

	Officer Key Decision
	Report to the Operations Director Property and Assets
Authority to award contract for new build homes at Gloucester Close & Frontenac	

Wards Affected:	Stonebridge, Willesden Green
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <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)”
No. of Appendices:	2 Appendix 1 – Exempt Appendix 2 – Moderation Sheet
Background Papers¹:	
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Stacey Hislop, Property Project Manager 02089373360 Philip Yerburgh Development Project Manager 020 8937 2080

1.0 Purpose of the Report

- 1.1 This report concerns the award of a design and build contract to deliver new build homes at Gloucester Close & Frontenac.
- 1.2 This report requests authority to award a contract as required by Contract Standing Order 89. This report summarises the process undertaken in tendering for this contract and, following the completion

of the evaluation of the tenders, recommends the award of the contract.

2.0 Recommendation(s)

2.1 That the Operational Director for Property and Assets approves the award of the contract to Jerram Falkus Limited for the New Build Homes programme for Gloucester Close and Frontenac.

3.0 Detail

3.1 This new build project will provide a total of 9 new homes and will help alleviate the pressure on the provision of temporary housing.

3.2 The appointment is for a design and build contractor to complete new builds at the following sites:

- Gloucester Close – comprising the development to provide 2 no x two bedroom houses and 3 no x three bedroom houses, with car parking, cycle storage, refuse storage, amenity space and landscaping
- Frontenac - Comprising the erection of a 4 no storey residential building comprising four flats (3 x 3 bed and 1 x 2 bed) with associated car parking spaces, cycle storage, refuse storage, amenity space, provision of a drying area and landscaping (new block to be built at north-west drying area of the Frontenac Estate)

3.3 Both Gloucester Close and Frontenac plans were submitted for Planning in Autumn 2017 under the BHP Design Guide (March 2017). There are slight variations between this and the LBB Design Guide

4.0 The Tender Process

4.1 The pre tender estimated value of the contract was £2,647,814; therefore, the contract falls within the Medium Value works contract range under the Council's Contract Standing Orders (CSO). The estimated value is below the EU threshold for works contract and therefore the CSO was used for this procurement.

- 4.2 The Invitation to Tender (ITT) was published on the 24 December 2019 via the London Tenders Portal and contracts finder. The pre-tender estimate of £2,647,814 was prepared by the Council's Cost Consultant and included demolition costs. The estimate was revised upwards in February 2020 to £2,655,838 to adequately cover for Prelim, risk, location/inflation and O/H & Profits costs.
- 4.3 A single stage, open tender approach was used for this procurement. Two contractors completed and submitted tender bids by the due date of 13 March 2020.
- 4.4 All contractors were given an opportunity to visit the sites to assist them in submitting a bid.
- 4.5 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%

5.0 Evaluation Process

- 5.1 The tender submission date was 13 March 2020. The tender seal on the portal was opened by Procurement on the 13 March 2020 and two valid tender submissions were received.
- 5.2 The Council's appointed Employers Agent (Baily Garner Limited), undertook a detailed evaluation of pricing submissions. This review process included checking for any formulaic or mathematical errors and issuing queries to each contractor to clarify any qualifications or exclusions in order to ensure compliant bids were received.
- 5.3 A panel of council officers along with the appointed Employers Agent (Baily Garner Limited) carried out the quality and social value tender evaluation. The evaluation were moderated by Procurement and were further supported by the legal department.

- 5.4 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 were addressed in the tender.
- 5.5 Due to a change in the mode of working necessitated by government guidelines to curb the outbreak of Covid-19, the moderation meetings were carried out via virtual meetings. 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.
- 5.6 The evaluation scores were finalised and moderated following clarification responses and the final scoring was approved by the evaluation panel. Below is a summary of the evaluation.

