

	Officer Key Decision
	Report to the Strategic Director of Regeneration and Environment
AUTHORITY TO AWARD THE DESIGN AND BUILD CONTRACT FOR THE MORLAND GARDENS DEVELOPMENT	

Wards Affected:	Stonebridge
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:	Appendix 1 – Evaluation Grid
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Name: Neil Martin Job Title: Head of Capital Programmes (Schools) Email: neil.martin@brent.gov.uk

1.0 Purpose of the Report

1.1 This report concerns the redevelopment works at Morland Gardens, Stonebridge NW10 8DY to deliver a new education centre, new council homes, affordable workspace, a public facing café, and public realm improvements. This report requests authority to award the design and build contract as required by Contract Standing Order 88. This report summarises the process undertaken in tendering a contract and, following the completion of the evaluation of the tender, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Strategic Director of Regeneration and Environment in consultation with the Lead Member for Finance, Resources and Reform:

2.1 Approves the award of two-stage design and build contract for the development works at Morland Gardens to Hill Partnerships Ltd for a total sum of £37,933,561.

3.0 Detail

- 3.1 On 14 January 2020, Cabinet approved a number of recommendations relating to the Morland Gardens redevelopment. Cabinet supported the proposal to invest up to £43m to deliver a state of the art adult education centre, 65 new affordable homes, 675 sq. metres affordable workspace for start-up businesses from the local community, and a public facing cafe.
- 3.2 The council also sought to procure a contractor for the scheme in May 2021 and May 2022 but both tender opportunities were unsuccessful. The first tender opportunity did not elicit any bids. The second tender opportunity elicited three bids and the council recommended the award of the contract as detailed in the Key Officer Decision report of 20 May 2022. This decision was subject to “call in”, during which period the Framework under which the contract was awarded, expired and so the council is required to procure a contractor again under a further procurement process. Resources and Public Realm Scrutiny Committee considered the “call in” at its meeting on 9 June 2022 and determined that the Committee did not object to the decision and the decision could therefore be implemented.
- 3.3 In June 2022, Cabinet approved the pre-tender considerations for this project using a two-stage design and build contract and procured via a direct award process under the Network Homes Contractor Framework. A direct award process using the Framework offers an efficient and effective route to appoint an appropriately qualified and experienced contractor to deliver the scheme

The Tender Process

- 3.4 The contract for the redevelopment works at Morland Gardens (the “Contract”) will be let using a two-stage Design and Build Contract. The first stage is the 2016 JCT Pre-construction services Agreement (PCSA) followed by the construction under the JCT Design and Build contract. For the first stage, the contractor will work with the council to upgrade the scheme design, develop the existing design to RIBA Stage 4, update and finalise the fixed price contract sum and when all legal pre-requisites are in place, commence pre-construction demolition. Subject to satisfactory completion of the first stage, the second stage will be triggered by the council by entering into the main construction contract with the contractor.
- 3.5 In accordance with the Framework’s rules for a direct award process, the council identified Hill Partnership Ltd as the framework bidder that demonstrated best value for this opportunity. The invitation was issued via the London Tenders Portal on 27 June 2022 and the bidder was provided with the technical information in order to consider the opportunity and submit a bid.
- 3.6 The tendering instructions stated 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:

- Commercial / Price: 50%
- Quality: 33%
- Social Value: 10%
- Cost Control: 7%

Evaluation process

- 3.7 The tender evaluation was carried out by a panel of officers from Procurement, Property & Assets and Brent Start.
- 3.8 The tender had to be submitted electronically no later than noon on 04 July 2022. The tender was opened on the same day and a tender was received by the selected bidder. Each member of the evaluation panel read the tender and carried out an initial evaluation of how well they considered each of the award criteria was addressed in the tender.
- 3.9 The panel met and the submission was marked by the whole panel against the award criteria. The council's appointed technical consultants undertook a detailed evaluation of the pricing submission. This review process included checking for any formulaic or mathematical errors and issuing queries to the bidder to clarify any qualifications or exclusions in order to ensure the bid received was compliant.
- 3.10 The scores received by the tenderer are included in Appendix 1. Officers recommend the award of the Contract to the sole tenderer, namely Hill Partnership Ltd.
- 3.12 The Contract will commence on 1 August 2022 subject to the council's observation of the requirements of the mandatory standstill period noted in paragraph 5.4 below.

