



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. **COMMERCIAL ADVISOR APPOINTMENT - MERIDIAN WATER** (Pages 1 - 18)
2. **MERIDIAN WATER HOUSING INFRASTRUCTURE FUND - APPROVAL TO AWARD PROJECT MANAGEMENT AND QUANTITY SURVEYING SERVICES FOR THE STRATEGIC INFRASTRUCTURE WORKS** (Pages 19 - 36)

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Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Operational Report: Part 1

Report of Programme Director Meridian Water

Subject: Meridian Water Commercial Advisor Appointment

Executive Director: Sarah Cary

Ward Upper Edmonton

Key Decision: KD5017

Purpose of Report

1. The purpose of this report is to seek approval for the appointment of the recommended Commercial Advisors to support the Meridian Water team.
2. An OJEU compliant procurement process has been completed seeking Commercial Advisory services with additional specialisms in Estate Management, Build to Rent and niche markets such as Co-Living and Student Accommodation to support the Meridian Water programme.
3. This report will set out the procurement process, detail the scope of services, provide a review of bid submissions and reasoning for recommendations.

Proposal(s)

It is recommended that the Executive Director of Place;

4. Approves the appointment of the recommended bidder to provide Commercial Advisory services in support of the Meridian Water programme.
5. Approves the commission to be a call off contract with a three-year duration.
See part 2 report

Reason for Proposal(s)

6. The appointment of the recommended advisors will ensure the Meridian Water team is supported and advised on Commercial, Financial and Property Market matters in the context of the Council's wider objectives and ensure quality and best value is reflected in Meridian Water outputs.
7. Commercial and Financial Advisors Lambert Smith Hampton (LSH) are currently retained within a similar scope of services. However; the increasing complexity of the project along with the required workload makes it prudent to appoint a second firm of advisors. Depending on LSH with their existing capacity will slow down the progress of Meridian water. The scheme

progressing at its current pace cannot afford to be wholly reliable on the one company.

8. This role will not be a replication of the scope and support provided by LSH but an addition of resources to support workstreams outside of LSH's scope, enable the ability to seek second opinions as and when required and deliver in the specialism areas listed which LSH would not have the resources or expertise to do so. The advisors being recommended for appointment, named in the Part 2 report, have demonstrated strength in the depth and breadth of expertise in general Commercial Advisory provision and within the specialism areas of Estate Management, Build to Rent and niche markets such as Co-Living and Student Accommodation.

Relevance to the Council's Corporate Plan

Good Homes in well-connected neighbourhoods:

9. The Meridian Water scheme is targeting the delivery of a thriving neighbourhood with approximately 10,000 homes of which 40% will be affordable. The role of the Commercial Advisor is key to achieving this target; utilising their industry knowledge to advise on the most appropriate approach to delivering the phases through options appraisals, analysis of procurement methods and reviewing commercial and financial risk the recommended delivery strategies will ensure developments achieve high quality in design, an appropriate mix of tenures and best value for the Council.

Safe, healthy and confident communities:

10. A high-level Estate Management strategy has been developed for Meridian Water. The specification for this appointment sought specialism in Estate Management as the appointed advisors will be tasked with developing the strategy to the next level of detail and assisting in the implementation to ensure delivery of uniform quality standards across the estate and public realm. A resources plan will be incorporated considering the day to day operation of the Meridian Water estate ensuring safety and security of its residents whilst working with the Master planning team to ensure public realms are activated and maintained to encourage the health and wellbeing of residents. Accessibility across the site will also be considered promoting walking and cycling whilst connecting the scheme with neighbouring wards through easily accessible public transport modes.

An economy that works for everyone

11. Majority of the ground floor spaces at Meridian Water will be retained by the Council and utilised as commercial premises, workspaces, retail and leisure outlets. Commercial Advisors will support the delivery of this by ensuring agreements with developers include the delivery of these spaces on behalf of the Council. Social Value requirement will also be built into developer procurements and agreements to ensure the provision of employment opportunities for borough residents and incorporation of local businesses into construction supply chains.

Background

Meridian Water

12. The Meridian Water scheme located in Upper Edmonton will facilitate the establishment of a neighbourhood delivering at least 10,000 homes, 6,000 jobs, high quality public realm and two thirds of ground floor space devoted to retail, workspace, community and leisure facilities. The ultimate ambition being the creation of a destination for living, employment, leisure and entertainment; raising the area out of the high levels of deprivation currently seen.
13. To date the Council has acquired 36 hectares of land at Meridian Water representing 73% of developable land, has delivered the Meridian Water train station, secured £156m Housing Infrastructure Funding to deliver strategic infrastructure across the site unlocking accessibility and is now in contract or finalising contract details for the delivery of approximately 1,200 of the targeted 10,000 homes.

