

	<b>Officer Key Decision</b>
	<b>Report to the Strategic Director of Community Wellbeing</b>
<b>AUTHORITY TO AWARD CONTRACT FOR 136 HONEYPOT LANE – CONTRACTOR</b>	

<b>Wards Affected:</b>	Queensbury
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendices 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)”
<b>No. of Appendices:</b>	2 Appendix 1 – List of Bidders (exempt) Appendix 2 – Tender Evaluation
<b>Background Papers<sup>1</sup>:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Andrew Appleby, Property Project Manager 07557 173362  Nick Ljustina, Operational Director Property and Assets 020 8937 5025

## 1.0 Purpose of the Report

- 1.1 This report concerns the approval to appoint a contractor to construct 61 NAIL units at 136 Honeypot Lane.
- 1.2 This report requests authority to award a 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)**

- 2.1 That the Strategic Director of Community Wellbeing in consultation with the for Lead Member for Housing and Welfare Reform approves the appointment of United Living (South) Ltd for the construction of 61 NAIL units at 136 Honeypot Lane.
- 2.2 This recommended officer decision flows from the Cabinet decision of 19 December 2019 titled “Housing – New Council Homes Development Programme – Mixed Sites Approval”. Cabinet approved the delegation of authority for the award of contracts for a number of schemes, including Honeypot Lane to the Strategic Director of Community Wellbeing in consultation with the Lead Member for Housing and Welfare Reform.

## **3.0 Background**

- 3.1 136 Honeypot Lane NW9 9QA was acquired by Brent Council in January 2018 and was formerly a residential care home ('The Willows'). The existing building is a 1980s block with single rooms and shared facilities, which no longer met ASC commissioning standards.
- 3.2 The site area is 0.254 hectares (0.63 acres), located in Queensbury Ward, with good transport links to Queensbury and Kingsbury centres. The site is close to a number of green spaces, including a Grade 1 SINC (Site of Importance for Nature Conservation) at the rear.
- 3.3 The site adjoins a large site owned by CNWL NHS Trust where The Kingswood Centre is based. The Centre provides accommodation and services for people with a learning disability including those with very high needs.
- 3.4 The site has resolution to grant planning permission for 50 general needs residential units extending to 3,558 sq m (38,300 sq ft) Net Saleable Area, with 39 undercroft car parking spaces.
- 3.5 Planning Permission was granted on 29<sup>th</sup> June 2019 for the demolition of the existing care home building and construction of a six-storey building to provide an Extra-Care facility comprised of 61 one-bedroom self-contained flats with associated private amenity space and communal and ancillary accommodation and parking.
- 3.6 All flats have been designed to be compliant with the Building Regulations Approved Document: Part M Category 2 accessibility standards. These standards have been exceeded to incorporate guidance from the HAPPI report (Housing our Ageing Population:

Panel for Innovation). 13 No. flats have been designed to meet Approved Document: Part M Category 3 standards to be fully wheelchair accessible.

#### **4.0 Key Deliverables**

The development seeks to achieve the following key deliverables:

- 4.1 To develop high quality Extra Care Housing to meet the long-term housing and support needs of Brent ASC customers
- 4.2 Generate savings for ASC revenue budgets by enabling customers to move from more expensive traditional care home and nursing care placements
- 4.3 Promote customers wellbeing through providing well-designed accommodation that enhances their health and maximises independence.
- 4.4 Provide long-term accommodation that is adaptable to changing customer needs and enables 'ageing in place'

#### **5.0 The Tender Process**

- 5.1 This contract has been procured from the London Development Panel (LDP2) GLA Framework.
- 5.2 The LDP2 framework is OJEU compliant and available for London Local Authorities to use. The framework has 29 panel members and the Director of Legal, HR, Audit and Investigations confirmed that the use of the framework was legally permissible on 6 September 2018. The framework sets out the process for carrying out the tender which comprised of three stages:
  - Expression of Interest Stage
  - Sifting Brief Stage
  - Invitation to Tender Stage (ITT)
- 5.3 The Expression of Interest (EOI) was issued to all 29 Panel Members on the 29 March 2019 where 6 suppliers responded confirming their interest in the project.
- 5.4 The Sifting Brief was issued to the six (6) interested suppliers on the 7 May 2019. Three (3) responses were received by the closing date of 4 June 2019. The shifting brief submissions were evaluated on the basis of the contractors' financial viability and technical ability. All three (3) bidders passed the sifting brief stage and were issued the Invitation to

Tender on the 6 September 2019.

