



ADVANCE 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 ONE - THE APPOINTMENT OF PROJECT MANAGEMENT AND QUANTITY SURVEYING SERVICES FOR THE DELIVERY OF MERIDIAN ONE AT MERIDIAN WATER VIA MATRIX MM FRAMEWORK (Pages 1 - 22)**

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London Borough of Enfield**Operational Report****Report of** **Director of Development**

Subject: **Meridian One - The Appointment of Project Management and Quantity Surveying Services for the delivery of Meridian One at Meridian Water Via Matrix MM Framework****Executive Director: Joanne Drew (Acting)****Ward** **Upper Edmonton****Key Decision:** **KD 5522**

Purpose of Report

1. Meridian One – Approval to award the Employer’s Agent/Project Manager and Quantity Surveying services for the delivery of Meridian One.

Proposal(s)

2. Approve the appointment of Stace LLP to provide Employer’s Agent/Project Manager and Quantity Surveying services for the delivery of Meridian One through the Matrix MM Framework from September 2022 to May 2028. This timeframe builds in contingency for programme elongation in respect to Meridian 1B which is currently going through the planning process and allows for the services required during the Defects Liability Period.
3. Authorise expenditure for the initial phase of the scope of services and contingency costs set out within the body of this report.
4. Note the budget and funding sources for the expenditure (see Confidential Appendix).

Reason for Proposal(s)

5. There is a need for a Project Manager and Quantity Surveyor role to ensure delivery of several areas of estate and green space as well as 977 homes and 2235 sqm commercial space with a construction value of circa £200m subject to the grant of planning permission.
6. Quality control inspections included in the scope of services will ensure that LBE’s objectives of a high-quality project delivery will be met. This will result in minimising the number of defects in both the Council Homes and commercial units, as well as the ability to maximise rental income on the commercial units.

7. The programme management included in the scope of services will ensure that construction programmes are met, securing the prompt delivery of Council Homes and Commercial Assets. This both has reputational and financial benefits.
8. The cost management services included in the scope will ensure that value for money is secured and forecast costs are managed and payments under contract certified.

Relevance to the Council's Plan

9. Meridian Water is a key component in contributing to the vision, aims and priorities of the Council's Corporate Plan.
10. **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 One will contribute to this goal through the delivery of circa 977 new homes.
11. **Safe, healthy and confident communities:** Meridian One 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 One will deliver community and social infrastructure; new amenity spaces and parks.
12. **An economy that works for everyone:** Meridian One will deliver new ground floor commercial premises, workspace. Several social value outcomes will also be achieved, including educational programme and training opportunities at the Construction Skills Academy.

Background

13. Stace have been appointed on various projects and workstreams to support the delivery of Meridian Water, including Meridian One. Stace's appointments were direct appointments through the Matrix MM Framework and have been managed and historically administered by the Council's Corporate Maintenance and Construction Team.

Main Considerations for the Council

14. The procurement is a direct award through the Matrix MM framework. The Council procurement rules allow for framework call offs and Matrix MM is recognised as a compliant procurement route.
15. Stace hold the requisite insurance levels for a project of this scale. These are:
 - Public Liability £10,000,000
 - Employers Liability £5,000,000

- Professional Indemnity £10,000,000 for any one claim (each and every claim) defence costs in addition, but 1,000,000 in the aggregate in respect of fire safety & cladding claims.
- Stace have also provided a collateral warranty for their services which has been accepted by LBE's Legal team.

Scope of Services for this contract

16. The Project Management/ Employer's Agent role outlined in Appendix One will cover an advisory role to the Council in relation to contractual matters and change requests, quality control and inspection of council retained assets, monitoring of Developer's progress in terms of procurement and construction, snagging council assets, implementation of the handover strategy and assistance with the resolution of Defects in the liability period.
17. The Quantity Surveyor's role also outlined in Appendix One, focuses on reviewing and providing comment on cost data during post contract stages and the review of Developer draw down applications through interim valuations.
18. These services are required up until the end of the Defects Liability Period (12 months post Practical Completion) of the last Council retained asset.

Safeguarding Implications

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

Public Health Implications

20. The appointment of a project management service does not have any public health implications.
21. 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

22. The Council has a duty to promote equality, diversity, and inclusion, and it recognises the issue of diversity specifically within the construction sector.
23. Stace's approach to Equality, Diversity and Inclusion has been considered. Stace support and create new opportunities for underrepresented and marginalised groups. As part of its Next Gen Programme, six students from disadvantaged backgrounds have been provided with the opportunity to work at the London Living Wage for two weeks. All students who took part in the most recent programme said they were now considering a career in

construction. Stace have taken on a local student for a number of weeks to work alongside the Meridian Water team.

24. Stace have a dedicated Diversity & Inclusion Group which have implemented a range of initiatives including increasing female representation within the business at senior management levels and from within the industry through school presentations and STEM awareness. As well as a reverse mentoring scheme, unconscious bias training and blind recruitment.
25. 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.
26. 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.