Approvals & Framework Selection

14. To support the extensive delivery programme and number of workstreams progressing at an accelerated pace, a Business Case was taken to the Procurement and Commissioning Board on the 22nd October 2019 to gain authorisation to procure Commercial Advisors. Following approval to proceed with the procurement process via a framework agreement by the procurement board, authorisation to initiate the procurement process was granted by the Programme Director of Meridian Water.
15. In order to determine the most appropriate framework option for the procurement thorough research was conducted on three relevant frameworks and the suppliers within to identify those with potential to deliver the required service. Market Engagement then took place by hosting a series of meetings with the potential suppliers to gain initial insight into the experience they have and provide opportunity to meet with potential delivery teams. As a result of this activity the Homes England Property Professional Services Framework was selected.

The Brief

16. The Specification document issued at tender stage provided a project brief as well as detailed scope of services. The brief set out the need for support and advice on commercial and property matters through qualitative and quantitative advice in the context of the Councils wider objectives. The brief also assigned responsibility for ensuring quality and best value is reflected in Meridian Water outputs and sound decisions made to determine the approach to delivering the scheme. Required areas of expertise were listed as;
 - Development Appraisals and Valuations, including Red Book Valuations
 - Options Appraisals
 - Alternative Funding sources for the public sector
 - In depth knowledge of development and investor markets
 - Affordable Housing
 - Meanwhile uses; adoption and integration
 - Estate Management

- Market Knowledge including
 - Residential
 - Employment; both large- and small-scale employers
 - Specialist tenures i.e. Build to Rent, Student Accommodation, and Co-Living
 - Retail

Tender Process

17. The Homes England Framework sets out a three-stage procurement process. The initial Expression of Interest phase for which an overview of the Meridian Water scheme and description of the role had been issued to suppliers allowing them to opt into the next stage of the process if interested. Thirteen of the nineteen suppliers within the Property Professional Services Framework responded positively to the opportunity.
18. Those who responded positively were then included in the Sifting stage, further detail had been provided on the project and scope of the role and three evaluation questions set to determine previous experiences providing such services in the required specialism areas. Six responses were received at this stage. The breadth of the brief covering specialism areas and preferences for higher contract values were among the reasons for those not pursuing the opportunity. Of the seven who chose not to respond four provided feedback as follows:
 - Would not have been the right delivery partner, having to sub-contract some of the elements would not have provided value for money
 - Realised strengths were in Property rather than Estate Management
 - Unable to cover the full scope of services within the specification
 - A purely advisory role not attractive despite having the expertise
19. During the evaluation process the bids were sifted to four as set out in the process. The two submissions which were not successful had received low scores for their responses on the basis that:
 - The first submission failed to demonstrate experiences in providing Commercial Advisory services on projects with similar size and scale to Meridian Water leading to concern over the level of Commercial and Property advice which would become available if appointed
 - The second submission failed to demonstrate Strengths in Estate Management showcasing little residential experience with focus on commercial.
20. The tender invitation was issued to the four shortlisted suppliers with a detailed Scope of services and supporting documents, bidders were given four weeks to respond. Two of the four suppliers invited to tender submitted responses.
21. Feedback was requested from the two withdrawing suppliers and one returned a response. The supplier having reviewed their sifting brief feedback realised they lacked the necessary capabilities and track record in Estate Management and felt there was insufficient time to shape a wider consortium having approached potential partners.

Evaluation

22. Submissions were evaluated on Quality, having 60% weighting and Price at 40% weighting. Quality evaluations were based on responses to seven questions seeking to determine;
- Ability and approach to delivering against the brief by setting out approach to providing commercial advice in the context of large-scale, mixed-use regeneration schemes and approach to working with the Meridian Water team
 - Understanding of the Estate Management requirements of the scheme and methodology for the implementation of a strategy at Meridian Water with timescales; identifying likely challenges and mitigation strategies. The Meridian Water Estate Management Strategy had been included in the tender documentation.
 - Ability to provide Build to Rent Advisory services, setting out knowledge and experiences delivering such schemes and detailing the important aspects to ensure success. The question also investigated knowledge, experience and presence within Co-Living and Student Accommodation sectors.
 - The delivery team that would be assigned to providing the service and the relevant skills/expertise available
 - In view of Meridian Water being delivered in phases a phasing plan was included in the specification. Bidders were asked to set out the approach they would take in advising on the most appropriate phasing and method of delivery
 - Approach to and expected challenges dealing with third party landowners at Meridian Water detailing the anticipated level of engagement with differing parties
 - The final question set out to explore strengths in non-residential uses, approach to apportioning commercial space across the phases and approach to establishing uses over time to achieve placemaking including consideration of meanwhile uses. The Meridian Water Masterplan and Commercial Strategy Report were included in the tender documentation.
23. Price evaluations were based on general daily rates across seniority structures for General Activities, Valuations, Estate Management, Build to Rent and Non-Residential Uses.
24. Bids were evaluated by a panel of three members of the Meridian Water team which included the Commercial Director who would manage the contract and the process moderated by a Senior Procurement Manager. The Bidder Scores were as follows:

