

 Brent	Officer Key Decision
	Report from Director of Regeneration, Growth & Employment
Authority to Award Contract for a Contractor Developer Partner for the Redevelopment of Two Council Owned Sites fronting Wembley High Road.	

Wards Affected:	Wembley Hill
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt – Appendix 1 is 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:	Appendix 1 – Names of the tenderers (exempt) Appendix 2 – Tender Evaluation Grid Appendix 3 – Equalities Analysis
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Jonathan Kay Head of Regeneration 020 8937 2348 Jonathan.Kay@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report follows on from the Cabinet decision of 16th August 2021 in relation to the Wembley Housing Zone and concerns the procurement of a contractor developer partner for the redevelopment of two Council-owned sites fronting Wembley High Road (Cecil Avenue and Ujima House). This report requests authority to award contracts 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 tenders, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Chief Executive in consultation with the Cabinet Member for Regeneration & Planning:

- 2.1 Approves the award of the contract for a contractor developer partner for the redevelopment of two Council-owned sites fronting Wembley High Road to Wates Construction Limited in the sum of £121,862,500.

3.0 Detail

- 3.1 The Council requires a contractor developer partner for the redevelopment of the Cecil Avenue and Ujima House sites. It was determined that the most appropriate means to redevelop both the Cecil Avenue and Ujima House sites is through the procurement of a contractor developer partner by way of a tender process. In accordance with the Cabinet decision of 16th August 2021, the Strategic Director of Regeneration & Environment in consultation with Cabinet Member for Regeneration, Property & Planning approved pre-tender considerations as required by Contract Standing Order 89 on 4th April 2022. Cabinet on 16th August 2021 delegated authority to the Strategic Director of Regeneration & Environment, in consultation with the Cabinet Member of Regeneration, Property & Planning, to award the contract to the preferred bidder to progress delivery of the Sites. In view of the re-organisation of the Council's senior management structure, as required by Contract Standing Order 88, it is recommended that the Chief Executive awards the contract to the preferred bidder pursuant to delegated powers and in consultation with the Cabinet Member for Regeneration & Planning.

The Tender Process

- 3.2 The contract for a contractor developer partner for the redevelopment of two council-owned sites fronting Wembley High Road (the Contract") will be let using a bespoke Hybrid Development Agreement including a Pre-Contract Services Agreement for Ujima House, a JCT (2016) design and build contract for Ujima House, and a JCT (2016) design and build contract for Cecil Avenue, for works to be practically completed by 31st December 2026, extension of which date is at the discretion of the Council.
- 3.3 Advertisements were placed on the Government Find a Tender Service on 30th April 2022 to seek initial expressions of interest, which elicited twenty four (24) initial enquires. Contractors were provided with an outline specification and details of the tender approach and were invited to complete a selection questionnaire using the Council's Electronic Tendering Facility. Eight (8) contractors subsequently

submitted the Selection Questionnaire (SQ) by the close of the SQ Stage on 31st May 2022.

- 3.4 Shortlisting was carried out on the basis of the contractors' economic and financial standing, technical and professional ability, and project specific questions on design, construction, partnership working and sales and marketing, and four (4) contractors were invited to the next Invitation to Submit Initial tenders (ISIT) stage on 3rd July 2022.
- 3.5 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:
- Quality & Technical 40%
 - Social Value 10%
 - Commercial & Price 50%
- 3.6 Tenderers were required to submit additional information providing details of their proposed arrangements for performing the Contract including (but not limited to) the following:
- Design Quality Statement
 - Planning Strategy
 - Delivery Strategy
 - Project Management and Resourcing Strategy
 - Sustainability
 - Private Residential Strategy
 - Social Value Action Plan and Method Statement
 - Commercial Workbook
 - Legal Contract Clarifications
 - Consortia and Subcontractors
- 3.7 Whole tender responses remain open for acceptance for a period of seven (7) months from the later date of the closing date of receipt of tenders and the date when the last financial/commercial clarification/prices were submitted.
- 3.8 The Council has reserved the right to seek a Parent Company Guarantee and/or a Performance Bond from its proposed Delivery Partner.
- 3.9 Brent Council has required Tenderers to be able to demonstrate their commitment to Health and Safety at all stages of the project.

Evaluation process

- 3.10 The tender evaluation was carried out by a panel of officers from Regeneration, Housing and Property.
- 3.11 All tenders had to be submitted electronically no later than 18th October 2022 (14:00). Tenders were opened on 18th October 2022 and three valid tenders were received. 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.
- 3.12 The quality evaluation panel members made their individual evaluations and then met for moderation supervised by procurement. Several clarifications were undertaken by evaluation panel members (for both quality assessment and financial/commercial assessment). Moderation (quality only) concluded on 11th November 2022. Each submission was marked by the whole panel against the award criteria to finalise the quality evaluation score.
- 3.13 The names of the tenderers are contained in Appendix 1 (exempt). The scores received by the tenderers are included in Appendix 2. It will be noted that Contractor C was the highest scoring tenderer. Officers therefore recommend the award of the Contract to Contractor C, namely Wates Construction Limited.
- 3.14 The Contract will commence no earlier than 24th January 2023 subject to the Council's observation of the requirements of the mandatory standstill period noted in paragraph 5.3 below.

