

## MUNICIPAL YEAR 2015/2016 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### PORTFOLIO DECISION OF:

Cabinet Member for Economic Regeneration  
and Business Development

### REPORT OF:

Director – Regeneration &  
Environment

<b>Agenda – Part: 1</b>	<b>KD Num: 3931</b>
<b>Subject:</b> Meridian Water Regeneration Strategy	
<b>Wards:</b> Upper Edmonton and Edmonton Green	

Contact officer and telephone number: Matt Davies, 020 8379 8521

E mail: [matt.davies@enfield.gov.uk](mailto:matt.davies@enfield.gov.uk)

#### 1. EXECUTIVE SUMMARY

- 1.1. The Neighbourhood Regeneration team is seeking suitable professional support to develop a regeneration strategy for Meridian Water.
- 1.2. Methods Advisory has been selected as a preferred supplier, chosen through the Consultancy One procurement framework. The primary reason for their success was the quality of their approach to addressing wider socio-economic issues that are inherent to this piece of work.
- 1.3. A Part 2 report sets out additional detail around the selection process and the fees associated with the work.
- 1.4. This report recommends appointment of Methods Advisory to deliver a regeneration strategy for Meridian Water.

#### 2. RECOMMENDATIONS

It is recommended that the Cabinet Member for Economic Regeneration and Business Development:

- 2.1. authorises the appointment of Methods Advisory to develop a Regeneration Strategy for Meridian Water.
- 2.2. approves a contract in accordance with the specification set out in the equivalent Part 2 report.

### 3. BACKGROUND

- 3.2 The Council has learnt the lessons of what has worked elsewhere on schemes of this scale. It was considered to be an essential part of the wider Meridian Water project to develop a regeneration strategy - principally working closely with the local community, securing social value and developing high quality successful places by reflecting socio-economic priorities in the vision and design.
- 3.3 Therefore, the LBE Neighbourhood Regeneration team has sought suitable professional support to develop a regeneration strategy for Meridian Water. The team wants to ensure that Meridian Water is delivering the optimum combination of economic conditions, social cohesiveness, environmental resilience and quality of built environment. Importantly this strategy will be both an aspirational vision for Meridian Water, as well as a practical tool to ensure it is delivered.
- 3.4 A strategic approach to regeneration at Meridian Water – as manifested through the development of a regeneration strategy - is part of the broader evolution of the Neighbourhood Regeneration team to reflect the needs of the project. Specifically, these include workstreams that cover land acquisition, land remediation, infrastructure and design. There will be close correlation between the regeneration strategy and all of these service areas, in particular design, as it will be informing socio-economic priorities to be reflected physically.
- 3.5 The team used the Consultancy One Framework, via the London Portals web portal, to secure a suitable partner. This route offered the benefits of liaising with the wider market, whilst also a degree of vetting to ensure that bidders were suitably qualified and financially sound.
- 3.6 The procurement exercise sought responses that covered bidders' approaches to, and experience of, undertaking similar work to that proposed. Four detailed responses were received from the market and evaluated according to pre-defined criteria - summarised as 70% quality and 30% price. Scores are summarised below.

Bidder	Quality (70% max)	Price (30% max)	Overall
Methods Advisory	54%	23%	<b>77%</b>
Bidder B	44%	30%	<b>74%</b>
Bidder C	41%	21%	<b>62%</b>
Bidder D	32%	11%	<b>43%</b>

- 3.7 To inform the development of a regeneration strategy, the LBE Neighbourhood Regeneration team has started a period of engagement with the local community in Upper Edmonton and across Enfield to understand issues and priorities. This is being delivered through a series of workshops and drop in sessions through summer 2015.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

A number of procurement options were considered.

- 4.1 Do nothing. It was decided that a regeneration strategy was necessary to ensure that the development is integrated with existing communities, and that the opportunities that emerge through it were shared amongst local communities. Local socio-economic priorities should also be reflected in the design of the project – at both macro and micro levels – and a regeneration strategy was considered to be the key vehicle through which this would happen.
- 4.2 Develop in-house. The next option was to develop the strategy in-house using Council resources. This was deemed unviable given the extent of resources necessary and the level of specialist knowledge and expertise needed to undertake the work to the required standard.
- 4.3 Single supplier. The option to bypass procurement and seek a single partner through a single quote was disregarded as the value of contract warranted speaking to the market.
- 4.4 The Council has a strategic procurement board that offers a route to securing competitive quotes. Generally delivered through London Tenders, this option offers an opportunity to develop a bespoke procurement process. This was considered more resource intensive than using the Consultancy One Framework.
- 4.5 Having gone through this procurement process, the final alternative option(s) considered related to the alternative bidders. Methods Advisory was selected as the preferred provider using the above mentioned criteria. The primary reason for their success was the quality of their approach to addressing wider socio-economic issues.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Methods Advisory's proposal provided the best mix of quality and price for the work as specified. Through procurement they provided a robust account of their approach to developing a regeneration strategy, and subsequently followed this up with a robust methodology for the actual work required for the Meridian Water context.
- 5.2 The form of contract (fixed, optional and call-off) reflects the nature of the work required, especially the unknown elements of the work as it develops over time.

5.3 The accompanying Part 2 report provides further detail on the selection procedure and the commercially sensitive contractual detail with Methods Advisory.

**6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

**6.1. Financial Implications**

See Part 2 report

**6.2 Legal Implications**

6.2.1 The Council has the general power of competence under section 1(1) of the localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of this power to appoint regeneration consultants.

6.2.2 The Council is entitled to use any appropriately procured framework in order to call-off services, and must comply with the terms of the framework in doing so. Any framework used by the Council should be approved by Council procurement advisors.

6.2.3 The final call-off contract must be based on the form of call-off set out in the relevant framework, and the framework agreement should be in a form approved by the Assistant Director of Legal Services.

[As the value of the proposed contract is £250k or above the Council must comply with Key Decision Procedure.]

**6.3 Property Implications**

There are no property implications associated with this decision.

**7. KEY RISKS**

Risk	Likelihood (out of 5)	Impact (out of 5)	Mitigation
Competing on regional and national priorities/indifference.	4	5	Regen Strategy to be robust and thorough and communicated to key collaborators.
Lack of buy-in from Council/Developer.	3	4	Engage throughout process. Strong emphasis on evidence.