Bidder	Quality Score (60%)	Price Score (40%)	Total Score
Bidder A	52.80%	40.00%	92.80%
Bidder B	43.20%	37.46%	80.66%

25. The winning bidder (A) in their quality responses were able to demonstrate the level of capability, capacity and experience required to provide general

Commercial Advisory services. A strong portfolio of experiences were presented and understanding of the complexity of varying delivery models and key considerations for a large-scale regeneration scheme demonstrated.

26. Bidder A also demonstrated a clear understanding of Estate Management delivery setting out an approach to delivering the Meridian Water strategy which identified various stages in the process and differing strategies to deliver both the high level services and granular detail whilst coordinating the different stakeholders and factoring in key themes such as Sustainability and Place making.
27. Bidder A scored highly for their experiences consulting on Build to Rent schemes and knowledge of the sector, including the support of Co-Living and Student Accommodation schemes.

Refer to Part 2

Main Considerations for the Council

28. The Commercial and Financial Advisory services have been key to supporting the Meridian Water development to date and will continue to play a significant role in taking the scheme forward, maximising opportunities and best value.
29. The LSH contract period will terminate in September 2021 and procurement of replacement consultant will have progressed to ensure continuity. It is in the Council's best interest to approve contract award to Bidder A to extend resources and strengthen areas of expertise in the required specialist areas. The timely appointment will allow for Bidder A to have embraced the role, strengthen interactions across workstreams and familiarised themselves with the support provided by LSH prior to their contract end.
30. Having a second consultancy on board will enable the Meridian Water team to seek second opinions on appraisals where necessary validating decisions made to obtain best value and outcomes. It is not good practice for the companies working on deals to provide Red Book Valuations which would be avoided through this appointment.

Safeguarding Implications

31. There are no direct safeguarding implications from the appointment of a Commercial Advisor.

Public Health Implications

32. There are no direct public health implications for the appointment of a Commercial Advisor. However, through their consultancy and advisory on the Meridian Water scheme the appointed suppliers will contribute to the successful delivery of phases and activation of public realm to provide homes and a neighbourhood focused on bringing together communities and promoting healthier lifestyles.

Equalities Impact of the Proposal

33. An equalities impact assessment is not considered to be relevant to the decision to award this contract. However, the role will provide support in procurement activities for Developers at each phase presenting the opportunity to promote the Council's equality aims. The role will also provide advice to building on the social value expectations through Developer and Lease agreements to ensure the Meridian Water Employment strategy is embraced and positive impact on the borough is achieved.

Environmental and Climate Change Considerations

34. Environmental and Climate Change considerations were not directly factored into the appointment of the Commercial Advisor Role. However, it has been made clear to bidders that Environmental Sustainability is highly regarded for the scheme and will be incorporated into each phase of delivery to achieve the highest possible standards for Meridian Water. The successful bidder will also be advising on and where necessary inputting to the development of the Meridian Water Environmental Sustainability Strategy and how it can be adopted within delivery phases.

Risks that may arise if the proposed decision and related work is not taken

35. Given the Commercial Advisors are appointed to provide advice on commercial and property matters, not having those resources in place in view of the Council lacking the internal expertise poses both financial and quality risk to the Meridian Water scheme. Decisions to bring phases to market must be evidenced with financial and viability assessments to ensure best value is obtained rather put the Council at financial risk by not obtaining best value or ensuring financial risks are avoided when entering into agreements.
36. Secondly, should this award not be approved the Meridian Water team will continue to depend solely on LSH. Given their resources are not sufficient to support all workstreams delays will be caused with the risk of not maximising all opportunities.
37. Not appointing the recommended Commercial Advisors will slow down the delivery of homes on Meridian Water, a substantial impact on achieving housing targets.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

38. A potential risk would be the selected advisor giving poor advice. This will be mitigated through robust contract management, with regular review meetings and quarterly performance review meetings.
39. A Parent Company Guarantee was considered not to be appropriate for a consultancy in this role. However, there is an option to request one if required by the Council. All suppliers on the Home England Framework have undergone rigorous financial evaluation. Furthermore, as part of the IIT stage an assessment of economic and financial standing has been carried out to ensure suppliers are financially sound.