Summary	Weighting	Bidder 1	Bidder 2
Quality	35%	17.15%	15.75%
Social Value	10%	6.00%	0.00%
Commercial	55%	55.00%	52.71%
Total	100%	78.15%	68.46%
Ranking		1	2

- 5.7 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 1 was the highest scoring tenderer. Officers therefore recommend the award of the contract to Bidder 1, namely Jerram Falkus Ltd.
- 5.8 The contract is envisaged to commence on the 12 May 2020.
- 6.0 **Financial Implications**
- 6.1 The highest scoring bidder's contract price is £3,690,750.
- 6.2 Brent Council officers have validated the bidder's financial standing and the commercial submissions have been assessed in conjunction with cost consultants Baily Garner. During the tender process a number of clarifications were raised including the level and appropriateness of provisional sums.
- 6.3 A retention figure of 3% cent will be used to ensure any snags/defects are dealt in an appropriate manner with during the 12 months defects

liability period.

- 6.4 The supplier's financial strength has been checked and approved as sufficient for this project.
- 6.5 Insurance limits (as minimums) will be set as follows and the highest scoring bidder has confirmed these insurance levels are in place:
- Public Liability Insurance: £10,000,000
 - Employers Liability Insurance: £10,000,000
 - Contractors All Risks - £10,000,000
 - Professional Indemnity Insurance: £5,000,000
- 6.6 As per the requirement of the ITT, a performance bond undertaking was received from the bidders. This will be taken up following contract award. This will be 10% of the contract value.
- 6.7 It is anticipated that the cost of this contract will be funded from existing approved Brent capital programme funding and supplemented with grant from the Greater London Authority (GLA).

7.0 Legal Implications

- 7.1 The contract falls within the definition of 'public works contract' under the Public Contracts Regulations 2015 ('EU Regulations'), however the value of the contract is below the EU procurement threshold for works contract (currently £4,733,252), and therefore the full rules of the EU Regulations do not apply to the award of the contract. Officers are still required to observe the rules on fairness and transparency and to maintain an auditable process and to observe the rules set out in the Council's Contract Standing Orders (CSO).
- 7.2 Paragraph 89 (i) to (xi) of CSO, requires that for all Medium Value contracts, an authority to tender and an authority to award the contract is required from the relevant Strategic or Operational Director. The Operational Director for Property & Assets gave approval of the pre-tender considerations and authorised the invitation of tenders on 24 July 2019. The approval also confirmed that there was sufficient budgetary provision for the contract as required by CSO 86(e)(ii). The contract was procured in line with these considerations and the relevant CSOs (section 4 and 5 above).
- 7.3 The Operational Director Property and Assets under CSO 89, has the power to approve the award of this contract. Subject to the approval sought here, it is legally permissible to approve the award of the contract.

7.4 The project will be administered using the 2016 JCT Design & Build Contract with the Council's amendments.

8.0 Equality Implications

8.1 The proposals for this report have been subject to screening and officers believe that there are no adverse equality implications.

9.0 Consultation with Ward Members and Stakeholders

9.1 Public Exhibitions have been held for all sites as follows:

Date	Consultation	Project
May 2017	Public Exhibition	Frontenac
June 2017	Public Exhibition	Gloucester Close

9.2 In addition to the Public Exhibitions, statutory planning consultation was afforded to all those likely to be impacted by the projects, and responses have been managed by Development Project Managers and the Planning Consultant acting on behalf of the Council.

9.3 Further meetings will be held as the commencement date approaches, and this will take the form of inviting Ward Members, Councillors, residents and neighbouring private owners to an open meeting where discussions will be held concerning the works, and formally introducing all stakeholders to the project team and the contractor appointed to undertake the works.

10.0 Human Resources/Property Implications (if appropriate)

10.1 None Applicable.

11.0 Public Services (Social Value) Act 2012

11.1 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.

11.2 10% of the overall evaluation criteria was allocated to Social Value. The Social Value submission show a number of different social value commitments. The bidder has committed to pay London Living Wage.

The social value commitments were across strong foundations, every opportunity to succeed, a future built for everyone, an economy fit for all, a cleaner, more considerate Brent and A borough where we can all feel safe, secure, happy and healthy.

Report sign off:

Operational Director for Property and Assets

Nick Ljustina