4.0 Financial Implications

- 4.1 The total project budget of £43m for Morland Gardens approved by Cabinet on 14 January 2020 consists of £41.5m assigned for the redevelopment of the Morland Gardens site and £1.5m for the decant costs for Brent Start.
- 4.2 The proposed contract value of £37,933,561 can be met from the approved budget outlined in paragraph 4.1.
- 4.3 The financial assessment of the proposed contractor Hill Partnerships Limited was carried out at prequalification stage which showed it was satisfactory.

5.0 Legal Implications

- 5.1 The value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the “PCR 2015”) threshold for Works and the award of the Contract is therefore governed by the PCR 2015. Section 3 of the report outlines how the Contract was procured in accordance with the PCR 2015.
- 5.2 The award of the Contract is subject to the council’s own Contract Standing Orders in respect of High Value Contracts and Financial Regulations. In this respect, it is noted that, in satisfaction of CSO 86(e)(ii), the council’s participation in the Framework has been confirmed as legally permissible by the Director of Legal, HR, Audit & Investigations and considered appropriate for use in respect of this Contract. The relevant Chief Officer (Strategic Director, Regeneration and Environment) also approved the pre-tender considerations raised in respect of this Contract as set out in CSO 89 and the inviting of tenders for the Contract in accordance with CSO 88, and has confirmed there is sufficient budgetary provision for the Contract as required by CSO 86(e)(ii)
- 5.3 In June 2022, Cabinet delegated authority to the Strategic Director of Regeneration and Environment in consultation with the Lead Member for Finance, Resources and Reform to award the Contract.
- 5.4 As required by the Framework, the council followed the rules for tendering under the Framework including the use of call off contracts allowed therein. The council had identified the JCT PCSA and Design & Build Contracts (2016) as suitable contracts allowed under the Framework.
- 5.5 Although the council will award the whole contract, as detailed in paragraph 3.4, the scheme will be delivered in two stages. The first stage involves the council entering into a pre-construction services agreement whereby the contractor will work with the council to upgrade the scheme design, develop the existing design to RIBA Stage 4, update and finalise the fixed price contract sum and when all legal pre-requisites are in place, commence pre-construction demolition. Subject to the council being satisfied with contractor’s delivery of pre-construction services, it will trigger the second stage, namely the construction works.

6.0 Equality Implications

- 6.1 The council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.3 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.
- 6.4 The Strategic Director, Regeneration and Environment is referred to the Equalities Implications described and the appended Equality Impact Assessment from the Morland Gardens Cabinet Report from January 2021. Officers do not consider there is any change in the equalities implications from the time of the January 2021 report.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The Lead Member for Finance, Resources and Reform has been consulted as part of the drafting of this report. They have also been kept up to date with progress on the project.
- 7.2 Ward Members have also been kept up to date on the project progress and will continue to be as the project progresses through the contract stages.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 This contract will be provided by an external contractor and there are no implications for council staff arising from tendering the Contract.

9.0 Public Services (Social Value) Act 2012

- 9.1 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; and whether the council should undertake consultation. Whilst the Social Value Act is not strictly applicable to Works contracts, Officers have nonetheless had regard to considerations contained in the Social Value Act in relation to the procurement.
- 9.2 Ten percent of the overall evaluation criteria is allocated to Social Value and

this is in line with the council's Social Value and Ethical Policy approved by Cabinet in April 2020. The highest scoring supplier will be offering employment opportunities, local supply chain involvement as well as initiatives and support for local community groups and businesses.

Related documents:

- Morland Gardens Cabinet Report January 2020
- Morland Gardens Cabinet Report January 2021
- Key Officer Decision to Retender August 2021
- Key Officer Decision Authority to Award May 2022
- Authority to Tender Cabinet Report June 2022

Report sign off:

Tanveer Ghani

Operational Director of Property & Assets (Acting).