Risk	Likelihood (out of 5)	Impact (out of 5)	Mitigation
Regeneration strategy not embedded in delivery.	2	3	Team, and strategy, embedded across the programme supporting other workstreams.
Lack of evidence.	3	3	Flexible programme. Contingency budget.
Low level of community engagement.	4	2	Council-led programme, well marketed and suitable for various audiences.
Tight timeframe.	4	4	Consultants aware of key dates and will gear their work to this deadline.
Strategy lacks weight.	3	5	Priority task to develop delivery options that address this issue.  Flexible methodology and budget.

## 8. IMPACT ON COUNCIL PRIORITIES

### 8.1. Fairness for All

Meridian Water aims to provide fairness for all in terms of accessing opportunities – directly and indirectly. This regeneration strategy is the key element of this scheme to ensuring that these ideals are delivered.

### 8.2. Growth and Sustainability

8.2.1 Meridian Water will be providing 8,000+ new homes and 3,000 new jobs once completed. They reflect the planned, and necessary, growth of the borough, in both numbers of residents and businesses (number and type). It is also expected that the surrounding communities will see growth in the area through value, opportunity and appearance.

8.2.2 Sustainability is at the heart of Meridian Water, and the regeneration strategy is one of the principle vehicles through which this will be delivered. Economic, social and environmental issues are explicitly addressed through the aims of the regeneration strategy brief.

### **8.3 Strong Communities**

- 8.3.1 Meridian Water will be a new community. The Council, with its partners, has an opportunity to ensure this is *strong* in every sense of the word. It will diversify the borough's population (by attracting in people from elsewhere) and we want to them to be proud to be part of Enfield and Meridian Water.
- 8.3.2 Meridian Water is also an opportunity to integrate the new community with the existing residents and businesses of Upper Edmonton and the surrounding areas. Integrating socially, physically, economically and environmentally is a vital part of what Meridian Water needs to deliver, and this is an explicit aim of what the regeneration strategy will address.
- 8.3.3 The regeneration strategy is the principle vehicle through which these ideals will be realised.

### **9. EQUALITY IMPACT IMPLICATIONS**

An equality impact assessment/analysis has not been undertaken for this work because it was not considered necessary. Equality will however form an important part of the regeneration strategy – offering as it should equality of opportunity for all to benefit from the project in different ways.

### **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 10.1 Meridian Water has been identified as a Council priority growth area and project, as enshrined in the Upper Lea Valley Opportunity Area Framework, the Council's own Core Strategy, Meridian Water's own Masterplan and the emerging Central Leaside AAP. The regeneration strategy has been identified as a core activity to support the development of Meridian Water at this stage.
- 10.2 Meridian Water is a political priority and contributes significantly to the Council's target of developing new homes to meet London's shortage.
- 10.3 Funding and resource has been sought and secured from a variety of sources, including the Council's own capital budget, the GLA, Network Rail, TfL and the European Investment Bank. Additional finance will be provided by the Master Developer once secured in early 2016. The regeneration strategy is part of the jigsaw that will ensure Meridian Water delivers on its myriad of aims and meets the strategic objectives of these funders.
- 10.4 Meridian Water will greatly enhance the profile of the surrounding area and help put this part of the borough, and Enfield, on the London map. The regeneration strategy in particular is the best vehicle through which the local community can be engaged in the project, and ultimately benefit from what it is trying to achieve.
- 10.5 Both Meridian Water, and its regeneration strategy, are being developed in partnership with stakeholders and the local community. In particular, the latter



if developed successfully, should help provide an exciting opportunity for local residents to take advantage of the opportunities that emerge through the scheme.

- 10.6 The regeneration strategy will be contract managed by the neighbourhood Regeneration team, with the community engagement elements led by Council staff (not consultants).

## **11. HEALTH AND SAFETY IMPLICATIONS**

- 11.1 The regeneration strategy will provide a number of H&S benefits for Meridian Water. The socio-economic priorities that emerge will be reflected in the design of the scheme, which will include (but not be limited to) accessible routing, improved social wellbeing, or secured by design principles.

## **12. PUBLIC HEALTH IMPLICATIONS**

- 12.1 The development of a regeneration strategy for Meridian Water will, if successfully implemented, contribute significantly to the health and public wellbeing of Enfield residents. By definition, issues such as healthy lifestyles, reducing pollution, saving residents' money and improving social cohesion (to name a few) are at the heart of what the regeneration strategy aims to achieve.

### **Background Papers available**

The Invitation to Further Competition 'ITFC' for Regeneration Project Delivery Support

Meridian Water Regeneration Strategy – Project Brief, April 2015





**(i)**

**Invitation to Further Competition (“ITFC”)  
REGENERATION PROJECT DELIVERY SUPPORT  
APRIL 2015**

**PLEASE READ THESE INSTRUCTIONS CAREFULLY BEFORE PREPARING  
YOUR SUBMISSION**

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## **Section 1 – Invitation to Further Competition**

### **1 Preamble**

#### **1.1 Introduction**

The London Borough of LONDON BOROUGH OF ENFIELD] (the “Authority”) is seeking to appoint SINGLE PROVIDER to provide REGENERATION SUPPORT SERVICES .

The Invitation to Further Competition (“ITFC”) is being run under the ConsultancyONE-RM1502.

Providers should read these instructions carefully before completing the remaining documentation, and must comply with the terms of this ITFC. Failure to comply with these requirements for completion and submission of the quotation may result in the rejection of your submission. Providers should acquaint themselves fully with the extent and nature of the goods / services and contractual obligations contained herein and take any independent financial or legal advice, if necessary, as early as possible in the process and Providers are deemed to have done so before submitting a bid.

All responses are to be uploaded within [www.londontenders.org](http://www.londontenders.org)

Providers shall treat this contract as a ‘one-shot’ opportunity and are reminded that the EU procurement regime prevents us from negotiating on commercial aspects of any Providers offer – hence, Providers shall always treat their Submission as a “best and final offer”.

#### **1.2 Contractual Structure**

Any Contract resulting from this ITFC will be subject to the Call-Off Terms and Order Form together with any schedules and appendices .The Contract sets out the terms and conditions between the Authority and the successful Provider(s) for the provision of the services. Appointment under the Contract will mean that successful Provider will be required to deliver service to the Authority on the terms and conditions set out in the Contract throughout the duration of the Contract.

The duration of the Contract will be for [24] months, with the possible extension for up to a further [24] months subject to agreement between the Authority and the successful Provider.

#### **1.3 Award of the Contract**

The successful Provider shall be selected to enter into the Contract based on an evaluation of submissions with the price criteria given a [30 %]% weighting, and quality criteria given a [70%]% weighting.

It is envisaged that Provider with the top scoring submission will be invited to join the Contract.

The evaluation criteria and their weightings are set out in Section 6 (Evaluation Criteria).