Environmental and Climate Change Considerations

27. 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.
28. Whilst the appointment of a Project Manager and Quantity Surveyor services does not have any direct environmental and climate change impact, Stace's approach has been considered. Stace have commenced the calculation of their carbon footprint using the Greenhouse Gas Protocol and have implemented a process to measure and monitor the reduction of this. Stace operate an ISO:14001 accredited Quality Management System and Environmental Policy.

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

29. Without these professional services there is a risk that LBE's objectives of seamless high-quality project delivery will not be met.
Without programme management construction programmes may not be met.
Without detailed cost management expected expenditure could escalate.
Without quality control inspections, LBE may be left with assets that are defective and fail to meet the high-quality standards expected.

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

30. The key risk in appointing Project Management and Quantity Surveying Services is that the Consultant does not deliver the services required by the contract as per the agreed scope to a suitable standard; within the project timelines and to budget.
31. Working with the Finance Team, the Meridian Water Senior Development Manager will manage and monitor performance of this contract on a monthly basis. The KPIs for the contract are set on the basis of the agreed scope of service.
32. Service spend will be monitored monthly.

Financial Implications

33. In October 2019 (report KD4469), Cabinet approved Meridian Water: Financial Model and 10 Year Budget. The report approved Delivery Monitoring fees for Meridian One. The appointment of Stace falls within the scope of the 10 Year Budget.
34. 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

35. Melanie Dawson 8th August 2022
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. The Council therefore has sufficient powers to enter into the contract as described in this report.

When awarding the contract proposed in this report the Council must comply with its contract procedure rules and the Public Contracts Regulations 2015, both of which permit direct awards off frameworks provided the framework terms permit. The Matrix MM Framework permits direct awards.

The Council must ensure value for money when awarding contracts. Benchmarking information is set out in the Confidential Appendix. In addition officers must ensure that robust contract management is undertaken

including ensuring that the scope of services to be undertaken is clearly defined and key performance indicators are in place and monitored throughout the term of the contract. A contract manager must be appointed.

The proposed contract must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and governance. The contract will need to include provision for the contractor to take out and maintain insurance appropriate to the scope and value of the contract (advice from the Insurance team should be sought in this regard) as well as provision for collateral warranties in favour of the Council and (where necessary) other interested parties from the contractor and any subcontractor engaged on the contractor's behalf. Given the value of the contract officers should consider whether it would be appropriate to obtain security for performance from the contractor. 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. The contract must be executed under seal.

Workforce Implications

36. The appointment of Stace will bring benefits to the local community. In 2022 Stace appointed an Edmonton based student into a paid work experience role. The internship provides experience working on Meridian One, given first hand on-the-job learning and support. Local schools and communities will be engaged when further opportunities will be available on Meridian One. Stace have several apprentices working across the multidisciplinary service divisions.

Property Implications

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

Procurement Implications

38. Samantha Rose 06th September 2022
When awarding the contract proposed in this report the Council must comply with its contract procedure rules and the Public Contracts Regulations 2015, both of which permit direct awards off frameworks provided the framework terms permit. The Matrix MM Framework permits direct awards.
39. In accordance with the CPRs, sufficient security from the Supplier must be considered to manage risk. Evidence of the form of security required, or why no security was required, must be retained for audit purposes.
40. A contract of this size must have a proper contract management schedule and measurable KPI's. This is to ensure that the contract is delivered and value for money is maintained.
41. In accordance with the Councils CPR's the service must ensure that a Contract Manager is nominated and allocated to the procurement and that the monitoring requirements are adhered to.

Options Considered

42. It is considered that the option of appointing an internal team to provide these services is not currently feasible as LBE do not have the internal skill set to carry out these services and the roles are not required on a full-time basis for these projects.
43. It is also not deemed feasible for the Council to undertake these services as it does not have the requisite Professional Indemnity Insurance which would cover LBE if there are any serious issues relating to the work undertaken.
44. Procuring work from a fresh tender was also considered, this option was rejected for a few reasons. Namely, fee comparisons for the services required are already available to LBE through a range of frameworks. Running a full tender is resource intensive and there would be a loss of valuable knowledge from a consultant that has been involved in the project for numerous years.

Conclusions

45. It is considered that appointment of Stace 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.
46. Direct appointment through Matrix MM is the recommended option for the following reasons:
- I) Meridian One Officers are satisfied with the quality of service currently provided by Stace.
 - II) The actual fees invoiced to date have consistently been below forecasted fee projections.
 - III) Stace have in-depth longstanding the knowledge on the Meridian One and across wider project Meridian One workstreams.
 - IV) Officers are confident that the day rates and targeted percentage fees provided by Stace offer value for money.

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Appendices

Appendix One - Stace Scope of Service

Background Papers

n/a

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

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