



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. MERIDIAN 4 - APPOINTMENT OF PROJECT MANAGEMENT SERVICES**
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London Borough of Enfield**Operational Report**

Subject: Meridian Four - The Appointment of Project Management Services for the delivery of Meridian Four at Meridian Water Via Homes England (HE) Multidisciplinary Framework 2018/S 127-289621

Executive Director: Sarah Cary

Ward: Upper Edmonton

Key Decision: 5261

Purpose of Report

1. Meridian Four - Approval to award the Project Management Services for the delivery of Meridian Four.

Proposal(s)

2. Approve the appointment of Bidder A to provide project management services for the delivery of Meridian Four through the HE Multidisciplinary Framework for RIBA Stages 0-3, with further budget approval required to continue the contract for RIBA Stages 4-6.
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. Meridian Four is the fourth development opportunity within the 85-hectare Meridian Water site, located in the northern half of the Phase 2 Outline Planning Permission (OPP) area.
6. In 2021, the Council will launch the design for the Reserved Matters application and proceed with directly delivering Meridian Four as a mixed use scheme comprising new Build to Rent, Affordable and a small proportion of market homes along with commercial and community space.
7. The Council will lead the design and project management and will be required to appoint a high-quality professional team to reduce related design and construction risk and provide confidence to the incoming investor who are forward funding the scheme. Authorising the expenditure

of the budget at this stage and delegating the appointments of the professional team enables the Council to commence the preparation of the Reserved Matters Planning Application for Meridian Four in March 2021.

Relevance to the Council's Corporate Plan

8. Meridian Water is a key component in contributing to the vision, aims and priorities of the Council's Corporate Plan.
9. **Good Homes in well-connected neighbourhoods:** Meridian Water will contribute to the Council continuing its pioneering approach to regeneration to create thriving, affordable neighbourhoods and places, and increasing the supply of affordable, quality housing options for ownership, social rent and private rent. Meridian Four will contribute to this goal through the delivery of circa 806 new homes.
10. **Safe, healthy and confident communities:** Meridian Four will contribute towards the overall strategy for Meridian Water which aims to deliver on the Council's aims to improve public health and people's well-being. Along with new homes Meridian Four will deliver community and social infrastructure; new amenity spaces and open up access to the canal side.
11. **An economy that works for everyone:** Meridian Four will deliver new ground floor commercial premises, workspace. Through the appointment of the Meridian Water Design Team a number of Social Value outcomes will also be achieved, including educational programme and training opportunities.

Background

12. Meridian Four comprises the following development plots, as below, with indicative numbers of residential units per plot based on the illustrative OPP scheme:
 - Z04-01: 152 units
 - Z04-05: 121 units
 - Z05-04: 199 units
 - Z05-06: 208 units
 - Z05-07: 126 units
 - Total: 806 units

Figure 1: Plan of Meridian Four Development Plots



13. In September 2020 (report KD5174), Cabinet approved direct delivery of Meridian Four. Cabinet also authorised the procurement of the professional team and delegated authority to the Programme Director – Meridian Water, acting in accordance with all relevant procedures and protocols, to authorise and enter into the individual contract appointments.

Scope of Services

14. The Project Management Team will represent the Employer to fulfil the Employer's obligations throughout all the stages of the project from inception to handover across the RIBA Plan of Work 2020. The Council will have an option to novate Design Team members to the Main Contractor(s) or retain Design Team members client side to act as a Design Guardian.

Procurement Process

15. On the 18 of February 2021, Programme Director - Meridian Water approved the procurement of the project management services for the delivery of Meridian Four through the Homes England (HE) framework.
16. The HE framework requires all procurements to be run through their e-Tendering system. Given 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 suppliers)
- 3) Invitation to Further Competition (select successful supplier)
17. In total twelve framework suppliers expressed an interest in the opportunity to tender for the project manager services. All suppliers that expressed an interest were invited to submit a sifting brief response and a total of nine suppliers provided a submission.
18. Six of the nine suppliers were shortlisted following the Sifting Brief responses, two suppliers had the same score. Three of the suppliers declined to tender during the tender period, one of them due to the inability to submit a quality tender and another due to not being able to meet the timescales required. Three suppliers provided valid ITT submissions.
19. The tenders submitted in response to the Council's ITT were evaluated against price (30%) and quality (70%) criteria to establish the most economically advantageous tender. Seven Council officers evaluated including officers specialising in social value and sustainability scoring the ITT responses in accordance with the evaluation criteria and the scores were moderated by the Council's Procurement Team.
20. The outcomes of each evaluation stages are explained in Confidential Appendix.