**1.4 Information Provided**

The Authority have made every effort to ensure the completeness and accuracy of information provided to Providers but do not warrant any such information. Providers will be deemed to have satisfied themselves as to the accuracy and completeness of such information before submitting their bids.

**2 Content of Submission**

Providers submissions shall be made in accordance with the Section 2 (Instructions to Providers) and in Section 3 (Form of Submission).

**2.1 Quality Evaluation**

Providers shall respond to each evaluation criteria set out in Section 6 (Evaluation Criteria).

Provided in brackets after each evaluation criteria is the percentage score allocated to that criteria and also any limitation to the length of response required. Providers are to use font style Arial, size 12pt. Any information given outside of this limit will not be factored into the evaluation.

**2.2 Price Evaluation**

Providers shall provide their fee rates as requested in the Brief in Section 4

Any prices provided should be exclusive of VAT, and inclusive of all other costs associated with delivering the services required.

**2.3 Insurance and Security**

Providers shall have in place the following insurance levels as a minimum for each individual claim:

Professional Indemnity Insurance	:	£2,000,000
Public Liability Insurance	:	£5,000,000
Employer's Liability Insurance	:	£10,000,000

Providers shall confirm levels of Public liability, Employers Liability and Professional Indemnity insurance (either in place or to be obtained) in their submission and highlight any limitations on cover and enclose a copy certificate or broker's letter to confirm the level and scope of cover, where appropriate.

The Authority may, at their discretion, either before the execution of or during the term of the Contract, require the Provider to supply a Parent Company Guarantee.

**2.4 Certificate of Non-Collusion**

Providers shall complete the certificate of non-collusion attached at section 8 and upload within the relevant section of ProContract.

**3 Evaluation of Submissions**

**3.1 Written Submission**

The Evaluation Panel will evaluate the bids received to establish the most economically advantageous to the Authority in terms of the criteria set out at London Borough of Enfield

(Evaluation Criteria). That assessment will be made on the basis of Provider's responses to this ITFC.

#### **4 Procurement Timetable**

The envisaged timetable for the selection of the successful Provider to enter into the Contract is as follows:

<b>Activity</b>	<b>Date / Time</b>
Issue ITFC	20 <sup>th</sup> April 2015
Deadline for receipt of Providers questions	27 <sup>th</sup> April 2015
Deadline for receipt of Providers submissions	4 <sup>th</sup> May 2015
Evaluation of written submissions	5 <sup>th</sup> - 15 <sup>th</sup> May 2015
Agreement of decision to award by Cabinet	29 <sup>th</sup> May 2015
Notification of outcome to Providers	1 <sup>st</sup> June 2015
10 day standstill period	12 <sup>th</sup> June 2015
Final contract award	12 <sup>th</sup> June 2015
Anticipated contract start	15 <sup>th</sup> June 2015

The above timetable is indicative only and subject to variation by the Authority. Providers will be informed of any significant changes.

## **Section 2 – Instructions to Providers**

**Submissions must be made in accordance with the following instructions to Providers (the "Instructions"). Submissions that do not comply with these instructions in any way may be rejected by the Authority whose decision in the matter shall be final.**

### **1 Introduction**

- 1.1 In accordance with the procedure set out under the ConsultancyONE- RM1502 Providers are invited to submit a bid in the form required by the ITFC for delivery of the services of which these instructions form part.
- 1.2 Submissions shall be presented under the same headings and in the same sequence as required by the ITFC.
- 1.3 Providers are responsible for obtaining all information necessary for the preparation of their Submissions. All costs, expenses and liabilities incurred by any Provider in connection with the preparation and/or submission of a response, and in discussion with the Authority, and (in the case of acceptance of a Submission by the Authority) in connection with the execution of the Contract and any relevant documents, shall be borne by that Provider.
- 1.4 The information referred to or contained in the ITFC has been prepared by the Authority in good faith but does not purport to be correct, comprehensive or to have been independently verified. The Authority in no way warrants any information given to Providers. Providers shall not rely on the information and must carry out their own due diligence checks in order to verify the information provided by the Authority. The

Authority accepts no responsibility or liability whatsoever for any loss or damage of whatever kind and howsoever caused arising from or in consequence of Providers' use of or reliance on such information.

- 1.5 The attention of Providers is drawn to the Contract set out under the framework. It is essential that Providers are totally familiar with the contents of this document before compiling their Submission.
- 1.6 The procurement timetable is set out at paragraph 4 of Section 1.
- 1.7 If any Provider requires any further information or wishes to raise any query, such requests or queries should be addressed in writing via the 'Discussion' area of ProContract. The Authority will endeavour to answer any requests and/or queries raised, provided that they are received prior to the deadline set under paragraph 4 of Section 1 and provided the Authority considers any such request to be appropriate for reply. Any such requests and/or queries and the Authority's responses will be sent to all Providers, where appropriate.

## **2. Confidentiality**

- 2.1 All information supplied by the Authority in connection with the ITFC shall be treated as confidential and Providers shall not, without the prior written consent of the Authority, at any time, make use of such information for any purpose other than the preparation of its Submission.
- 2.2 Providers shall treat the ITFC and every part of it and all other information provided by or on behalf of the Authority as private and confidential. Providers shall not disclose the fact that they have been invited to bid or release details of the ITFC other than on a strictly confidential basis to those parties whom they need to consult for the purposes of preparing their Submission.
- 2.3 Providers shall not at any time release any information concerning the ITFC and/or their Submissions and/or any related documents and/or any negotiation and/or discussion with the Authority in this connection for publication in the press or on radio, television, screen or any other medium.
- 2.4 The Authority reserves the right to retain all Providers' submissions throughout the period that the Submission remains valid and open for acceptance.
- 2.5 Each Provider undertakes to indemnify the Authority and to keep the Authority indemnified against all actions, claims, demands, liability, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any breach of the provisions of this paragraph 2 (Section 2).

## **3. Submissions**

- 3.1 Providers shall complete all relevant online questions, and upload responses to evaluation criteria where indicated. Submissions should be received no later than **1st May 2015**. Any submission received after this time shall be excluded.



3.2 No alteration or addition (save for the inclusion of the relevant information) should be made to the Form of Submission. Submissions must not be qualified in any way and must be submitted strictly in accordance with this ITFC, including these Instructions. Submissions must not be accompanied by any covering letter or any statement that could be construed as rendering the Submission equivocal and/or placing it on a different footing from other Submissions.

Please note that all documentation must be completed and returned in the original format with the correct page numbers without alterations or substitutions of any kind whatsoever; pages must not be removed or extra pages inserted or replaced.