Financial Implications

40. Refer to Part 2

Legal Implications

41. Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". The general power of competence provides sufficient power for the Council to procure a land acquisition agent as described in this Report.
42. In conducting the procurement of the commercial adviser, the Council must comply with all requirements of its Constitution including the Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015 ("Regulations"). It is proposed that the Homes England Property Professional Services Framework is used to procure the services. The CPRs and the Regulations permit the use of a framework provided that the terms of the framework are complied with.
43. As the anticipated contract value exceeds £500,000, this is a Key Decision and the Council must comply with the Key Decision procedure. Sufficient security from the Supplier should be considered to manage risk. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes.
44. The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.
45. All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance. The contract must be sealed, and the original retained within the Legal Department.

Provided by MD: 15th July 2020

Workforce Implications

46. There are no workforce implications relating to this award.

Property Implications

47. There are no specific property implications arising from this report as it is concerned with the appointment of consultants. It is anticipated that there will be future property implications as each report comes forward from the appointed consultants. These reports will need full and individual review and when property transactions are included Strategic Property Services will comment on those specific deals.

Property Implications provided by Ken Aitken on 13/07/2020

Other Implications

Procurement Implications

48. The tender was a call-off from the Homes England Property Professional Services Framework 2018/S 005-007230. Due diligence was carried out by the Procurement and Commissioning Hub (P&C Hub) on the Council's ability to use the framework. Other frameworks were also considered but the Homes England Framework was chosen due to the experience of the suppliers in the specialisms required under the contract. The tender process commenced with an Expression of Interest, followed by a Sifting Brief which was used to provide a shortlist of bidders. After the shortlist was complete, the project was mini tendered to 4 providers in accordance with the guidelines provided by the Homes England who operate the framework. The tender returns were evaluated by three members of the Meridian Water team, a moderation meeting was held on 23 June 2020 where the scores and final comments were agreed. The P&C Hub were involved in the procurement and the process was carried out fairly and transparently.
49. The tendered rates were compared with the competitively tendered framework rates and were lower than or the same as the tendered framework rates.
50. The procurement was undertaken using the Homes England London Tenders Portal (ref DN467444).
51. A business case was presented to the Procurement & Commissioning Review Board on 22/10/2019 where the procurement route was reviewed and approved.
52. The award of the contract, including evidence of authority to procure and award promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the Enfield London Tenders Portal including future management of the contract.

Procurement Implications provided by Samantha Rose on 13/07/2020

Options Considered

Internal Resources

53. Using internal resources was an option considered and discounted due to a lack of expertise within the required scope of services and lack of resource availability.

Extending LSH Contract Scope:

54. Extending the scope of the LSH contract had been considered to increase the resources allocated to Meridian Water and incorporate expertise in the additional specialisms sought. However, this option was discounted as LSH do not have the capacity to increase current resources to extend beyond those provided under their current contract terms neither the required level of expertise in the additional specialisms.

Conclusions

55. It is recommended that the Executive Director of Place approves the appointment of the recommended Commercial Advisors within the three year call off contract terms at the value detailed in the Part 2 report.

56. The recommended advisors had a strong bid submission overall and demonstrated the ability to provide quality skills and expertise to meet the requirements of the role essential in ensuring the successful delivery of Meridian Water.

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Date of report: 3.07.2020

Appendices

Appendix 1 – Part 2 report [Confidential]

Background Papers

The following documents have been relied on in the preparation of this report:
None.

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

Document is Restricted

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Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Portfolio Report

Report of Programme Director Meridian Water

Subject: Meridian Water Housing Infrastructure Fund – Approval to Award Project Management and Quantity Surveying Services for the Strategic Infrastructure Works

Cabinet Member: Cllr Nesil Caliskan, Cabinet Member for Meridian Water

Executive Director: Sarah Cary, Executive Director - Place

Ward: Upper Edmonton

Key Decision: 5170

Purpose of Report

1. Meridian Water Housing Infrastructure Fund (HIF)– Approval to Award Project Management and Quantity Surveying Services for the Strategic Infrastructure Works (SIW) contract

Proposal(s)

2. **Approve the appointment of Bidder A to provide project management and quantity surveying services for the delivery of the HIF Site Works through the Homes England Multidisciplinary Framework.**
3. **Authorise expenditure for the scope of services and contingency costs set out within the body of this report.**
4. **Note budget and funding sources for the expenditure (see Confidential Appendix).**

Reason for Proposal(s)

5. The Strategic Infrastructure Works (SIW) funded by the HIF required in the early stages of the programme to unlock further development Meridian Water scheme. The proposal will enable housing development, boost local economy and employment, and contribute to health and wellbeing of local communities. It is key that the right project management and quantity surveying arrangements are in place to ensure the required level of experience and expertise to manage large infrastructure project to deliver the SIW.
6. The Council needs to commence the SIW in time in order to claim funding. It is a requirement of HIF funding contract that £156m of funding secured by the Council is spent by March 2024.

