



Cabinet
25 July 2016

**Report from the Strategic Director of
Regeneration and Environment**

For Action

Wards affected:
Kilburn

South Kilburn Regeneration Programme – phase 3A

1 Summary

- 1.1 This report relates to Hereford House and Exeter Court (being part of '**Phase 3A**' of the South Kilburn regeneration programme and as shown edged red on Appendix 1).
- 1.2 This report seeks the Cabinet's approval of a procurement strategy for an architecturally led multidisciplinary design team for the comprehensive redevelopment of Hereford House and Exeter Court, being part of Phase 3A of the South Kilburn regeneration programme.

2 Recommendations

- 2.1 That the Cabinet approve the procurement of an architecturally led multidisciplinary design team to develop a detailed planning application for comprehensive redevelopment of Hereford House and Exeter Court by either:
- i) calling off the Greater London Authority (GLA) and Transport for London (TfL) Architecture, Design and Urbanism Panel (ADUP) or such other appropriate OJEU compliant framework; and evaluating those tenders in accordance with the relevant Framework; or alternatively
 - ii) inviting tenders using a Restricted procedure under the Public Contracts Regulations 2015 on the basis of the pre-tender considerations set out in paragraph 3.7 of this report and evaluating the tenders on the basis of the evaluation criteria set out in that paragraph.
- 2.2 That Cabinet delegate to the Strategic Director of Regeneration and Environment the decision as to the procurement options details in 2.1.
- 2.3 That Cabinet note the intention to report back to Cabinet to seek approval to award the proposed contract for an architecturally led multidisciplinary design team, once a preferred design team has been identified.

3 Detail

Hereford House and Exeter Court – Design Team Procurement

- 3.1 A key principle of the phasing strategy for the South Kilburn regeneration programme is that the new affordable homes developed will, where the relevant needs are met, be made available to secure tenants within sites earmarked for development in the next phase. On this basis, the majority of secure tenants of Hereford House and Exeter Court are earmarked to move to the new affordable homes which are being developed on the site of the former Bronte House and Fielding House, Cambridge Road, London, NW6 (being part of 'Phase 2a') and 'Site 11b' (comprising the sites of the former Royal British Legion Clubhouse and of the Albert Road Day Centre, London, NW6, being part of "Phase 2a"), with the remainder of secure tenants earmarked to move to other identified sites. This in turn will ensure vacant possession of properties within Hereford House and Exeter Court, to enable further phases within the South Kilburn regeneration programme to be brought forward for redevelopment and move existing South Kilburn secure tenants to be re-housed in new high quality homes.
- 3.2 As these two developments (former Bronte and Fielding, and Site 11b sites) will be completed this year, officers are now seeking to appoint an architecturally led multidisciplinary design team (design team) for the comprehensive redevelopment of Hereford House and Exeter Court.
- 3.3 Officers intend to procure a design team to prepare a detailed planning application for the comprehensive redevelopment of Hereford House and Exeter Court to deliver a high quality residential development. This would ensure that there continues to be a pipeline of planning approved developments in South Kilburn, so the delivery of much needed new homes in South Kilburn can continue.
- 3.4 Prior to appointing the design team officers will carry out feasibility work to refine the scope of the brief.
- 3.5 The procurement of a design team to develop a detailed planning application for the comprehensive redevelopment of Hereford House and Exeter Court will be undertaken by either:
- i) calling off the GLA and TfL ADUP or such other appropriate OJEU compliant framework; or alternatively,
 - ii) inviting tenders using a Restricted procedure under the Public Contracts Regulations 2015 ("PCR 2015") on the basis of the pre-tender considerations set out in paragraph 3.7 below commencing by placing a notice in the Official Journal of the European Union (OJEU).
- 3.6 As the procurement is not being undertaken immediately, the decision on which of these options will be pursued will be taken by the Strategic Director of Regeneration and Environment before the procurement commences. Officers will carry out feasibility work first before deciding the best procurement route to take.
- 3.7 Should calling off the GLA and TfL ADUP be the preferred procurement route, officers will conduct a mini-competition under Lot 2 (Architecture) and report back to Cabinet to seek Member approval to award the proposed contract, once a preferred design team has been identified. A similar process will be adopted should the council select an alternative framework.
- 3.8 Should using a Restricted procedure under the PCR 2015 be the preferred procurement route, in accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service/ works.	To procure an architecturally led multidisciplinary design team to prepare a detailed planning application for the comprehensive redevelopment of the Hereford House and Exeter Court redevelopment site.
(ii)	The estimated value.	The value of this contract will be determined through the competitive tender process but it is anticipated the value will be approximately £850k.
(iii)	The contract term.	The contract period will be approximately twelve months.
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted otherwise than by electronic means and whether there will be an e-auction.	PCR 2015 compliant restricted procedure procurement route, in which parts of the procedure may be conducted by electronic means but there will not be an e-auction.
v)	The procurement timetable.	<p>The procurement would be undertaken during autumn/winter 2016. Indicative milestones/timescales are:</p> <ul style="list-style-type: none"> • Contract Notice placed • Expressions of interest/Pre Qualification Questionnaire (PQQ) period – 30 days • Evaluation of PQQ responses in accordance with the Council's approved criteria – 10 days • Invitation to tender period – 35 days • Panel evaluation, interviews and panel decision – 10 days • Seek Cabinet approval to award contract • Standstill period – 10 calendar days
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the PQQ and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>Officers will evaluate the tenders from the shortlisted bidders on the basis of "most economically advantageous tender criteria" (MEAT) on the basis of percentage quality and percentage price, with a weighting of 30% applied to price and 70% applied to quality criteria.</p> <p>The quality criteria will consider how submissions perform in respect of:</p>