As a result of past experience of this practice and the problems this causes during submission opening, any submissions returned in a format other than the original and/or including alterations or substitutions to this document will not be accepted or considered and shall be rejected immediately.

3.3 Providers shall answer all questions as accurately and concisely as possible in the same order as the questions are presented. Where a question is not relevant to the Providers organisation, this shall be indicated with 'N/A'.

3.4 Questions shall be answered in English and state all monetary amounts in Pounds Sterling.

3.5 The Submissions shall be signed:-

- a) where the Provider is an individual, by that individual,
- b) where the Provider is a partnership, by all the partners or by at least two (2) partners signing under a power of attorney on behalf of the other partners, a copy of which is to be provided with the Submission,
- c) where the Provider is a company, by two (2) directors or by a director and the company secretary, such persons being duly authorised for that purpose.

3.6 Each Provider shall produce forthwith upon request by the Authority documentary evidence of any authorisation, formation, interpretation and performance referred to in paragraphs 3.5(b) and 3.5(c) above.

3.7 Providers shall note that the formation, interpretation and performance of the Contract shall be subject to and interpreted in accordance with the laws of England.

3.8 Providers shall include in their Submission all information required by the ITFC and all costs necessary to enter into the Contract and to deliver the Services safely and in compliance with all statutory provisions and other rules or regulations relating to the Contract.

3.9 Providers Submissions shall remain open for acceptance for a minimum period of 90 calendar days

#### **4. Non-consideration of Submissions**

- 4.1 The Authority may in their absolute discretion refrain from considering a Submission if either:
- a) in any respect, it does not comply with the requirements of the ITFC (including these Instructions), or
  - b) the Submission contains any significant omissions.
  - c) the Submission is not submitted by the deadline set out in paragraph 3.1 of Section 2 (Instructions to Providers).

## **5. Rejection of Submissions**

- 5.1 Any Submissions or other documents submitted by any Provider in respect of which the Provider:
- a) fixes or adjusts the amount, prices, charges and rates shown:-
  - b) by or in connection with any agreement or arrangement with any other person, or
  - c) by reference to any other Submission, or
  - d) communicates to any person other than the Authority any information except in accordance with paragraph 2.2 above (Section 2), or
  - e) enters into any agreement or arrangement with any other person that such other person shall refrain from submitting Submissions or shall limit or restrict the amounts, prices, charges and rates to be shown by any other Provider in its Submission and other documents, or
  - f) offers or agrees to pay or give, or does pay or give, now or in the future any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done or offering to do in relation to any other Provider or any other proposed Submissions or other documents or current or future commercial or personal relationship any act or omission, or
  - g) has directly or indirectly canvassed any member or official of the Authority concerning the acceptance of any Submissions or has directly or indirectly obtained or attempted to obtain information from any such member or official concerning any other Submissions or other submissions made by any other Provider, or
  - h) fails to use the English language, or
  - i) fails to state monetary amounts in Pounds Sterling,

may not be considered for acceptance and may accordingly be rejected by the Authority provided always that such non-acceptance or rejection shall be without prejudice to any other civil remedies available to the Authority in respect thereof or to any criminal liability that such conduct by a Provider may attract.

5.2 The Authority reserves the right at any time:

- a) not to award a Contract and to withdraw from, suspend or terminate the procurement procedure, any part of the procurement procedure and to procure the appointment of the Provider by any alternative means which the Authority see fit (including by way of undertaking a new procurement process), or:
- b) to award the Contract(s) to which this procurement process relates in whole, in part or not at all.

without incurring any liability whatsoever to the Provider. The Provider acknowledges and agrees that in participating in this ITFC, it shall hold the Authority harmless from any liability or loss whatsoever suffered by the Provider as a result of the Authority's actions and/or omissions under this ITFC.

## **6. Acceptance of Submissions, Criteria for Evaluation and Contract Award**

6.1 The Authority reserves the right to accept any Submission pursuant to the ITFC.

6.2 The Authority shall not be bound to accept any Submission and reserve to themselves the right at their absolute discretion to accept or not accept any Submission.

6.3 The Authority may without limitation meet with and/or interview Providers, ask for presentations and clarification of material submitted, undertake site visits and seek references as part of the evaluation process. All Submissions made by Providers prior to the Closing Date will be considered, together with any other information that the Authority may require to be submitted.

## **7. Provider's Warranties**

7.1 In completing its Submission each Provider warrants, represents and undertakes to the Authority that:

- a) it has not done any of the acts or matters referred to in paragraphs 5.1(a)-(g) above (Section 2) and has complied in all respects with these Instructions,
- b) all information, representations and other matters of fact communicated (whether in writing or otherwise) to the Authority by the Provider, its employees or agents in connection with or arising out of the Submission is true, complete and accurate in all respects,
- c) it has made its own investigations and research and has satisfied itself in respect of all matters (whether actual or contingent) relating to the Submission, and has not relied on information supplied by the Authority,
- d) it has satisfied itself as to the correctness and sufficiency of the information it has included in its Submission and inserted in the Pricing Schedule,
- e) it has full power and authority to enter into the Contract and to deliver the goods / services,

- f) it is of sound financial standing and has and will have sufficient resources available to it to comply with its obligations under the Contract.

## **8. General**

- 8.1 Every part of this ITFC and all other documents provided to Providers will remain the property of the Authority and will be returned with the Submission or, if no Submission is submitted, upon the Authority's demand.
- 8.2 Providers are advised to retain for themselves details of their Submissions. The Authority reserve the right to make a charge if a Provider requests a copy of its Submission.

## **9. Data Protection Act and Freedom of Information Requirements**

- 9.1 Providers shall at all times:

- a) comply with the Data Protection Act 1998 (the "DPA"),
- b) indemnify the Authority against loss, destruction or procuring of data contrary to the DPA by the Provider, its servants or agents, and
- c) in accordance with paragraph 12 of Part II of Schedule 1 to the DPA, comply with obligations equivalent to those imposed on a data controller by the seventh principle of Part 1 of Schedule 1 to the DPA.

- 9.2 The Authority is subject to the Freedom of Information Act 2000 (the "FOIA") and Environmental Information Regulations 2004 (the "EIR") under which members of the public or any interested party may make a request for information held by the Authority at the time of the request.

- 9.3 Following such request, the Authority will consider the disclosure of any information, including price quotes, contained in Submissions both successful and unsuccessful, subject to the exemptions of the FOIA and EIR. Providers shall be aware that attaching a blanket label of 'private and confidential', 'commercially confidential' or similar to a Submission may not exempt that Submission from disclosure under the FOIA and/or EIR.