- 5.5 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:

Criteria	Weighting
Quality / Technical	35%
Social Value	10%
Commercial / Price	55%
Total	100%

- 5.6 One bidder withdrew shortly after the ITT was issued due to insufficient resources at the time.
- 5.7 There was one meeting arranged with the two bidders during the invitation to tender stage. This was a technical meeting where the Council and its consultants answered any technical queries on the project. The bidders were informed that the consultants were supporting the council during the tender process, but following award they could support the preferred bidder.

## 6.0 Evaluation Process

- 6.1 The tender submission date was 13 November 2019. The tender seal on the portal was opened by Procurement on the 13 November 2019 and two valid tender submissions were received.
- 6.2 A panel of officers from the following Brent Council teams: Property, Energy & Sustainability, Economic Development, along with appointed Employers Agent (Silver DCC Limited) carried out the tender evaluation. . The evaluation was moderated by Procurement and were further supported by the legal department.
- 6.3 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.
- 6.4 The panel met on the 13<sup>th</sup> December 2019 and each submission was marked by the whole panel against the award criteria. Following the evaluation, there were a number of clarifications raised with the bidders.

- 6.5 One of the bidder's responses required further clarity on their pricing submission and therefore a pricing clarification meeting was arranged. The Project Manager, Silver DCC Limited, Procurement and Legal attended the meeting.
- 6.6 Further pricing clarifications was issued to the bidders with the responses received on the 29 January 2020.
- 6.7 The evaluation scores were finalised and moderated following clarification responses and the final scoring was approved by the evaluation panel.
- 6.8 The names of the bidders are contained in Appendix 1. The scores received by the bidders are included in Appendix 2. It should be noted that Bidder 2 was the highest scoring tenderer. Officers therefore recommend the award of the contract to Bidder 2, namely United Living (South) Ltd.
- 6.9 The contract is envisaged to commence on the 9 March 2020.

## 7.0 **Financial Implications**

- 7.1 The value of the works contract is £16,106,367.
- 7.2 Brent council officers have validated the bidder's financial standing and the commercial submissions have been assessed in conjunction with cost consultants Silver. During the tender process a number of clarifications were raised including the level and appropriateness of provisional sums.
- 7.3 As per the requirement of the ITT, a performance bond undertaking was received from the bidders. This will be taken up following contract award.
- 7.2 It is anticipated that the cost of this contract will be funded from existing Brent capital funding and supplemented with grant from the Greater London Authority (GLA).

## 8.0 **Legal Implications**

- 8.1 The power to approve the award of this contract is derived from the Cabinet Decision of 19 December 2019, which delegated the authority to approve the award of contracts for a number of schemes, including Honeypot Lane to the Strategic Director of Community Wellbeing in consultation with the Lead Member for Housing and Welfare Reform. The legal consideration of the delegation power to award, procurement route and other issues were considered in the report to the Cabinet

titled: “**Housing – New Council Homes Development Programme – Mixed Sites Approval**” of 19<sup>th</sup> December 2019.

- 8.2 The value of this contract over its lifetime is in excess of the EU threshold for Works Contract (4,733,252), the award of the contract is therefore governed by the Public Contracts Regulations 2015 (the “EU Regulations”). However, a Framework has been used for the procurement of the contractor: London Development Panel (LDP2) GLA Framework. As required by the Council Standing Orders, the Director of Legal HR, Audit and Investigations had confirmed that the use of this framework was legally permissible. As this is a mini competition under a Framework, a standstill period of 10 days is not required after the approval of the award.
- 8.3 Subject to the approval being sought here, we confirm that the approval and award of the contract will be in accordance with the Council’s Standing Orders in respect of High Value Contracts.
- 8.4 It is expected that the successful bidder will sign the Construction Contract promptly from the acceptance of the award letter.
- 8.5 As this is a new development, the Transfer of Undertakings (Protection of Employment) Regulations 2006 do not apply.

## **9.0 Equality Implications**

- 9.1 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

## **10.0 Consultation with Ward Members and Stakeholders**

- 10.1 Opportunities for consultation were made available with local ward members throughout the planning process.

## **11.0 Human Resources/Property Implications (if appropriate)**

- 11.1 None Applicable.

## **9.0 Public Services (Social Value) Act 2012**

- 9.1 The Council is under 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 10% of the overall evaluation criteria was allocated to Social Value. The Social Value submission show a number of different social value commitments as well as a statement on how they will be delivered. The bidder has committed to pay London Living Wage. The social value commitments were across employment & training, supporting the community, supporting local businesses and environmental.

**Report sign off:**

**Project Manager**

*Andrew Appleby*

**Operational Director Property & Assets**

*Nick Ljustina*

**Strategic Director Regeneration & Environment**

*Dave Amar*

**Strategic Director Community Wellbeing**

*Phil Porter*