



ADVANCED PUBLICATION OF REPORTS

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members
and operational key decision makers.

Once signed all decisions will be published on the Council's
Publication of Decisions List.

- 1. HIF - APPOINTMENT OF THE SUCCESSFUL TENDERER FOR GROUND INVESTIGATION WORKS, TESTING AND REPORTING (Pages 1 - 22)**

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MUNICIPAL YEAR 2019/2020 REPORT NO.**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY****OPERATIONAL DECISION OF:**

Sarah Cary
Executive Director, Place

Agenda – Part: 1	KD No: 4819
Subject: HIF – Appointment of the Successful Tenderer for Ground Investigation Works, Testing and Reporting	
Ward: Upper Edmonton	

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1. EXECUTIVE SUMMARY

- 1.1 A combined ground contamination and geotechnical investigation is essential to inform detailed design of Meridian Water infrastructure and remediation strategy.
- 1.2 KD 4750 (HIF Works. Procurement of Ground Investigation Works – approved 31.10.18) authorised going out to the market to appoint a contractor to undertake ground investigation works. The procurement was undertaken by using the London Tender Portal.
- 1.3 This report seeks authority to appoint a Contractor to carry out Ground Investigation Work to support the delivery of the Housing Infrastructure Fund (HIF) scope of works for Meridian Water.

2. RECOMMENDATIONS

It is recommended that the Executive Director – Place:

- 2.1 Approves the appointment of the successful tenderer, Bidder A, as set out in this report
- 2.2 Authorises the authorised Legal Officer to complete and sign the Terms and Conditions of the appointment.

3. BACKGROUND

3.1 Housing Infrastructure Fund

- 3.1.1 The Council is enabling the delivery of approximately 10,000 new homes over a 20-year period at Meridian Water. The development is located between Edmonton, Tottenham, and Walthamstow and ideally placed to deliver the spatial, sustainable growth, and economic resilience objectives of the London Borough of Enfield as one of the capital's largest regeneration opportunities.
- 3.1.2 The Housing Infrastructure Fund (HIF) is a government capital grant programme from the Ministry for Housing, Communities and Local Government (MHCLG) aimed to unlock housing sites and help deliver new homes.
- 3.1.3 On 3rd December 2018, Enfield Council, via the GLA, made a bid for £156M to build strategic infrastructure in Meridian Water to unlock the delivery of 10,000 homes in Meridian Water. On 20th March 2018 the MHCLG confirmed that the Council (supported by the GLA) had successfully passed the first stage of the Forward Funding bid process and that the Council's bid would be taken forward to the second stage. The second stage required a fully worked up Green Book compliant business case underpinned by detailed technical work. Since the confirmation, Meridian Water team had prepared with consultant teams to prepare the second stage of the funding application. The bid due diligence process is underway, and officers are expecting a funding announcement to be made in summer 2019

- 3.1.4 The deadline to deliver the HIF works by March 2024 is tight so officers have developed a proactive strategy to initiate work that is on the critical delivery path now, prior to confirmation from MHCLG of whether the bid has been successful. This proactive strategy has been positively received by the GLA.
- 3.1.5 For example, essential works have commenced, including topographic surveys, flood investigation, transportation modelling and concept designs as to provide technical information in the business case and to ensure to meet the funding delivery deadline.
- 3.1.6 Another key workstream that must be carried out is Ground Investigation, the objective of which is twofold:- to provide information on geotechnical nature of the ground to inform design of below ground elements of the Development i.e. substructures, foundations, services, flood control, earthworks etc and, secondly, to detail the nature and levels of any contamination and the remediation required thereof.
- 3.1.7 In case of the scenario where HIF application is unsuccessful, none of the Ground Investigation Work should be abortive as this design, planning and enabling works should reduce both the costs and the risks required to be taken by a future developer, therefore increasing the attractiveness of the scheme to the marketplace.

3.2 The Site

- 3.2.1 The area requiring G.I. is that area incorporating all HIF works – see Appendix A
- 3.2.2 The sites within the area comprise those owned by LBE along with some freeholds not owned by LBE
- LBE Owned
- Orbital Business Park (Dwyer)
 - Ikea Clear
 - Gasholder – Leaside Road
 - Stonehill and Hastingwood
- Freehold
- Lea Valley Regional Parks Authority
 - Thames Water Utilities Ltd
 - Tesco
 - Ikea
- 3.2.3 Access agreements with leaseholders are being obtained by LBE with assistance of managing agents Glenny. Licences to enter and carry out

works on freeholder sites are being obtained by Meridian Water Team working with LBE Legal Services.