- 9.4 If a Provider considers that all or any part of its Submission and/or any specific information contained therein constitute a 'trade secret', or that the Submission or information is commercially sensitive information disclosure of which would be likely to prejudice the commercial interests of any party, believes that a duty of confidentiality applies or otherwise considers that such documents and/or information falls within any other exemption set out in the FOIA and/or EIR, the Provider should:

- a) attach information it considers to be a) commercially sensitive e.g. costing or trade secrets in a separate schedule marked 'commercially sensitive information' or 'trade secret' and include a time limit for the sensitivity of the information, and
- b) in respect of such schedule and/or specific information, identify the particular FOIA and/or EIR exemption that the Provider claims applies in the particular circumstances.

Providers shall do so in full knowledge of the relevant terms of the Lord Chancellor's Code of Practice (the "Code") under Section 45 of the FOIA, giving advice to public authorities on the handling of requests under the FOIA. This will enable Providers to make such claims based on reasons that address the requirements of the Code. Further information about the FOIA and a copy of the Code is available from the Department of Constitutional Affairs' web-site at [www.dca.gov.uk/foi/reference/impref/codepafunc.htm](http://www.dca.gov.uk/foi/reference/impref/codepafunc.htm)

- 9.5 Providers shall be aware that, even when they have scheduled or identified relevant documents and/or information and claimed exemption pursuant to paragraph 9.4 above (Section 2), the Authority will have complete discretion in deciding whether such documents and/or information should be disclosed under the FOIA and/or EIR.

## Section 4 – The Brief

### 1.0 THE BACKGROUND

Enfield Council is embarking on an ambitious regeneration programme; a £1.5 billion investment opportunity that will principally unlock the development of 5,000 new homes at Meridian Water; creating a sustainable eco-neighbourhood and 3,000 new jobs and supporting infrastructure.

Meridian Water occupies a strategic location and is situated both within the London-Stansted-Cambridge corridor and the Upper Lea Valley area, which is a designated 'Opportunity Area' in the Mayor of London's London Plan (July 2011). The site covers a vast area of 85 hectares; one of the largest areas of developable land in North London. To the East, the site enjoys connections to Central London via the A406 road network and to the North; the Meridian Way distributor road connects the site to the M25 and further afield. Whilst the site is well served by the road network, there is a vital need to improve the site's connectivity to rail services. To this end, the redevelopment of Meridian Water will see the re-positioning and upgrade of Angel Road Station, some several hundred yards from its existing location; this will place the new development within easy reach of rail services enhancing both the site's sustainability and redevelopment potential.

The scale of delivery of Meridian Water is commensurate with the scale of challenges to be overcome and the opportunities to be realised. The Council is acting as the catalyst for change, it is taking a lead role in front-loading the regeneration process; by being proactive in assembling land; through strategic acquisitions and coordinating enabling works; such as land remediation, flood alleviation and utilities provision; all of which will enable a range of benefits to accrue from the new development. The objectives for Meridian Water are:

- to create a new community by 2026 with up to 5,000 new homes, 3,000 new jobs and all the necessary infrastructure to support the community and attract families
- provide Two new two form entry primary schools, a new secondary school (including Sixth Form), a new local centre offering
- a new health facility, a library, community rooms, a police presence and local shops (see Core Policies 7, 8 and 17);
- Approximately 80% of the area should comprise a mix of residential, retail, community uses and open spaces, with 20% of the area as revitalised employment uses, integrated into the wider development;
- High quality public realm and development of an exemplar quality at a human scale with buildings that are flexible, adaptable and responsive to the environment in which they sit;

- A reduction in flood risk through the appropriate location, layout and design of new development and mix of land uses;
- A development that pioneers new environmental technologies. New housing will aspire to achieve the greatest levels of energy-efficiency, incorporating renewable power and using locally produced energy;
- Higher density development close to Angel Road station and in waterfront locations;
- New development will maximise the opportunities offered by the waterfront location, with routes and spaces along the water edge;
- A new spine running through the area, connecting all parts of Meridian Water, linking new and existing communities, the station and the Lee Valley Regional Park;
- Improved connectivity, both north-south and east-west; Integration with immediately adjacent employment areas, in particular Harbet Road Estate, where there is an opportunity to upgrade employment uses on the western fringe to complete transformation in the Meridian Water area;
- A mix of housing types, sizes and tenures and affordable homes to support a new sustainable community, which will enable residents to remain in the community throughout their lifetimes;
- New open space at the heart of the new community, designed to connect the currently disjointed part of the Lee Valley Regional Park either side of the North Circular Road;
- A co-ordinated strategy to managing flood risk in accordance with Core Policy 28 and a co-ordinated strategy for the decommissioning of gas holders and other contaminated land in the area in line with Core Policy 32;
- Restoration of the waterways which run through the development site as part of an integrated approach to water management in Meridian Water; and
- Development should achieve efficiency target of 105 L per person.

A link to the Meridan Masterplan can be found at the following address:

[http://www.enfield.gov.uk/info/1000000665/meridian\\_water\\_regeneration/1070/meridian\\_water\\_masterplan](http://www.enfield.gov.uk/info/1000000665/meridian_water_regeneration/1070/meridian_water_masterplan)



## 2.0 SCOPE OF SERVICES REQUIRED

The Council is seeking a competent consultancy practice to provide services with respect to the following work streams:

- **Preparation of Regeneration Strategy**- to research and write the regeneration strategy and associated action plan that will underpin the delivery of the Meridian Water Masterplan.
- **Strategic Development Advice** – advising the Council on the roles / performance of project partners, identifying and monitoring critical success factors, undertaking options appraisals, peer reviews and benchmarking, providing constructive challenge.
- **KPIs development** – Support the establishment of KPIs for relevant areas to include as examples: supply-chain and procurement; scheme design; development operation and future maintenance; wider programme benefits; return on investment.
- **Community Involvement** – create community buy-in by supporting community profiling, community engagement and sentiment mapping.
- **Delivery Partner & Major Stakeholder Interface** – providing challenge to the Joint Venture Partner/Master Developer (*this will be subject to a separate procurement process*) to meet the strategic objectives of the development, to deliver value for money and to maximise wider investment opportunities for and across Enfield. Work with major stakeholders over the protection, reconfiguration, relocation and enhancement of local assets and infrastructure within the Meridian Water Housing Zone.
- **Programme Efficiency** – Review of options for sequencing and phasing of development to seek efficiencies e.g. through joint procurement and consolidated resource planning and management.
- **Innovation & Collaboration** - Creating the 'next generation of place' by championing opportunities to introduce, accommodate and facilitate innovation particularly around intelligent mobility, shared multi-functional spaces, interchange design, future lifestyles and smart cities.
- **Capacity Building** – Throughout the delivery of the development, supporting local learning, training, job creation and up-skilling as well as wider knowledge transfer.
- **Green Infrastructure** – Setting the strategy and targets to capture the value of green infrastructure as an asset embedded within the development and as part of the Borough.