Main Considerations for the Council

Delivering Meridian Four as Master Developer

21. In September 2020 (report KD5174), Cabinet approved direct delivery of Meridian Four. As Master Developer the Council will lead the design and the delivery of the scheme. The Meridian Water Delivery Director, has oversight of the delivery of the project with day to day management being led by the Senior Development Manager supported by other members of the Meridian Water project team (viability; social value; sustainability; design). As the project runs a "lean client" team it is necessary to procure a full Design Team, including Project Management services in order to ensure the timely delivery of the project and secure the delivery of first units in 2026.
22. Of importance to the successful delivery of the project is the selection of a Project Management team who not only understand the role of the Master Development but also the sensitivities of the Council undertaking this role. Part of the selection of the successful bidder has been the consideration of their previous experience of delivering projects for other local authorities and public bodies and demonstrating that they are fully conversant with the governance process to which the project will be subject. Bidder A has demonstrated that they understand the governance process to which the Meridian Four project will be subject and have managed projects operating under similar controls successfully for other local authorities.
23. The Project Manager will act as lead consultant for the delivery of Meridian Four, as such it has been imperative to select a team with a demonstrated

track record in leading multi-disciplinary teams including Architect; Principal Designer; BIM coordinator; Landscape Architect; Quantity Surveyors; Viability Consultants; Civil and Structural engineers; Mechanical and Electrical engineers; Highways and Town Planners.

24. Bidder A has demonstrated that they have a track record in managing multidisciplinary teams on schemes of the scale and complexity of Meridian Four. In particular, they demonstrated they have the understanding and expertise to deliver Build to Rent schemes and a market leading understanding of Modern Methods of Construction.
25. The Project Manager will be responsible for leading the RIBA workstreams. RIBA Stages 0-1 Preparation and Brief will require the Project Manager to lead the Design Team in a review of the existing project information (including the details of the Phase Two Outline Planning Application; Strategic Infrastructure Works) and set the Brief for the project including setting the Cost Budget. RIBA Stage 2 Concept Design requires the Project Manager to lead the Design Team in testing options for scheme design with due consideration of matters such as building efficiency; structural engineer design; sustainability measures etc. During RIBA Stage 3, the Project Manager will lead the development of the Detailed Design which will be taken forward through the planning system. As well as coordinating with the Design Team the Project Manager will lead stakeholder engagement including discussions with bodies such as the Environment Agency; Planning Authority; Highways Authority. During Stages 0-3 the project will be monitored and tested against budget to ensure that the scheme remains viable and deliverable.
26. Within their submission Bidder A has demonstrated that they have the relevant experience to successfully coordinate a project of this scale and complexity through all of the RIBA work stages including contractor procurement and delivery.
27. As previously described Meridian Four is a complex development project. It is also proposed to consider the delivery of the scheme using Modern Methods of Construction (MMC) (as advocated by the Ministry of Housing; Communities and Local Government). The bidding process has focused on identifying a Project Management team with a demonstrated track record in delivering equivalent schemes. Bidder A has addressed the requirements of Meridian Four by bringing together a consortium team. Their team comprises Build to Rent specialists; Affordable Housing specialist and a team who are regarded as industry leads in the consideration of MMC. Having these specialisms delivered through Bidder A's consortium team, is of benefit to the project reducing further consultancy services that otherwise would have needed to be procured.
28. The Project Manager is also required to lead on the production of a Procurement Strategy, which is to be approved by the Meridian Water Programme Director and lead with the appointed Quantity Surveyor the procurement of main contractor(s) for Meridian Four. The procurement process confirmed that Bidder A has experience in the developing

procurement strategies and is conversant in the risks and opportunities presented by differing approaches.

29. Bidder A has been subject to a rigorous evaluation process considering their ability to deliver Meridian Four taking into account the different technical considerations as set out above and it is the view of the panel of moderators and the Delivery Director that Bidder A should be appointed to provide Project Management services.

Benefits to all Meridian Water and LBE Projects

30. There is great importance in putting together a highly skilled design team to deliver the Meridian Four project as the Council are leading the project as Master Development. The appointment of the Project Manager is the lead role within the team and key to successful delivery. In the selection of Bidder A it is considered that the correct team has been selected not only to develop the Council's experience and understanding in the delivery of Build to Rent tenure but also in exploring the opportunities of utilising Modern Methods of Construction.
31. The intention will be to share the learnings of Meridian Four on future phases of the Meridian Water development project. The greater understanding of best practice; procurement; innovation and how the industry is responding to changing legislation can be shared by updates in the Phase Delivery Board on Meridian Water and the Sustainable Buildings Board of LBE.