Ref.	Requirement	Response
		<ul style="list-style-type: none"> - Design Approach and Vision (30%) - Expertise and Resource Allocation (25%) and - Consultation and Stakeholder Management (15%)
(vii)	Any business risks associated with entering the contract.	The Council will ensure the form of appointment and collateral warranty with the preferred design team is drafted to minimise all business risks.
(viii)	The Council's Best Value duties.	The procurement process will seek to ensure best value is achieved.
(ix)	Consideration of Public Services (Social Value) Act 2012.	See Paragraph 8 below.
(x)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(xi)	The relevant financial, legal and other considerations.	See Paragraphs 4 and 5 below. This proposed procurement process would be in line with the Council Standing Orders and the Public Contract Regulations 2015.

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

4 Financial Implications

Hereford House and Exeter Court – Design Team Procurement

4.1 Irrespective of the procurement process to be undertaken, it is anticipated that the value of the proposed contract will be in excess of £500k and thus classed as a High Value Contract under the Council's Standing Orders and Financial Regulations. Therefore approval will be sought from Members to award the proposed contract, once a preferred design team has been identified. The estimated cost to appoint a design team can be resourced from the South Kilburn programme budget. Depending on market conditions, it should be possible to recoup this cost when the Hereford House and Exeter Court redevelopment site disposal takes place.

5 Legal Implications

Hereford House and Exeter Court – Design Team Procurement: use of GLA and TfL ADUP or such other appropriate PCR 2015 compliant framework

5.1 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to PCR 2015 by another contracting authority and where call off under the framework agreement is recommended by the relevant Chief Officer (to include confirmation that there is sufficient budgetary provision for

the proposed call-off). However, this is subject to the Chief Legal Officer advising that participation in the framework agreement is legally permissible and approval to participate in the framework being obtained from the Chief Legal Officer. Should calling off the GLA and TfL ADUP or such other appropriate OJEU PCR 2015 compliant framework be the preferred procurement route, approval will be sought and given from the Chief Legal Officer prior to doing so.

Hereford House and Exeter Court – Design Team Procurement: use of a Restricted Procedure under the PCR 2015

- 5.2 The value of this proposed procurement over its lifetime will be higher than the EU threshold for Services and the procurement of the contract is therefore governed in full by the PCR 2015. The estimated value of the procurement is in excess of £500k and therefore it will be classed as a High Value Contract under Contract Standing Orders and accordingly the Cabinet must approve the pre-tender considerations set out in paragraph 3.8 above (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 5.3 Once the procurement process has been undertaken (whether the Council is using a framework or a Restricted procedure under the PCR 2015, officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.4 Should the use of the Restricted procedure under the PCR 2015 be the preferred procurement route, the Council must observe the requirements of the mandatory minimum ten calendar days standstill period imposed by the PCR 2015 before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing the prescribed information which includes the reasons for the decision and the characteristics and relative advantages of the winning bid. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

6 Diversity Implications

- 6.1 This Cabinet paper is seeking approval for the Council to start a procurement process for the appointment of a design team to prepare a detailed planning application for the comprehensive redevelopment of Hereford House and Exeter Court to deliver a high quality residential development. While there are not direct equalities implications arising from this report and the procurement process itself, the work carried out by the design team will have an impact on residents with protected characteristics and therefore consideration must be given to affected groups during the development of the planning application. The work of the design team will also include proactive consultation and engagement with affected residents such as disabled people, older residents and minority ethnic groups
- 6.2 An Equality Analysis has been completed and is attached as appendix 2. A further equality analysis will be completed on reporting back to Cabinet to seek Member approval to award the contract.

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 architecturally led multidisciplinary design team for the proposed redevelopment of Hereford House and Exeter Court.
- 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 detailed planning application for the comprehensive redevelopment of Hereford House and Exeter Court to deliver a high quality residential development and continue to deliver much needed new affordable homes to rehouse existing secure tenants of South Kilburn, hugely improving their living conditions and reconnecting the area to its surrounding neighbourhoods.
- 8.3 Where possible the contract will require that the Design Team:
- 8.3.1 provide opportunities for local people or prioritise local people for the employment opportunities that may arise during this contract (e.g. apprenticeships, work placements for disabled people or BAME groups, etc);
 - 8.3.2 pay the London Living Wage as part of the Council's commitment to reduce socio-economic disadvantage;
- 8.4 Consultation will form part of the Design Teams' work and will form a scored element of the procurement process, including identifying how the Design Team will target engagement of disabled people, young people, older residents and BME groups on the development of an inclusive and accessible design; easy read communications materials; translation and interpreting services, etc

9 Background Papers

Appendix 1 Hereford House and Exeter Court Red Line Boundary
Appendix 2 Equality Analysis
South Kilburn Supplementary Planning Document
South Kilburn Current Masterplan

10 Contact Officers

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