7. The expenditure for the tasks set out within this report are to be funded from within the existing Capital Programme initially and the amount spent by March 2024 will be reimbursed from the HIF funding on a quarterly basis.
8. It is key that an infrastructure project of this scale and complexity is managed by the right project management and quantity surveying firm to ensure the required level of experience and expertise.
9. The procurement through the Homes England Framework for Multidisciplinary Technical Services was identified as preferred and approved by the Council as an operational decision made on 22nd October 2019.
10. There will be a corresponding decrease in STACE time charge fees once this appointment is in place (see Confidential Appendix).

Relevance to the Council's Corporate Plan

11. This appointment would contribute to the Council's priorities:

a) Good homes in well-connected neighbourhoods

The recommendation in this report do provide the authority to award a contract to a project management and quantity surveying consultancy to manage the HIF Site Works. The HIF Site Works will unlock new housing development in Meridian Water.

b) Sustain strong and healthy communities

The HIF Site Works include several green spaces linking up with existing green spaces in the Meridian Water area and thereby enhancing the value of the local green infrastructure. These works can contribute to the health and wellbeing of the existing and future communities in the area.

c) Build our local economy to create a thriving place

The delivery of strategic road and flood alleviation works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy.

Background

Introduction

12. In July 2018, Cabinet Approved the scope of Housing Infrastructure Fund, a central government funding programme enabling a delivery of strategic infrastructure at the Meridian Water scheme (see Housing Infrastructure Fund Cabinet Report dated 25 July 2018 (KD 4711)). It also approved planning strategy for HIF delivery works and delegated authority to the Programme Director – Meridian Water to authorise procurement procedure.
13. In early December 2018 a funding bid of £156m for the Housing Infrastructure Fund (HIF) was submitted to central government by the GLA on behalf of

Enfield Council. The Housing Infrastructure Fund 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.

14. The scope of works proposed for HIF funding includes rail enhancement works amounting to a value of circa £40m (HIF Rail Works) and strategic road and flood alleviation works for a value amounting to circa £116m (HIF Site Works). These works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water.
15. In August 2019 Central Government announced that the Council / GLA have been successful in their HIF bid for the full amount of £156m. In September the Council received the HIF funding conditions from Central Government, which are currently being assessed and will be the subject to negotiation.
16. All SIW must be completed before the delivery deadline of March 2024. To ensure timely delivery ahead of the funding deadline, the Council started the procurement of a Contractor to deliver the HIF Site Works. The HIF Rail Works are procured separately due to the specialist nature of the works. The programme for the contractor procurement for the HIF Site Works is anticipated to be as follows:

Contractor Procurement Stages	Target Dates
Tender returns	May 2020
LBE Cabinet Decision to award Framework Agreement	September 2020

17. The HIF Contractor procurement is currently managed by Stace Project Management, who are expected to oversee and manage the full procurement process of the HIF Contractor up until award of the Framework agreement.
18. A need has been identified to appoint an external project management consultancy to carry out the role of Project Manager and Quantity Surveyor following award of the Framework Agreement. It is envisaged that the new project management and quantity surveying consultancy will come on board during the Contractor Procurement Process, so they can get up to speed with the project ahead of contract award and support on in remaining procurement activities.
19. On the 22th of October, Programme Director - Meridian Water approved the procurement of the project management services for the delivery of the HIF Site Works through the Homes England Framework for Multidisciplinary Technical Services.

Scope of Works

20. The proposed contract award is seeking to appoint the Council's team to provide project management and quantity surveying services for the delivery of the SIW.

21. The Council's Project Management and Quantity Surveying Team is expected to fulfil Project Management and Quantity Surveying roles which will form part of the 'client's team'. This will assist the council in exercise of its duties as client under the forthcoming contracts for design and delivery of the infrastructure. The purpose of the Project Manager's and Quantity Surveyors role is to ensure that the Main Contractor executes the contracted works safely, on programme and to the agreed Contract Sum.
22. The Council's Project Management and Quantity Surveying Team will be required to fulfil specific duties for each of the project stages.