3.3 Scope of Works

- 3.3.1 The objective of Ground Investigation is twofold:- to provide information on the geotechnical nature of the ground to inform design of below ground elements of the Development i.e. earthworks, substructures, foundations, services, and, secondly, to detail the nature and levels of any contamination and the remediation thereof
- 3.3.2 Create site compounds on currently vacant plots in Stonehill and Orbital, execute various enabling works, i.e. clearing and reinstating site access controls, managing invasive plant species and other environmental considerations.
- 3.3.3 Execute boreholes, trial pits and trial trenches at approximately 160 locations (see Appendix A – Plan of Ground Investigation locations). All arisings removed from site and ground reinstated to as before.
- 3.3.4 Collect soil samples for laboratory testing to determine geotechnical properties, and types and levels of contamination.
- 3.3.6 Installation of approximately 63 standpipes and access covers (using the boreholes) for long term ground water monitoring.
- 3.3.7 Presentation of field and laboratory data as a factual report to inform design of a Remediation and Materials Management Framework for HIF infrastructure and remediation.

3.4 Procurement Process

- 3.4.1 The procurement process used was that approved in KD 4750.
- 3.4.2 A pre-tender engagement exercise was carried out by technical specialist Ove Arup, which identified seven contractors with the capacity and interest to carry out these works.
- 3.4.3 The tender package comprised a technical specification, a bill of quantities, drawings and contract documents prepared by Ove Arup with input from Meridian Water team, P&C Board and Legal Department. The Invitation To Tender was issued by the Meridian Water Team through the LTP.
- 3.4.4 The companies that had expressed an interest in bidding and were issued with tenders on 6th November 2018 with return date of 14th December.

Three companies opted out of returning a tender due to workloads and inability to meet the Terms and Conditions and technical specification. Four contractors submitted tenders albeit with three of them qualified. After an extensive appraisal and clarification process, two of those four bids were deemed non-compliant (see Part 2 for reasons)

3.5 Evaluation

3.5.1 The compliant bids were evaluated on the basis of a set of evaluation criteria set out in the Invitation to Tender. Evaluation percentages were split 60% quality and 40% price. The emphasis on quality was based on Health and Safety requirements, with over 60% of locations being in publicly accessed or lessee occupied areas, plus need for high quality sampling and reporting. The evaluation team included the technical knowledge and expertise to carry out both the quality and price evaluation and to ensure compliance with the scope of services.

3.5.2 The bidder's scores are as follows.

Bidder	Total Price Score	Total Quality Score	Summary Quality and Price Score
Bidder A	39%	50%	89%
Bidder B	Non Compliant (see Part 2 for reasons)		
Bidder C	40%	45%	85%
Bidder D	Non Compliant (see Part 2 for reasons)		

3.5.3 Bidder A has shown the best combination of quality and price, has demonstrated an excellent understanding of the requirements and an ability to deliver the work to a high standard. It is therefore recommended that Bidder A is appointed.

3.6 Cost

3.6.1 See Part 2

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Halt procurement and do not carry out G.I. works and proceed at risk with procurement of HIF works and Meridian Development generally without the

information provided by Ground Investigation - The Council have chosen to be the master developer for Meridian Water and are directly procuring the infrastructure works. These works will require Planning Consent which will come with an obligation (Condition) to ensure land contamination is identified and a remediation framework appropriate to future development is in place. Infrastructure works cannot commence until this condition is discharged and leaving this discharge responsibility (and therefore the G.I. works) to the appointed HIF contractor will result in a delay to commencement of the works, threatening the completion deadline imposed by the HIF funders, and, inevitably, create excessive risk pricing (additional costs to tune of several million pounds) by the HIF works bidders. Carrying out Ground Investigation works by the Council will eradicate these two risks.

- 4.2 Delay procurement or re-procure the works – insufficient time to do so as these works require a six month programme to complete and therefore need to be commenced in summer 2019 in order to provide the information ahead of formal appointment of the HIF contractor.

5. REASONS FOR RECOMMENDATIONS

- 5.1 These works are essential preparation for HIF procurement

5.2 Without this information, design of all elements below ground level, and the major earthworks would be based on guesswork. The levels of contamination would be unknown, so it is not possible to estimate the extent of remediation required. This would result in programmes being open ended and final costs unquantifiable.

- 5.3 Notwithstanding the HIF award in Summer 2019, LBE will still require this G.I. information to inform their own development plans for Meridian Water.

6. COMMENTS OF OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 On 30th January 2019 cabinet approved (KD 4469) a Meridian Water Budget with an allocation for this expenditure. (Details in Part 2 of this report).