**3.0** The Council has established a multi-skilled Neighbourhood Regeneration Team to deliver the Meridian Water Regeneration Programme alongside smaller area based regeneration initiatives across the Borough. The Team comprises the following roles/members:

- Planning & Regeneration Officers (Project Management)
- Community Engagement Officers

- Head of Regeneration
- Programme Director- Neighbourhood Regeneration
- Infrastructure Manager

The successful consultancy will be expected to engage with the Neighbourhood Regeneration Team, to support and assist in the delivery of activities required to fulfil the adopted Meridian Water Masterplan.

#### **4.0 CONTRACT DURATION**

It is anticipated that the contract will last for the duration of 4-years. The Council reserves the right to terminate the contract at any point should it be deemed the contracted services are no longer required.

#### **5.0 FEES**

Payment of fees will be administered on a daily rate basis, commensurate with the work undertaken. Please provide schedule of rates for **four** members of staff for each of the following grades or equivalent:

- Director
- Senior consultant
- Consultant
- Assistant/Junior consultant

Please also provide staff CVs for each team member (half a page max). In addition, please set out any disbursements that may be incurred as part of this commission.

Following selection the Council will agree with the successful Organisation a maximum fee cap for this commission and detailed work activities.

#### **6.0 REFERENCES**

Two references should be provided relating to past commissions completed by the consultancy practice within the last 3 years. The Council will reserve the right to contact named referees to verify the information provided.

### **Section 5 – Framework Call-Off Terms & Conditions**

*As per the Terms And Conditions set out in the ConsultancyOne Framework*

## Section 6 – Evaluation Criteria

The evaluation process is outlined below.

Provided in brackets is the percentage score allocated to that criteria and also the maximum number of sides of A4 pages allowed for responding. Providers are to use font style Arial, size 12pt. Any information given outside of this limit will not be factored into the evaluation.

### 1. Price/Fees (30 %)

The mechanism for establishing price scores is that the lowest price Provider is awarded the maximum percentage score available; all other Providers are awarded using the following formula:

$$(Lowest Bidder Price / Bidders Price ) x Percentage Score Available$$

All prices are to be exclusive of Value Added Tax (VAT) and inclusive of all other costs; i.e. travel and expenses.

Payment of fees will be administered on a daily rate basis, commensurate with the work undertaken. Please provide schedule of rates for **four** members of staff for each of the following grades or equivalent:

- Director
- Senior consultant
- Consultant
- Assistant/Junior consultant

An average will then be taken of the 4 daily rates and this will equal the bidder price.

Please also provide staff CVs for each team member (half a page max). In addition, please set out any disbursements that may be incurred as part of this commission.

### 2. Quality (70%)

Please use the 'Method Statement Template' shown within the online form of ProContract to respond to all criteria/questions stated below.

All completed 'Method Statement Templates' must be uploaded within the same area of the online form under Section 2 Quality.

Providers must clearly identify the question, plus reference number, being responded to and adhere to the appropriate page limitation set herein.

Table 1: Criteria/Questions

Questions	Description
<b>Question 1</b>	<p>Give an example of when your Organisation has acted in a strategic advisory capacity in respect of a regeneration programme/or estate renewal project, highlighting the value your Organisation added to the project.</p> <p style="text-align: right;">(250 words max)</p>
<b>Question 2</b>	<p>Please outline your Organisations approach to scoping the formulation of KPIs in relation to a physical or social regeneration project and highlight the benefit that was derived from monitoring these KPI's, where possible relate to a previous work undertaken.</p> <p style="text-align: right;">(250 words max)</p>
<b>Question 3</b>	<p>Provide an example of your Organisation's past experience of engaging with a delivery partner and stakeholders (for example a master developer), and set out how your Organisation's intervention contributed to the success of the project in terms of securing measurable outputs or outcomes.</p> <p>(250 words max)</p>
<b>Question 4</b>	<p>Provide a case study example of how your Organisation has contributed to place-making activities, highlighting any innovative design solutions adopted.</p> <p style="text-align: right;">(250 words max)</p>
<b>Question 5</b>	<p>How would your organisation add value to the Meridian Water Regeneration Programme over the next 10 years? Please refer to SMART objectives and the evaluation outputs or outcomes of the programme.</p> <p style="text-align: right;">(1000 words max)</p>

Table 2: An overview of the Selection Criteria and weighting

<b>Selection Criteria</b>	<b>Sub-heading</b>	<b>Sub-weighting</b>	<b>Overall percentage (%)</b>
<b>QUALITY</b>  (Company Experience/ Business Capability)	Q1. Acting in an advisory capacity	<b>15%</b>	<b>60 %</b>
	Q2. Formulation of KPIs	<b>15 %</b>	
	Q3. Partner & Stakeholder engagement	<b>15%</b>	
	Q4. Place-making activities	<b>15%</b>	
	Q5. Additionality	<b>40 %</b>	
<b>Tender Price (fees)</b>	<i>(Fee level for up to 4 members of staff). The average rate will be assessed.</i>		<b>40 %</b>
	<b><u>CV's for information only (not assessed)</u></b>		

The Criteria/Questions are weighted according to their priority (see table 2)

Unless otherwise stated in this document, written responses will be assessed using the following scoring mechanism (set out in table 2) each question is scored out of a maximum of 7 marks:

Table 2: Scoring methodology

<b>Points</b>	<b>Methodology</b>
<b>7</b>	Response against the requirements of the project exceeds the Council's expectations (in major areas).
<b>5</b>	Response against the requirements of the project meets the Council's expectations in all material respects.
<b>3</b>	Response against the requirements of the project meets an acceptable standard but falls short of the Council's expectations in significant areas and/or has a significant impact on the cost and/or significant risk transfer to the Council.
<b>1</b>	Response fails to meet an acceptable standard and/or falls short of the Council's expectations in significant areas and/or has a significant impact on cost and/or significant risk transfer to the council.
<b>0</b>	No response submitted or a substantially incomplete response submitted or a

	response which cannot be accepted by the Council.
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**Section 8 – Certificate of Non-Collusion**

**Certificate as to Bona Fide Tender / Collusive Tendering**

To the London Borough of Enfield

(Hereinafter called the "Authority")

The essence of Tendering is that the Authority shall receive bona fide competitive Tenders from all persons bidding. In recognition of this principle;

I/We certify that this is a bona fide Tender, intended to be competitive and that I/We have not fixed or adjusted the amount of the Tender or the rates and prices quoted by or under or in accordance with any agreement or arrangement with any other person.

