



Cabinet

14 April 2015

Report from the Strategic Director of Regeneration and Growth

Wards affected:
Kilburn

South Kilburn Regeneration Programme

APPENDIX 2 IS NOT FOR PUBLICATION

1 Summary

- 1.1 This report seeks the Cabinet's approval to award a contract for an architecturally-led multidisciplinary design team for the comprehensive redevelopment of Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close (together defined as '**the Peel Site**' and as shown edged red on plan at Appendix 1), as required by Standing Order No 88. The report summarises the process undertaken by placing a notice in the Official Journal of the European Union (OJEU) and, following completion of the evaluation of the tender responses, recommends to whom the contract should be awarded.

2 Recommendations

- 2.1 That the Cabinet award a contract for an architecturally-led multidisciplinary design team to Penoyre & Prasad LLP to lead a full design team to prepare, submit and ensure the validation of a hybrid planning application and produce detailed design and specification to Stage 3 RIBA Plan of Work 2013 (Stage D+ RIBA Plan of Work 2007) for the comprehensive redevelopment of Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close (together defined as '**the Peel Site**'), being a standalone phase of the South Kilburn regeneration programme.

3 Detail

- 3.1 The proposed comprehensive redevelopment of the Peel Site aims to deliver a mixed use scheme that would provide sufficient residential development and other tenures as appropriate to deliver a new South Kilburn Health Centre at no net capital cost to the Council; as well as sufficient residential development to meet the decant requirements of existing secure tenants within the Peel Site, re-open and reconnect the historic street

pattern, create a new sense of place in the heart of South Kilburn and deliver a high quality public realm.

3.2 The Council is committed to working with partners to deliver a new health centre within South Kilburn to address prevalent health inequalities. It is intended the South Kilburn Health Centre will provide for the co-location of three local GP practices: Blessing Medical Centre (307 Kilburn Lane), Kilburn Park Medical Centre (12 Cambridge Gardens) and Peel Precinct Surgery (3 Peel Precinct) into one building that is of adequate size and fit for purpose to meet the existing high health needs of the population and the anticipated health needs of the increased population over time. The South Kilburn Health Centre should also have space for complementary health uses.

3.3 The Peel Site project objectives are to:

- deliver a new, fit for purpose health centre to meet the high health needs of existing residents and the anticipated health needs of future residents;
- deliver sufficient residential development to meet the decant requirements of the 36 properties within the Peel Site occupied currently by secure tenants;
- deliver sufficient residential development for market sale and other tenures as appropriate to fund the delivery of the health centre and to cross subsidise the delivery of the affordable homes;
- co-locate three local GP practices: Blessing Medical Centre, Kilburn Park Medical Centre and Peel Precinct Surgery into the new South Kilburn Health Centre;
- deliver high quality, well designed housing and create an attractive high quality public realm including a new public square;
- secure a capital land receipt to reinvest back into the delivery of the regeneration programme.

3.4 On 15 September 2014, the Cabinet approved inviting and evaluating tenders for a full design team for the comprehensive redevelopment of the Peel Site on the basis of the pre-tender considerations and evaluation criteria set out in that report and report back to seek approval for the award of contract.

3.5 Officers subsequently conducted a procurement exercise in accordance with the public procurement regulations in force at the time by placing a notice in the OJEU to appoint an architecturally-led multidisciplinary design team to prepare a hybrid planning application for the comprehensive redevelopment of the Peel Site, comprising:

- a. detailed design and specification to Stage 3 RIBA Plan of Work 2013 (Stage D+ RIBA Plan of Work 2007) for (i) 36 affordable homes that corresponds with the Council's decant assumptions and housing needs of the existing secure Council tenants within the Peel Site; (ii) the South Kilburn Health Centre approximately 2,380m² in area that corresponds to the detailed brief to be developed in consultation with the health stakeholders and the appointed specialist health care provider or health care investment company who will manage the new South Kilburn Health Centre; and (iii) hard and soft landscape designs for a high quality public realm and a new public square; and