Pre- Contract – PCSA

- Carry out the pre-contract duties of the Project Manager and Quantity Surveyor noted within the appended scope of service.
- Manage the PCSA process such that the Contractor meets the objectives and therefore enters into the NEC contract at the appropriate juncture.
- Carry out the relevant Project Manager and Quantity Surveyor duties required by the Professional Team and the Pre-contract service agreement.
- Manage and Monitor Performance of the Contractor in accordance with the defined KPIs'
- Manage the change control process
- Undertake the administration duties of the PCSA
- Support the council in discharge of planning and funding conditions
- Attendance at all meetings required by the council in regard to the SIW

Contract Period - NEC4

- Carry out the contract duties of the Project Manager and Quantity Surveyor noted within the appended scope of service.
- Carry out the relevant Project Manager and Quantity Surveyor duties required by the Professional Team
- Carry out Project Management duties required by the NEC4 ECC any other duties required under the contract.
- Manage and Monitor Performance of the Contractor in accordance with the defined KPIs'
- Manage the change control process
- Undertake the administration duties of the Construction Contracts.
- Manage any compensation events and advise on damages
- Support the council in discharge of planning and funding conditions
- Attendance at all meetings required by the council in regard to the SIW

Post Contract

- Carry out the post contract duties of the Project Manager and Quantity Surveyor noted within the appended scope of service.
 - Carry out the relevant Project Manager and Quantity Surveyor duties required by the Professional Team
 - Manage and Monitor Performance of the Contractor in accordance with the defined KPIs'
 - Manage the collation of handover documentation
 - Manage the defects process and provide final sign off in conjunction with the retained design team.
 - Attendance at all meetings required by the council in regard to the SIW
-

23. To allow flexibility of scope of services due to the changing nature of wider strategic infrastructure delivery strategy and the HIF funding programme deadlines, the Council reserved the right to add further duties beyond the scope of services indicated above, including Project Management and Quantity Surveying services for other projects related to the wider Meridian

Water development, in accordance with the rates schedules. The bidders were asked to provide daily rates per service areas and by level of qualification. Framework Contract stipulates the right to inspect and examine any of the work being performed as part of the provision of the Services at any reasonable time.

Procurements Process

24. The Procurement and Commissioning Board agreed procurement through the Homes England Framework for Multidisciplinary Technical Services on 10/09/2019, as it offers a fast, efficient and OJEU compliant route, removing the need to undertake a costly and time-consuming full OJEU procurement process. Furthermore, the Homes England Framework was approved for use within the Council and offered the wide range of services required as well as a good list of suitable suppliers.

25. The Homes England framework requires all procurements to be run through the Homes England e-Tendering system. Given the fact that the estimated value of the scope of services exceeded the OJEU threshold, the procurement process was run as a three stage procurement process:

- 1.) Expression of Interest (determine interest)
- 2.) Sifting Brief (shortlist a maximum of 5 suppliers)
- 3.) Invitation to Further Competition (select successful supplier)

26. The outcomes of each evaluation stages are explained in Confidential Appendix.

Contract

27. See Confidential Appendix.

Cost and Funding

28. See Confidential Appendix

Main Considerations for the Council

29. Following award of the contract the newly procured project management and quantity surveying consultancy will work in collaboration with the Contractor to drive the delivery of the HIF Site Works under the contractual arrangements of the Contractors appointment and within the context of the Council's vision and objectives.

30. Given the funding deadline of March 2024 to deliver the HIF Site Works, it is key that the right project management and quantity surveying arrangements are in place to ensure the required level of experience and expertise to manage large infrastructure project to deliver the SIW. As timely delivery is of importance, the activities of the Project Management and Quantity Surveying Team should be persistently conducive to adequately resource and administer the project aimed at 'on time' and 'on budget' delivery of the works.

31. It is aimed to get the new Project Management and Quantity Surveying Team on board before the responsibilities of the current management come to an end in order to allow the new Project Management and Quantity Surveying Team to get up to speed.
32. The successful bidder demonstrated the required expertise and experience to deliver the tasks set out in this report. The procurement used the Home England Framework for Multidisciplinary Services to ensure quality and value for money.
33. As explained in Relevance to the Council's Corporate Plan, this appointment is instrumental to unlocking development that contributes to the Council's priorities.
34. There will be a corresponding decrease in STACE time charge fees once this appointment is in place (see Confidential Appendix).

Safeguarding Implications

35. The recommendations in this report do not have any safeguarding implications.

Public Health Implications

36. The appointment of a project management team and quantity surveying service in themselves do not have any significant public health implications.