I/We also certify that I/We have not done and undertake that I/We will not do at any time any of the following acts:

- a) communicate to a person other than the Authority the amount or approximate amount of my/our proposed Tender (other than in confidence in order to prepare a joint submission or to obtain insurance premium quotations required for the preparation of the Tender),
- b) enter into any agreement or arrangement with any other person that he shall refrain from bidding or as to the amount of any Tender to be submitted,
- c) offer or agree to pay or give now or in the future any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done or offering to do in relation to any other Tender or proposed Submission for the goods / service or current or future commercial/personal relationship any act or omission.

In this certificate the word **person** includes any person and anybody or association, corporate or incorporate and **any agreement or arrangement** includes any such transaction, formal or informal and whether legally binding or not.

Signed (1) .....

Status .....

Signed (2) .....

Status .....

For and on behalf of .....

.....

Date .....

**[PLEASE PRINT OUT THE CERTIFICATE OF NON-COLLUSION, SIGN, SCAN AND UPLOAD THE COMPLETED DOCUMENT AS PART OF YOUR TENDER]**





# Meridian Water Regeneration Strategy

## Project Brief, April 2015

### 1. Introduction

The Council is seeking suitable professional support to develop the Meridian Water Regeneration Strategy (*the Strategy*). The Council wants to ensure that Meridian Water is delivering the optimum combination of economic conditions, social cohesiveness, environmental resilience and quality of built environment. Importantly this Strategy is to be both an aspirational vision as to what we want Meridian water to be, as well as a practical tool to ensure we achieve this. This Project Brief sets the parameters for the work required to develop and help deliver this Strategy, and includes:

- A clear strategic vision for what the Strategy will achieve (*aims*);
- The scope of works required from our chosen partner, including a clear delineation of responsibility between it and the Council;
- *Suggestions* for research activities to be undertaken to realise the Strategy's outputs and outcomes. These will be clarified at project inception;
- Clarity on timelines and key milestones;
- An outline of requested proposals from the chosen contractor.

### 2. Aims of the Strategy

There are eight broad aims of the Strategy:

- a. To build on the 2013 Meridian Water Masterplan, especially around skills and employment;
- b. Establish a series of regeneration priority areas that the Meridian Water development should impact on, develop target areas within these priorities, and develop associated measurable indicators to record their impact. These theme areas should cover economic, social, environmental and physical issues, with special attention afforded to ensuring the built environment can respond to socio-economic objectives;
- c. Develop mechanisms to ensure the identified priority areas, and associated actions, are delivered through all elements of the scheme;
- d. Provide a framework to integrate the new communities at Meridian Water with the current communities in the surrounding localities;
- e. Ensure the current local community, and the new communities at meridian water, have the level of local ownership of this Strategy equal to their desires and capacities for this;
- f. To defy convention by being pioneering in its approach to regeneration. This is especially true in the early phases where we want to make a statement about Meridian Water; and
- g. To look beyond 2030 to a 40 year horizon (2056) as a relevant timeframe for consideration.

### 3. Scope of works required

The Strategy in this context refers to two spheres of activity.

#### *i. Regeneration Strategy documents*

The chosen partner will be required to lead on delivering the following reports for the Council, each of which will set in stone the Council's commitment to the regeneration of Meridian Water:

- The **Meridian Water Regeneration Strategy**. This could be sub divided into smaller component parts if deemed suitable, or include additional Strategies to realise specific objectives – such as an Estate Management Strategy. This will also include a series of **Delivery Mechanisms** that establish how the Strategy will be embedded in all other Meridian Water development activities.
- An **Evidence Base** to stand behind the content of the Meridian Water Regeneration Strategy (and any associated additions thereof);
- A **Performance Framework** for the strategy (to ensure the Strategy is measurable, actually measured and the actions set out are achieved);
- An **Action Plan** that sets out activities for the short, medium and long term. The level of detail for each timeframe should decline accordingly; and

The chosen partner will be required to significantly contribute to, but not lead on the development, and delivery, of a **Consultation/Engagement Plan** with the local community and any suitable partners. Tasks are likely to include, assisting with identifying suitable groups for engagement, advising on methods of engagement, supporting actual engagement activity (preparation and delivery) and evaluating engagement activities.

#### *ii. Embedding the Regeneration Strategy*

The Regeneration Strategy, and associated documents as outlined above, all need to be practical such that they contribute to the on-going development of Meridian Water. To this end, the Council requires the Contractor to support it with the following activities:

- Feed into the development of the Meridian Water Design Code through attending meetings and providing strategic advice to Council officers;
- Advise and scrutinise the Phase 1 planning application, and provide similar support as further phases develop;
- Contribute to the Council's procurement of a Master Developer through an ITT process in late summer 2015. Activities are likely to include scrutiny of the ITT documents, scrutiny of submissions, advice to Council staff, support at interview and contracting; and
- Support with communications activities; and
- Ad hoc strategic advice to the Council as the Meridian Water project develops.

#### 4. Suggested research activities

We would expect a suitable combination of the following activities to form the work undertaken:

- Desktop research – policy and strategic analysis
- Statistical research – evidence to support assertions made
- Benchmarking – best practice from elsewhere
- Key stakeholder in-depth interviews
- Supporting community consultation activity (led by LBE)