6.2 Legal Implications

- 6.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.
- 6.2.2 The estimated value of the contract is below the Public Contract Regulations 2015 threshold for works. However, all Council procurement must follow the overarching principles of value for money, transparency, equal treatment and non-discrimination and comply with the Council's constitution including the Contract Procedure Rules. The procurement process undertaken in respect of the appointment of a contractor to carry out Ground Investigation Work is described in detail in this Report.
- 6.2.3 Throughout the engagement the chosen contractor, the Council must comply with its obligations of obtaining best value under the Local Government Act 1999.
- 6.2.4 Where necessary, officers should continue to liaise with the Legal and Property Services teams in respect of obtaining any necessary licences and consents to carry out works on freeholder sites and leaseholder sites.
- 6.2.5 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.

6.3 Property Implications

The appointment of a consultant to understand the risks/costs etc does not of itself carry any property implications other than the obvious matter that the contractors should ensure that they comply with any licence granted to undertake works on our land with full reinstatement thereafter. The contractor/consultant will assume all risks in relation to compliance

6.4 Procurement Implications

- 6.4.1 The procurement was undertaken in accordance with the Councils Contract Procedure Rules (CPR's).
- 6.4.2 The award of contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
- 6.4.3 All awarded contracts must be promoted to Contracts Finder to comply with the Government's transparency requirements.

7. KEY RISKS

ID	Title	<i>Risk Description</i>	Mitigation
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01	Access to freehold and tenanted properties to carry out works	Tenant refuses to agree to access for drilling works. Tenant agrees access but withdraws on day of works.	<p>Intensive management of liaison process by Council's Property Management Agents (Glenny) who have long established relationships with tenants, supported by the ARUP Supervising Engineer, LBE Officer and (when appointed) full time Contractor's Project Manager. Method statements and programmes that minimise impact on day to day operations will be agreed with tenants before any work takes place.</p> <p>Some G.I. locations are inside freeholder sites within the Meridian Development area and access to those will be negotiated by Meridian Water Team with support on formal process and agreements from LBE Legal and Property Services</p>
02	Contractor failing to complete	Contractor commences on site but fails to complete final Report	<p>A dedicated, full time on site, Supervising Engineer and Contracts Administrator from Arup will be commissioned to manage the investigation activities.</p> <p>Contract contains performance bond and retention rates designed to provide financial security in event of contractor falling in to administration.</p>
03	Cost	Uncertainty is inherent to site investigation. Additional costs may be incurred due to additional bores identified as necessary after initial works plus relocation of some locations due to unforeseeable ground conditions	<p>Appropriate contingency incorporated in budget. Variations can only be authorised by full time on site Arup supervising engineer prior to being executed.</p>
04	Health & Safety	Much of the work is within tenants' demises and areas accessible to the public	Tender assessment based on 60/40 split between quality/price with quality emphasis on H&S and tight management

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

All internal departments have been consulted and comments integrated.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

Meridian Water will deliver fairness for all by providing homes of different tenures, types and sizes to meet the diverse need of the community. In addition, it will create well managed open spaces making Meridian Water a key destination and a place where people want to live, work and play. The decision to terminate the master developer procurement process will enable these benefits to be delivered more quickly and with the potential for a better return for the tax payers of Enfield.

9.2 Growth and Sustainability

Meridian Water will deliver new homes, jobs and infrastructure: both major new physical and transport infrastructure and social infrastructure including medical facilities, schools, nurseries, community centres, parks and gardens. Clean and green energy will be provided by the Lee Valley Heat Network, which will ensure that the development is environmentally sustainable.

9.3 Build our local economy to create a thriving place

The new neighbourhood at Meridian Water will be designed to foster social cohesion through a series of physical and social interventions, such as direct pedestrian, cycle and other connections into existing neighbouring community for example Angel Edmonton; and position new community facility to encourage a mixed use by both existing communities and future new residents. The new Meridian Water station and public realm will serve as a hub where existing and new communities will mingle and interact.

10. EQUALITY IMPACT IMPLICATIONS

Equality and diversity considerations will continue to be integrated into the development and delivery work for Meridian Water to make sure they are embedded in the decision-making process and to avoid costly design changes. Corporate advice has been sought regarding equalities and whilst there are no Equalities implications in agreeing the recommendations outlined in this progress report. It is recommended that as part of the review of the Meridian Water Project, the Meridian Water EQIA be reviewed and updated to embed Equalities and Diversity in the

future procurement, design and delivery of the project. In addition to this it should be noted that any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

Delivery of a comprehensive regeneration scheme at Meridian Water is a corporate priority within the council's Business Plan for 2016-2018. Completion of the Masterplan and the delivery of phased infrastructure improvements including increased rail services, station improvements and new homes will help to meet the strategic priority: "a borough that attracts inward investment and supports sustainable regeneration and growth."