Benefits to Council Residents

32. Bringing on board Bidder A as skilled Project Managers will be of direct benefit to the delivery of Meridian Four. They will bring skills and understanding acquire from other projects delivered in both the commercial and the private sector enabling the project to be delivered on time and on budget.
33. A key driver for the project is the delivery of new homes within the borough. Appointing an external design team, in particular Project Management services will enable this delivery. It would not have been feasible to deliver a scheme of this scale through a team of Council staff due to the range of technical skills required.

Contract

34. See Confidential Appendix.

Costing and Funding

35. Each of the bidders as part of the Tender Evaluation was asked to provide a breakdown of costs on the basis of the average number of days per week in staff time and the total number of days for each of the RIBA stages against an illustrative programme which was provided for Meridian

Four. This was further refined by the information being provided on a block basis.

36. Day rates for each team member were provided to generate a provisional sum for the services.
37. Bidder A's proposal conclusion. – reference to Confidential Part 2.

Safeguarding Implications

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

Public Health Implications

39. The appointment of a project management service does not have any public health implications.
40. Climate change has been described as the greatest threat to public health in the 21st Century. With that in mind, Meridian Water is committed to zero-carbon construction, renewable and sustainable resources and to generate more energy than it uses. This is in line with Enfield Council's pledge to become a carbon neutral local authority by 2030. The appointment of a project management service will not affect environmental impact, and merely assist in delivering the development.

Equalities Impact of the Proposal

41. The Council has a duty to promote equality, diversity and inclusion, and it recognises the issue of diversity specifically within the construction sector.
42. The bidders' approach to Equality, Diversity and Inclusion has been assessed as part of the tender process. Within their submissions bidders were asked the following questions:
 - a. Please set out how you will support and create new opportunities for underrepresented and marginalised groups as part of the Meridian Four project.
 - b. Please set out your organisations approach to improving equality, diversity and inclusion in the workplace.
43. The tenders submitted in response to the Council's ITT were evaluated against price (30%) and quality (70%). Of the quality score 5% of the score was attributed to Equality, Diversity and Inclusion.
44. Bidders were asked also to complete Equality and Diversity monitoring forms to be submitted as part of their tender response, albeit the information included within the forms was not assessed.
45. An Equalities Impact Assessment (EQIA) by Ottaway Strategic Management Ltd was commissioned by the Council to consider the

impacts of the Meridian Water (Strategic Infrastructure Works) Compulsory Purchase Order. The EQIA concluded that there are no direct negative equality impacts identified against any of the protected characteristics. However, there are some groups with protected characteristics who are likely to experience proportionately higher consequences of the regeneration of Meridian Water and these are:

- a. White other staff, including Eastern European, Turkish and Greek;
 - b. BAME Staff;
 - c. Women in properties in third party ownership; and
 - d. Older members of the workforce potentially less able to re-engage in the labour market if their jobs are lost to the relocation programme.
46. The EQIA proposed several mitigation measures to address these indirect impacts which the Council intends to implement including the implementation of effective equalities monitoring by the Council and development and construction partners. The EQIA also acknowledges significant potential positive impacts of the regeneration of Meridian Water (including for example, new homes, social infrastructure and employment growth) and that these benefits will likely impact on all the aforesaid groups having protected characteristics.
47. An EQIA was also prepared by the Council's Strategic Planning Team to support the ELAAP submission. The planning application for Phase 2 was also subject to an EQIA. The Phase 2 application was accompanied by a socio-economic analysis as part of the Environmental Statement. No substantive negative impacts to persons or groups with protected characteristics were identified.

Environmental and Climate Change Considerations

48. The Council has a goal to become carbon neutral by 2030 and in July 2018 the Cabinet declared a climate emergency. Meridian Water must seek to use zero-carbon construction, renewable and sustainable resources, generate more energy than it uses, foster active travel and support low-carbon communities.
49. Whilst the appointment of Project Management services does not have any direct environmental and climate change considerations the tender process sought to evaluate whether the bidders' corporate values in supporting such considerations were aligned with the Council's corporate values.
50. Bidder A's submission reflects their business as a Consultancy and whilst they may not have made any declaration of climate emergency that their company is committed to they are able to demonstrate that they have been active in supporting their clients (including other local authorities) in reducing carbon consumptions within their development projects.

