission date was 2nd December, 2021. The tender seal on the portal was opened by Procurement on the 2nd December 2021 and two valid tender submissions were received.
- 5.2 The tender evaluation was carried out by a panel of officers from Brent Council's Property & Assets department. The evaluation was moderated by Procurement and were further supported by the legal department.
- 5.3 Each member of the evaluation panel read the tenders and carried out an initial evaluation of how well they considered each of the award criteria was addressed in the tender.
- 5.4 The panel met on 7th January, 2022 and each submission was marked by the whole panel against the award criteria.
- 5.5 Pricing Evaluation was undertaken by the Council's appointed Quantity Surveyor, Silver.
- 5.6 The evaluation scores were finalised and moderated following clarification responses and the final scoring was approved by the evaluation panel. The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that Tenderer B was the highest scoring tenderer. Officers therefore recommend the award of the contract to Tenderer B, namely Wates Construction Limited. Table 1 below shows the summary ITT evaluation scores of the bidders and Appendix 2 provides a more detailed breakdown of the full tender evaluation outcome.

	Contractor A	Contractor B
Quality	39.0%	41.5%
Social Value	7.0%	9.0%
Cost	40.00%	39.49%
Total	86.00%	89.99%
Rank	2	1

- 5.7 It is anticipated that the contract will commence in February 2022, subject to the Council's observation of the standard 5 day call in period.

6.0 Financial Implications

- 6.1 The estimated value of the total contract is £29.7m , which is higher than the remaining budget for Church End of £27.8m. For approval to proceed with the total contract, there will need to be an additional budget request to both Design and Delivery Board and Housing Care and Investment Board.
- 6.2 However, due to complexity of the project, it has been decided to undertake a Pre-Construction Service Agreement (PCSA) with the highest scoring tenderer which will enable the Council to progress RIBA4 – Technical Design and undertake enabling works to improve buildability and provide cost certainty of the final design.
- 6.3 The value of the Pre Construction Service Agreement (PCSA) agreement is £1.5m and the cost of the PCSA can be met from the existing Church End budget.
- 6.4 The highest scoring bidder has had their financial accounts evaluated by officers in Finance to ensure they meet the Council's requirements and are financially viable to enter into a contract. Further comments on the assessment are to be found in Appendix 3.

7.0 Legal Implications

- 7.1. The value of this contract over its lifetime is in excess of the threshold for Works and the award of the contract is therefore governed by the Public Contracts Regulations 2015 (the 'Procurement Regulations'). The award is also subject to the Council's own Standing Orders ('CSO') in respect of High Value Contracts and Financial Regulations.
- 7.2 The procurement was undertaken through a framework and the Procurement Regulations provide the rules for use of framework agreements, and requires that the framework rules are adhered to when calling off from that framework. Officers have confirmed in paragraph 5 of this report that the procurement was in accordance with the Notting Hill Genesis Framework rules. The Director of Legal, HR, Audit & Investigations Services' confirmation that it is legally permissible to call off from the framework was also obtained on 22nd June 2020 in accordance with CSO86(e)(ii).
- 7.3 As indicated in paragraph 7.1, the award of the contract is subject to the Council's own Standing Orders in respect of High Value Contracts in that Cabinet approval to award would have been required but in the Cabinet meeting of 19th July 2021, Cabinet delegated authority to the Strategic Director of Community Wellbeing (in consultation with the Lead Member for Housing Welfare and Reform) to award the contract once the procurement has been concluded.
- 7.4 The contract will be administered using the JCT Design and Build contract 2016

with Council amendments which was included as part of the tender documentation.

8.0 Equality Implications

8.1 The redevelopment proposals in this report have been subject to screening and officers concluded that the delivery of the new homes, new market square, public realm improvements and commercial space will have a positive impact on the local community.

9.0 Consultation with Ward Members and Stakeholders

9.1 Ward Members have been updated and they communicate regularly with officers to address any issues as/when necessary. There will be further engagement sessions arranged once the Council has appointed its contractor to lead the project.

10.0 Human Resources/Property Implications (if appropriate)

10.1 This service is being provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

10.2 It should be noted that vacant possession of Church Road Car Park site will be required before the main construction works can begin. Securing vacant possession will be confirmed when the current Church End market is relocated to Church Road in the August 2022.

11.0 Public Services (Social Value) Act 2012

11.1 The Council is under a 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. Officers have had regard to considerations contained in the Social Value Act in relation to this procurement.

11.2 10% of the overall evaluation criteria was allocated to Social Value. The Social Value submission show a number of different social value commitments and the monetary value which was 10% of the contract value. The social value commitments were across strong foundations, every opportunity to succeed, a future built for everyone, an economy fit for all and a cleaner, more considerate Brent.

Related documents:

1 – Cabinet: Six Month Update on Supply of Affordable Homes (July 2021)

Report sign off:

Phil Porter
Strategic Director, Community Wellbeing