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|  | Officer Key Decision |
| | Report to the Strategic Director of Community Wellbeing |
| AUTHORITY TO AWARD CONTRACT FOR HILLSIDE & MILTON AVENUE (STONEBRIDGE) - CONTRACTOR | |

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| Wards Affected: | Stonebridge |
| 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 – 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 List of Bidders Appendix 2 Bidder Scores |
| Background Papers¹: | None |
| Contact Officer(s): (Name, Title, Contact Details) | Adeola Oke, Property Project Manager Adeola.oke@brent.gov.uk 020 8937 – 1756 Nick Ljustina, Operational Director Property and Assets Nick.ljustina@brent.gov.uk 020 8937 5025 |

1.0 Purpose of the Report

- 1.1 This report concerns the approval to appoint a contractor for the development of Hillside and Milton Avenue (Stonebridge).
- 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 Lead Member for Housing and Welfare Reform approves the appointment of Higgins Group Plc for the development of Hillside and Milton Avenue (Stonebridge).
- 2.2 This recommended officer decision flows from the Cabinet decision of 9 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 Stonebridge to the Strategic Director of Community Wellbeing in consultation with the Lead Member for Housing and Welfare Reform.

3.0 Background

- 3.1 In 2013 Brent Council commissioned Southstudio to prepare a masterplan for the regeneration of the Stonebridge School and associated Housing Sites.
- 3.2 A ‘Hybrid’ Planning Application for the site was granted permission (Ref. 16/0077) on 9th May 2016. This was in two main elements, firstly a Full Planning Permission with Listed Building Consent for the construction of a new school building providing nursery, assembly hall, reception and teaching facilities. This also included reconfiguration of Stonebridge Primary School’s playground, including the provision of two Multi-Use Games Areas, the erection of new perimeter fencing, and the creation of 1.2ha of public open space with associated ancillary works known as Phase 1. The works to the school were completed in early 2019.
- 3.3 Further to this, Outline Planning Permission was granted for associated residential sites as follows known as Phase 2:
 - Hillside: the erection of an apartment block comprising up to 51 residential units and 246 sqm of commercial floorspace (use class A3), and car parking at ground floor level.
 - Milton Avenue: up to 22 x 3-storey terraced houses (use class C3).
 - Twybridge Way: 55 residential dwellings including the provision of 28 x New Accommodation for Independent Living (NAIL) dwellings (use class C3b).

- 3.4 Brent Council submitted a Reserved Matters application for Phase 2 for approval of the access, appearance, landscaping, layout and scale of the proposals, which obtained approval under Delegated Powers in April 2019.
- 3.5 It was agreed that a construction contract in respect of the sites at Hillside and Milton Avenue together with the Public Open Space will be procured initially followed by Twybridge Way upon receipt of consent under Section 77 of the School Standards and Framework Act 1998.

4.0 Key Deliverables

The development seeks to achieve the following key deliverables:

- 4.1 Delivery of 73 residential units – which will include the following:
- *Hillside* – Construction of 1 Block of 51 Flats with Ground Floor Retail Unit (Shell & Core)
 - *Milton Avenue* – Construction of 22 Houses.
- 4.2 Delivery of the New Open Space. This will allow the opportunity for improved ecology and the biodiversity value through new tree, shrub and planting areas for the benefit of the wildlife (but also for the public enjoyment).
- 4.3 A new play area with a more natural appearance complete with a new outdoor gym area

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 3 July 2019 where seven (7) suppliers responded confirming their interest in the project.

- 5.4 The Sifting Brief was issued to the seven (7) interested suppliers on the 24 July 2019. Six (6) responses were received by the closing date of 28 August 2019. The sifting brief submissions were evaluated on the basis of the contractors' financial viability and technical ability.
- 5.5 Four (4) bidders passed the sifting brief stage and were issued the Invitation to Tender on the 11 November 2019.
- 5.6 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 | 40% |
| Social Value | 10% |
| Commercial / Price | 50% |
| Total | 100% |

- 5.7 A clarification meeting was arranged with the four 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 7 February 2020. The tender seal on the portal was opened by Procurement on the 7 February 2020 and four 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 (Pellings) 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 20 February 2020 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 A pricing clarification meeting was arranged with the four bidders on the 5 March 2020 due to the number of qualifications and provisional sums included in the submissions. The Project Manager, Pellings and Procurement attended the meetings.
- 6.6 Further clarifications were raised with the bidders and follow up discussions where undertaken where necessary with bidders.
- 6.7 The evaluation scores were finalised and moderated following clarification responses and the final scoring was approved by the evaluation panel. Table 1 below shows the summary ITT evaluation scores of the bidders and Appendix 2 provides a more detailed breakdown of the full tender evaluation outcome.

| Summary | Weighting | Bidder 1 | Bidder 2 | Bidder 3 | Bidder 4 |
|--------------|-------------|---------------|---------------|---------------|---------------|
| Quality | 40% | 31.60% | 32.00% | 28.96% | 28.80% |
| Social Value | 10% | 5.40% | 6.80% | 8.40% | 7.20% |
| Price | 50% | 43.44% | 47.92% | 41.07% | 50.00% |
| Total | 100% | 80.44% | 86.72% | 78.43% | 86.00% |

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|----------------|---|---|---|---|
| Ranking | 3 | 1 | 4 | 2 |
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Table 1 - Tender Evaluation Outcome

- 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 Higgins Group Plc.
- 6.9 The contract is envisaged to commence in the week commencing 1 August 2020.
- 7.0 Financial Implications**
- 7.1 The value of the works contract is £21,833,211.
- 7.2 Brent council officers have validated the bidder's financial standing and the commercial submissions have been assessed in conjunction with cost consultants Pellings.

- 7.3 During the tender process a number of clarifications were raised including the level and appropriateness of provisional sums. For the highest scoring bidder the price is fixed and there are no provisional sums.
- 7.4 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 9 December 2019, which delegated the authority to approve the award of contracts for a number of schemes, including Stonebridge 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 9th 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. The Council proposes to use the JCT Design and Build contract 2016 with Council amendments which was included as part of the tender documentation.
- 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 and the monetary value which was 10% of the contract value. The social value commitments were across strong foundations, every opportunity to succeed, a future built for everyone, an economy fit for all and a cleaner, more considerate Brent.

Related Documents

Cabinet Report 9th December 2019 – New Council Homes Programme

Report sign off:

**Operational Director
Property & Assets**
Nick Ljustina

Strategic Director Regeneration & Environment
Dave Amar