Equalities Impact of the Proposal

37. Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.
38. Framework Contract stipulates that the consultant shall not, and shall take all reasonable steps to procure that no employee, servant or agent of the Consultant engaged in the provision of the Services shall, unlawfully discriminate within the meaning and scope of the provisions of the Sex Discrimination Act 1975, the Equality Act 2010 or the Human Rights Act 1998.

Environmental and Climate Change Considerations

39. Evaluation Criteria for this appointment did not include questions on Sustainability and Climate Change. However, it should be noted that the appointed Consultant will project manage SIW contractor. Evaluation Criteria for HIF contractor role does include questions on Sustainability and Climate Change (see KD 5181 report for details):
 - Bidders were required to set out the practical approaches they will take to deliver best practice standards of sustainability and help achieve the key environmental sustainability outcomes for Meridian Water: Carbon positive (beyond net zero carbon emissions), Climate resilient, Radical increase in biodiversity, Zero waste & circular economy by design.

- All Final Tenders were be required to confirm they are able to meet a minimum of CEEQUAL Very Good Rating (or equivalent).
40. On 24th March 2020, the Council's Planning Committee has reviewed the application for Strategic Infrastructure Works and recommended for approval subject to several conditions, noting that the development has regard to climate change and seek to address some of the key elements to delivering a sustainable development at Meridian Water by:
- Proposing a comprehensive strategy to address flood risk;
 - Improving connectivity and opportunities for active travel thus reducing reliance on the motor vehicle;
 - enhancing the biodiversity value of the site through the naturalisation of part of Pymmes Brook and the creation of two new parks;
 - provision of the necessary infrastructure to facilitate future connectivity to the decentralised energy network.

Risks that may arise if the proposed decision and related work is not taken

41. Delivery of strategic infrastructure and phase delivery at Meridian Water could fail or be delayed if project management and quantity surveying support needed is not secured in time.
42. Council's housing and employment objectives could be put at risk if infrastructure necessary to unlock development is not delivered in time.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

43. Housing Infrastructure Funding is not or only partially secured

MHCLG has announced that the bid for funding has been successful. However, the award of funds will be subject to negotiation of detailed terms and the satisfaction of various pre-contract conditions. The services included in this commission related to the HIF Site Works will initially be covered from the Meridian Water Capital Programme and ultimately refunded form the HIF funding.

Mitigation: If HIF funding is not or only partially secured, the Council will look to secure GLA funding, private funding and council funding to fund the SIW. None of the work undertaken as part of HIF delivery will be abortive and will contribute to strengthening the deliverability of scheme. In a case HIF funding agreement is not met for the project none of the work undertaken will be abortive.

44. The appointed team does not provide value for money

The successful bidder does not offer value for money.

Mitigation: The successful bidder is an established firm with extensive experience delivering the services required. The Council received three

tenders back and the successful bidder offered the economically most advantageous bid.

45. Financial security of the appointed bidder

Suppliers informed the Council that under Homes England Framework Agreement they are not obliged to provide a Parent Company Guarantee. This form of financial security is not appropriate for a consultant in this role.

Mitigation: All suppliers on the Home England Framework have undergone rigorous financial evaluation. Furthermore, as part of the IIT stage an assessment of economic and financial standing has been carried out to ensure suppliers are financially sound. It was agreed with the Acting Executive Director of Resources that Parent Company Guarantee was not required. Up to date financial records will be maintained on all Framework members. If insufficient information is available in the public domain Homes England's Customer Due Diligence team may be in touch to request additional information in order to get comfort of continued good standing. The Instructions for Tendering stipulate that The Council will continue to monitor the financial standing and stability of the tenderer. The Tenderer shall notify the Council of any circumstances that it considers will have a material impact on the financial standing of the Tenderer.

46. Discontinuity of Project Management and Quantity Surveying arrangements results in loss of valuable time and knowledge on the project

The Project Management and Quantity Surveying Team to be appointed through this procurement will need to build up knowledge of the project in order to efficiently and effectively carry out their responsibilities and the knowledge and expertise of the existing project management consultancy will be lost.

Mitigation: The Invitation to Tender for the Project Management and Quantity Surveying services included full details of the HIF Site Works Project. Furthermore, it is aimed to get the new Project Management and Quantity Surveying Team on board before the responsibilities of the current management come to an end in order to allow the new Project Management and Quantity Surveying Team to get up to speed.

Financial Implications

47. See Confidential Appendix.

Legal Implications

MD 16th July 2020 (based on report received on 15th July 2020 at 22:57)

48. The Council has the power under s.1(1) Localism Act (2011) to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. The

Council therefore has sufficient powers to enter into the contract as proposed in this report.