4.0 Financial Implications

- 4.1 Cabinet on 16th August 2021 delegated authority to the Strategic Director of Regeneration & Environment in consultation with the Cabinet Member for Regeneration, Property & Planning to award the Contract.
- 4.2 The increase in build costs resulted in a viability gap for the scheme. Officers have successfully secured an additional £5m grant from the GLA to ensure the scheme's viability. The works will be funded through a combination of prudential borrowing and capital contributions including capital receipts from private and intermediate homes, CIL funding and grant from the GLA. The majority of the borrowing is offset by commercial rents, intermediate, and London Affordable Rents from the affordable homes.
- 4.3 The works contract with Wates will cost £121.9m, however with additional Council on costs the total scheme spend is expected to be £126.5m. This project has a total budget of £133m of which £6.5m is

contingency budget and will only be utilised subject to a revised viability assessment.

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 Cabinet on 16th August 2021 delegated authority to the Strategic Director of Regeneration & Environment in consultation with the Cabinet Member for Regeneration, Property & Planning to award the Contract. In view of the re-organisation of Council’s senior management structure, it is recommended that the Chief Executive awards the contract to the preferred bidder pursuant to delegated powers and in consultation with the Cabinet Member for Regeneration & Planning. The Chief Executive is empowered to award the contract pursuant to paragraph 9.3 of Part 3 of the Constitution.
- 5.3 The Council must observe a mandatory minimum 10 calendar day standstill period under the PCR 2015 before the Contract can be awarded. Therefore, once the Chief Executive has determined which tenderer should be awarded the Contract, all tenderers will be issued with written notification of the Contract award decision. A minimum 10 calendar day standstill period will then be observed before the Contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the PCR 2015. The standstill period will run concurrently with the Council’s usual call-in process. Subject to there being no call-in, after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the Contract can commence.

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 Under the Public Sector Equality Duty, having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 6.3 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.
- 6.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary. The Chief Executive is referred to the contents of this report for information and the Equality Analysis at Appendix 3.
- 6.5 The Wembley Housing Zone regeneration is viewed as having positive impacts on groups with the protected characteristics of sex, race and disability. Provision of affordable housing and new larger family homes would help accommodate people on the Council housing waiting list and diverse communities within Brent with larger families, including both young and old people. Wheelchair housing with disabled parking, across the schemes, would accommodate people with disabilities. Council retention of workspace for businesses and employment has the potential to advance equality of opportunity for groups disproportionately affected by unemployment and economic inactivity.
- 6.6 Ujima House was leased by Meanwhile Space (MS) up until 15th December 2022. MS rented spaces to local business and community groups, including a youth group. Whilst MS lease and occupation was always on a temporary peppercorn rent basis, in advance of the building being redeveloped, the Council sought to work with landlord MS to assist their tenants in their efforts to find suitable alternative premises. At the date of this report, MS tenants Stonebridge Boxing Club and Yaseen Youth Tours still occupy Ujima House. The Council continues to seek to assist them in finding suitable alternative premises to ensure a start on site by the end of March 2023.
- 6.7 The proposal is viewed to have neutral impacts on the other protected characteristics; sex, sexual orientation, gender reassignment, religion or belief, pregnancy or maternity and marriage.

6.8 Regard to all protected characteristics will follow through to the next stages of delivery, and the Equality Analysis reviewed and updated accordingly.

7.0 Consultation with Ward Members and Stakeholders

7.1 Cabinet Members and the Cabinet Member for Regeneration & Planning have been briefed on the Wembley Housing Zone.

7.2 The GLA receives regular briefings on the Wembley Housing Zone.

7.3 Consultation events have been held with residents and local stakeholders, including Ward Members, local schools and other Council departments, to inform designs for the two planning schemes, which were also subject to statutory planning consultation.

7.4 There has been consultation with the Cabinet Member for Regeneration & Planning regarding the award of the Wembley Housing Zone contract.

8.0 Human Resources/Property Implications (if appropriate)

8.1 Capacity within the Property team will need to be reviewed in order to support the delivery of these schemes. Council housing management arrangements for the retained affordable housing will need to be put in place. Appropriate estate management and letting arrangements for the retained commercial and community floor space and publicly accessible open space will also need to be agreed and put in place moving forward.

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. 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 Social Value Act represented 10% of the evaluation score, covering Council strategic priorities set out in the borough plan with regards to Every Opportunity to Succeed, A Future Built for Everyone, an Economy Fit for All and A borough Where We Can All feel Safe, Secure, Happy and Healthy.

Report sign off:

ALICE LESTER

Director Regeneration, Growth & Employment