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

51. The appointment of an experienced and capable project manager consultancy will reduce the risk to the Council of non-delivery, cost exposure, reputation in the market and poor agreements with partners. Not appointing the project manager consultancy will increase these risks.

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

52. The key risk in appointing Project Management Services is that the Consultant does not deliver the services required by the contract to a suitable standard; within the project timelines and on budget.
53. Working with the Finance Team, the Meridian Water Senior Development Manager will monitor the Project Management Services contract closely.
54. The services will be reviewed on a monthly basis included fees spent and work delivered against programme. At the end of each RIBA work stage the Project Manager will be required to provide a RIBA Stage Report which in accordance with the contract will be reviewed and approved by the Council before instruction to proceed with the next work stage is given.

Financial Implications

55. In September 2020 (report KD5174), Cabinet approved direct delivery of Meridian Four. The report approved the procurement of the Design Team for RIBA Stages 0-3, with further budget approval required to continue the contract for RIBA Stages 4-6. The appointment of Bidder A falls within the scope of the Cabinet approved decision.
56. The financial implications are considered in detail in the confidential appendix. It is considered that the appointment represents value for money for the Council for the services tendered and the financial standing of the company has been verified to protect the Council from potential risk.

Legal Implications (MD 17th March 2020)

57. 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.
58. The Council must comply with all requirements of its Constitution (including its Contract Procedure Rules) and the Public Contracts Regulations 2015 in respect of the procurement and award of contract for project management services. The Contract 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 is based on the framework terms and the Council has followed the rules of the Framework.

59. Full details of the contract terms are set out in the Confidential Appendix. Given the value of the proposed contract, the appointed contractor will be required to provide security in the form of a parent company guarantee. Collateral Warranties between the Council and the contractor and key subcontractors will be provided. The levels of insurance to be maintained by the contractor are also set out in the Confidential Appendix. The contract requires the Council's approval to proceed to each phase of services and further budget will need to be allocated before any instruction to proceed beyond RIBA Stage 3.
60. 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. Given the anticipated contract value, the contract must be sealed and retained by Legal Services for safekeeping
61. 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

62. The appointment of Bidder A will bring benefits to the local community. For each year of the appointment as required under the contract the bidder will be offering two work experience placements of a minimum duration paid in accordance with the London Living Wage.
63. In addition, the bidder has offered as part of its measures to create new opportunities for underrepresented and marginalised groups to appoint a Document Controller who is resident in the borough and an assistant project manager.

Property

64. There are no property implications arising directly from this report.

Other Implications

Procurement Implications

Provided by Samantha Rose on 04/03/2021

65. The tender was a call-off from the Homes England Multidisciplinary Framework 2018/S 127-289621. Due diligence was carried out by Procurement Services 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 and quality 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. Following the sifting brief evaluation, there were 2 bidders with the same score in fifth place, therefore 6 bidders were invited to tender in accordance with the

guidelines provided by the Homes England who operate the framework. Three tenders were returned and were evaluated by members of the Meridian Water Team, moderation meetings were held on 28 January 2021 and 1 February 2021 where the scores and final comments were agreed.

66. Procurement Services were involved in the procurement and the process was carried out fairly and transparently.
67. The procurement was undertaken using the Homes England London Tenders Portal ref DN506311.
68. The award of the contract, including evidence of authority to procure and the uploading of executed contracts must be undertaken on the Enfield London Tenders Portal including future management of the contract. The award will be promoted to the Councils Contract Register.
69. The awarded contract must be published on Contracts Finder to comply with the Government's transparency requirements.
70. As the contract is over £1M the supplier must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of Councils Contract Procedure Rules.
71. All contracts over £100,000 must have a nominated contract manager in the London Tenders Portal. Contracts over £500,000 must show evidence of contract management of KPI's to ensure VFM throughout the lifetime of the contract.

Options Considered

72. It is considered that the option to appoint an internal Project Management team to lead and deliver Meridian Four is not cost effective or feasible to the Council.

Conclusions

73. It is considered that appointment of Bidder A has been robustly assessed with due regard to their technical competency and with due regard to ensuring that the Council obtains best value from their services.
74. It is considered that their appointment enables the successful and timely delivery of the Meridian Four project and should be authorised.

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Date of report 23rd March 2021

Appendices

n/a

Background Papers

None

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

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