49. The Council must comply with all requirements of its Constitution (including its Procurement Procedure Rules) and the Public Contracts Regulations 2015 in respect of the procurement and award of contract for project management and quantity surveyor services. The Procurement Procedure Rules and Public Contracts Regulations 2015 permit the Council to call-off from an existing framework if the framework terms permit. The Homes England Framework permits local authorities to call-off from it and sets out the procedures for calling-off contracts. The resulting call-off contract must be based on the framework terms and the Council must ensure that it follows the rules of the Framework.
50. Notwithstanding the anticipated value of the contract and the requirements of the Procurement Procedure Rules, the Executive Director of Resources has agreed that the appointed contractor will not be required to provide security.
51. It is proposed that the contract fees will be funded by HIF grant funding to be made available by MHCLG. Although the Council's bid for HIF funding was successful, MHCLG and the Council are yet to enter into an agreement in respect of HIF funding. Any contract entered into, or any expenditure incurred by the Council prior to entry into the HIF grant agreement and prior to receiving formal confirmation that any preconditions to funding have been met, is at the Council's own risk. Any services provided after 31st March 2024 will not be recoverable out of the HIF grant funding. Unless otherwise agreed by MHCLG, the Council will be required to provide to MHCLG with a copy of the executed project management contract as well as a collateral warranty from the contractor in favour of MHCLG as a condition to funding.
52. Throughout the engagement of the contractor, the Council must comply with its obligations of obtaining best value as set out in the Local Government Act 1999.
53. All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance. Given the anticipated contract value, the contract must be sealed and retained by Legal Services for safekeeping.
54. The anticipated contract value exceeds £500,000. Therefore this is a Key Decision and the Council must comply with its Key Decision procedure.

Workforce Implications

55. Not applicable.

Property Implications

56. There are no property implications arising directly from this report however it is anticipated that there may be future Property Implications as each section of the works progresses. Any future reports arising as a result of these proposals will need to be further reviewed and when property transactions are included Strategic Property Services will comment on the individual deals.

Other Implications

Procurement Implications

provided by Samantha Rose on 03/07/2020

57. The tender was a call-off from the Homes England Multidisciplinary Framework 2018/S 127-289621. Due diligence was carried out by the Procurement and Commissioning Hub (P&C Hub) on the Council's ability to use the framework. Other frameworks were also considered but the Homes England Framework was chosen due to the length of the call off contract allowed under the framework and the range of suppliers. The tender process commenced with an Expression of Interest, followed by a Sifting Brief which was used to provide a shortlist of bidders. After the shortlist was complete, the project was mini-tendered to 3 providers in accordance with the guidelines provided by the Homes England who operate the framework. The tender returns were evaluated by members of the Meridian Water and Highways teams, a moderation meeting was held on 28 May 2020 where the scores and final comments were agreed. The P&C Hub were involved in the procurement and the process was carried out fairly and transparently.
58. The tendered rates were compared with the competitively tendered framework rates and were the same as the tendered framework rates.
59. The procurement was undertaken using the Homes England London Tenders Portal (ref DN434422).
60. A business case was presented to the Procurement & Commissioning Review Board on 10/09/2019 where the procurement route was reviewed and approved.
61. The award of the contract, including evidence of authority to procure and award promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the Enfield London Tenders Portal including future management of the contract.

Options Considered

62. Do nothing

Doing nothing would leave the Council without the support needed to for the delivery of strategic infrastructure and phase delivery at Meridian Water delaying provision of much needed affordable homes.

63. Re-tender

The Council received three valid tender responses, which demonstrated a good understanding of the Council's requirements and value for money. Retendering the scope of services is unlikely to lead to better tender responses. Retendering would lead to a delay of the timings of the project, leaving the Council without the support needed for the delivery of strategic infrastructure and phase delivery at Meridian Water.

Conclusions

64. Strategic Infrastructure Works (SIW) are required in the early stages of the programme to unlock further development Meridian Water scheme. The proposal will enable housing development, boost local economy and employment, and contribute to health and wellbeing of local communities.
65. It is key that the right project management and quantity surveying arrangements are in place to ensure the required level of experience and expertise to manage large infrastructure project to deliver the SIW.
66. Procurement approach has been approved and rigorous evaluation of bidders was undertaken to ensure best value for the Council. It is therefore recommended to appoint the successful bidder as to enable future development at Meridian Water.

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13.07.2020

Appendices

- Appendix 1 – Confidential Appendix

Background Papers

The following documents have been relied on in the preparation of this report:

- KD 4469
- KD 4711
- KD 5181

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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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