- b. an outline planning application for approximately 200 private residential units, however, this may change as the design development and viability of the project evolves.
- 3.6 On 21 November 2014, officers commenced the two stage process involved in the procurement of an architecturally-led multidisciplinary design team through the restricted procedure by placing a notice in the OJEU. Prospective tenderers were invited to express an interest and receive more information about the contract. The Council received 153 expressions of interest. All 153 prospective tenderers were sent a pre-qualification questionnaire (PQQ) automatically via the London Tenders Portal, the Council's electronic tender facility.
- 3.7 The PQQ set out instructions for completing the PQQ and included five project specific questions which were designed to test prospective tenderer's capabilities and experience in delivering similar mixed tenure developments.
- 3.8 23 pre-qualification questionnaires were received by the deadline of 22 December 2014. The five project specific questions were used to shortlist prospective tenderers. On 14 January 2015, the five tenderers who scored the highest were sent an Invitation to Tender (ITT).
- 3.9 On 2 February 2015, the five tenderers were invited to attend a mid tender interview where they were provided with the opportunity to seek clarifications on the ITT. On 20 February 2015, the five tenderers (Appendix 2 – Restricted) submitted their responses to the ITT, in accordance with the deadlines set out in the ITT. On 4 March 2015, the five tenderers attended post-tender clarification meetings in order to present their initial sketch proposals and clarify details of their tender submission.
- 3.10 The five tenders were subsequently evaluated with a weighting of 40% to price and 60% applied to quality criteria. The quality criteria considered how the submissions performed in respect of:
- a. Tenderer's initial sketch proposal and vision for the Peel Site, including:
 - i) vision and design concept for the health centre;
 - ii) vision and design concept for the residential development; and
 - iii) appreciation of the particular opportunities, constraints and risks of the redevelopment of the Peel Site having regard for its location and relationship with neighbouring development sites, buildings to be retained and sites to be redeveloped in subsequent phases of the South Kilburn regeneration programme;
 - b. the quality of relevant experience of designing and delivering:
 - i) high quality, successful health centres within an urban context similar to South Kilburn;
 - ii) high quality, commercially viable, mixed tenure residential development within an urban context similar to South Kilburn;
 - iii) high quality landscaping within an urban context similar to South Kilburn; and
 - iv) engineering projects experience that deliver commercially grounded schemes in an urban context similar to South Kilburn.
 - c. Tenderer's consultation method statement.
- 3.11 The final scores awarded to the five tenderers are available at Appendix 3. It will be of note that Penoyre & Prasad LLP was evaluated as the most economically advantageous tender. In accordance with the Council's Standing Orders, the proposed contract is classed as a high value contract. Approval of the Cabinet is therefore sought under Standing Order 88 to award the contract to Penoyre & Prasad LLP.

4 Financial Implications

- 4.1 The tender price for Penoyre & Prasad LLP to prepare, submit and ensure the validation of a hybrid planning application and produce detailed design and specification to Stage 3 RIBA Plan of Work 2013 (Stage D+ RIBA Plan of Work 2007) is £831,250. This can be resourced from the South Kilburn programme budget 2014-19. Depending on market conditions, it should be possible to recoup this cost when the Peel Site is ultimately disposed of.

5 Legal Implications

- 5.1 An architecturally-led multidisciplinary design team for the comprehensive redevelopment of the Peel Site has been procured in compliance with the Public Contract Regulations 2006 (“the EU Regulations”) that were in force at the time the tender was initially advertised. The procurement is for a Part A service contract under the EU Regulations, which applied in full to the tender process. The award criteria, tender process and subsequent evaluation were undertaken in compliance with the EU Regulations and the Council’s Contract Standing Orders. For information the EU Regulations have since been repealed and replaced by the Public Contract Regulations 2015 for new procurements advertised on or from 26 February 2015.
- 5.2 The value of the proposed contract to the recommended architectural firm, Penoyre & Prasad LLP, is in excess of £250k and thus classed as a High Value Contract under the Council’s Standing Orders and Financial Regulations, therefore approval is required from Members to award the proposed contract.
- 5.3 As advised in the Cabinet report requesting authority to tender this contract dated 15 September 2014, the Council must observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the contract can be awarded. Therefore once the Cabinet 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 EU Regulations. As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the contract can commence.

6 Diversity Implications

- 6.1 South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – Creating Opportunities, Improving Lives (Brent Borough Plan 2013-14). The Regeneration Strategy for Brent 2010-2030 identifies the transformational change of South Kilburn within strategic priority one. The area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Trust, through its widening participation, seek to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.
- 6.2 The new affordable (social rented) homes to be designed by Penoyre & Prasad LLP in the Peel Site South Kilburn, once built, will be available to all secure tenants currently living in the Peel Site regardless of their ethnicity, nationality or national origin, age, gender, sexual

orientation, disability, gender identity or expression or religion or belief. A proportion of new homes designed will be wheelchair adaptable while the allocations process considers the housing needs of secure tenants in respect of issues that maybe derived from individuals' age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. The potential impact of the recommendation sought in this report and the impact of the redevelopment of the Peel Site on existing secure tenants is considered in the Equality Analysis at Appendix 4. The equality analysis concludes that the proposal will have a positive impact on younger people, disabled people and people who are pregnant or have very young children and a neutral impact in relation to all the other equality characteristics.

7 Staffing/Accommodation Implications

7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.

8 Public Services (Social Value) Act 2012

8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ('**the Social Value Act**') to consider how the 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 applies to the procurement of the proposed contract.

8.2 The services being procured aim to improve the economic, social and environmental well-being of residents of South Kilburn through the preparation of a hybrid planning application for the comprehensive redevelopment of the Peel Site to deliver a new fit for purpose health centre for the benefit of the whole community, new affordable homes to rehouse existing secure tenants of the Peel Site, hugely improving their living conditions and reconnecting the area to its surrounding neighbourhoods.

9 Background Papers

Appendix 1	Peel Site Boundary
Appendix 2	List of Tenderers for the Peel Site design team (restricted)
Appendix 3	Tender Scores for the Peel Site design team
Appendix 4	Equality Analysis

10 Contact Officers

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