12. HEALTH AND SAFETY IMPLICATIONS

The Meridian Water Project bringing widespread improvements in transport, accessibility, and comprehensive remediation of contaminated brownfield sites will have positive health and safety benefits for the local community and the future residents, workers and leisure users at Meridian Water.

13. PUBLIC HEALTH IMPLICATIONS

These works will provide the understanding required of the current levels of contamination and contribute to a framework document, for remediation and materials handling, that will be an essential part of consultations with the Environmental Agency and local planning authority as well as technical documentation for HIF procurement and implementation – all to allow the Council to successfully remediate the land for redevelopment.

A regeneration neighbourhood at Meridian Water will have far reaching public health benefits particularly from the promotion and expansion of public transport, namely a more frequent rail service, an expanded bus network and integrated walk and cycle routes. This together with extensive green space, water fountains and a positive urban environment will continue to well-being at Meridian Water. The development will include all necessary public health and community services from health clinics to nurseries

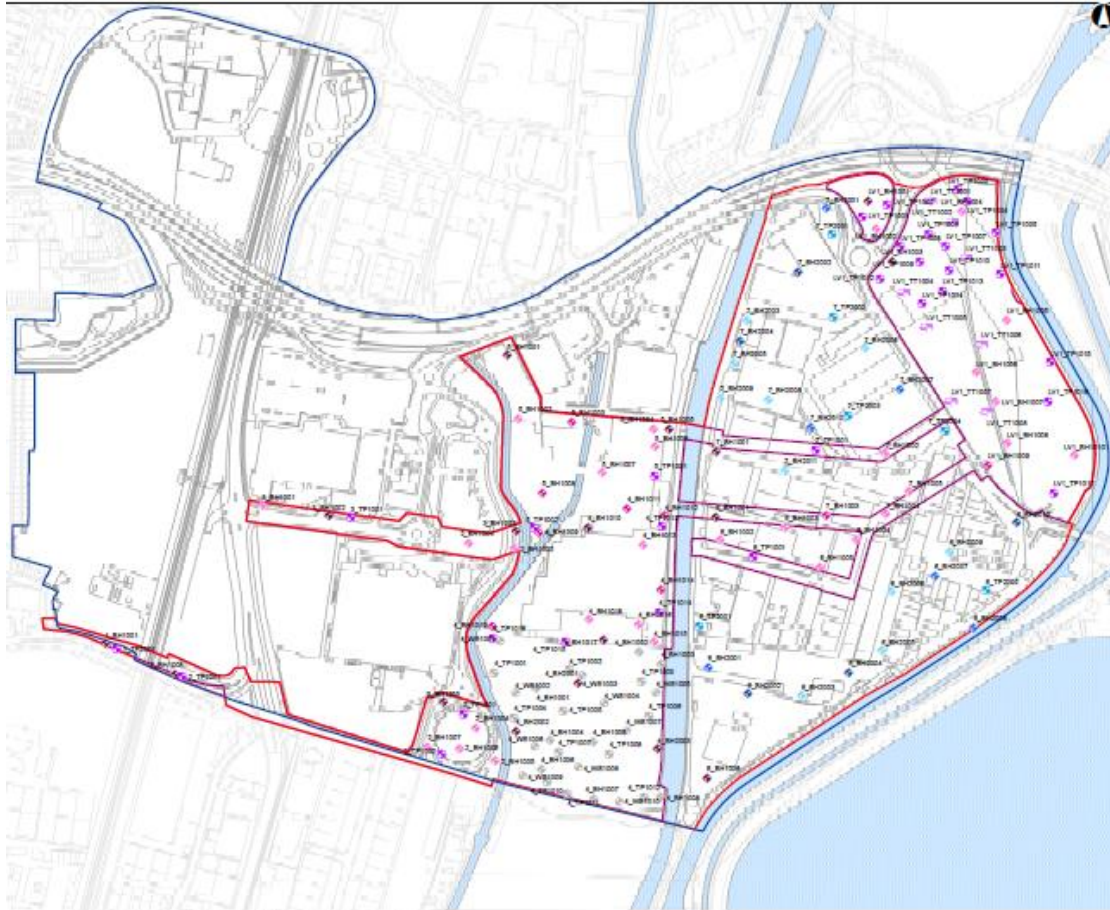
Background Papers

None.

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Appendix A - G.I. Locations

Appendix A



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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