#### 5. Timescales and key milestones

To be added

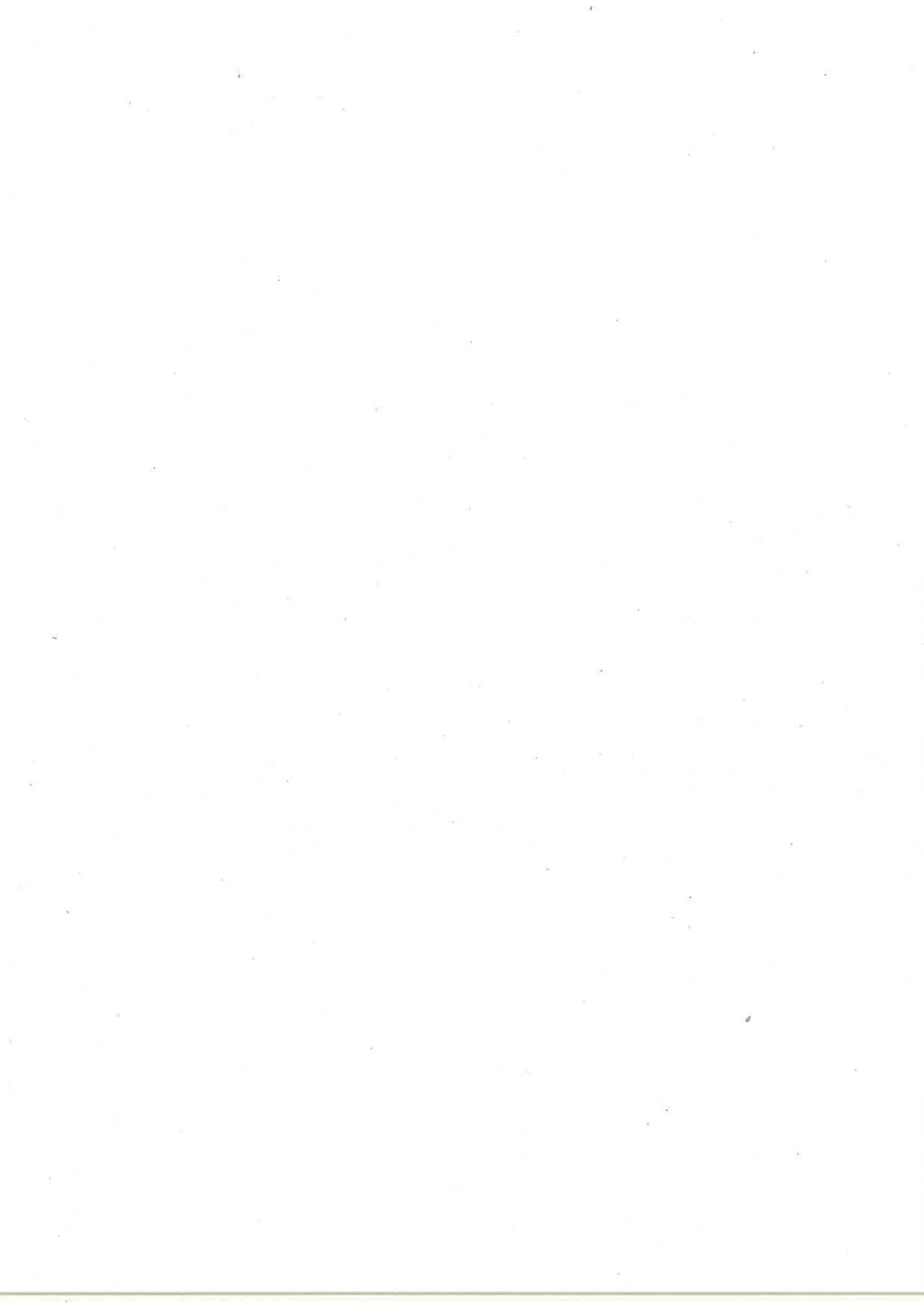
#### 6. Requested submissions

The Council requests a methodology that outlines how the chosen contractor will undertake the necessary activities and meet the identified aims of the work. The Council wishes to achieve the aims of the brief, not to specify how it is done. Therefore, the methodology should be expressed in a menu format such that the Council is able to understand what the various possibilities of research could be, and how they may contribute to the achievement of the overall aims.

Please provide details of:

- Identified research tasks (in a menu format) – including why and how the work will be undertaken;
- Indicative costs of each task;
- Day rates of key officers associated with tasks identified for (3)(ii);
- Staff CVs for all those involved in the work, including identifying their project roles and lines of accountability;
- Headline project risks (all stages of the project).

The detail of methodology proposals will be discussed at inception. The conclusions from this will form the detail of the scope of works and consequently the contract between the Council and the chosen contractor.



## MUNICIPAL YEAR 2015/2016 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**OPERATIONAL DECISION OF:**  
Director – Finance, Resources & Customer Services

<b>Agenda – Part: 1</b>	<b>KD Num: 3473</b>
<b>Subject:</b> <b>Housing Quarterly Electricity Contract Renewal – Landlords’ Supplies</b>	
<b>Wards: All</b>	

Contact officer and telephone number: Andrea Latter 020 8379 3089

E mail: [andrea.latter@enfield.gov.uk](mailto:andrea.latter@enfield.gov.uk)

### 1. EXECUTIVE SUMMARY

- 1.1 Enfield Council is currently a member of LASER (Local Authorities South East Region), a Central Purchasing Body representing 115 local authorities and 45 wider publicly funded bodies. LASER has been assessed and approved as a best practice energy procurement provider by the London Energy Project (LEP). LASER is managed by Kent County Council.
- 1.2 As a purchasing organisation LASER has an OJEU (Official Journal of the European Journal) compliant Fixed Term Fixed Price (FTFP) contract (multiple provider) framework in place.
- 1.3 The current contract for electricity supplies to Housing sites (landlords’ quarterly billed supplies) will end on 30<sup>th</sup> September 2015.
- 1.4 This report seeks the approval of the Director of Finance, Resources and Customer Services to award the contract for a 12 month period from October 1<sup>st</sup> 2015 - 30<sup>th</sup> September 2016 (FTFP). This contract period will enable an options appraisal to be undertaken as part of the wider corporate energy procurement strategy review for 2016-2020.

### 2. RECOMMENDATIONS

It is recommended that the Director of Finance, Resources and Customer Services approves the award of a new 12 month contract to Southern Electric for the supply of electricity to Housing sites (landlords’ supplies). The winning contract offer was secured by mini competition using LASER’s OJEU compliant FTFP contract (multiple provider) framework. Contract sign-off is scheduled for Friday July 17<sup>th</sup> 2015 and the new contract will commence on 1<sup>st</sup> October 2015.

### **3. BACKGROUND**

- 3.1 Enfield Council is a member of LASER (Local Authorities South East Region) a Central Purchasing Body, managed by Kent County Council, representing 115 local authorities and 45 wider publicly funded bodies. LASER has been assessed and approved as a best practice energy procurement provider by the London Energy Project. The London Energy Project is a shared Energy Category Management resource, funded through direct authority contributions. Under this arrangement the LEP has, on behalf of all participating authorities, undertaken a series of independent and impartial technical assessments of market risk and of energy contracts as provided by LASER.
- 3.2 LASER has an OJEU compliant FTFP contract (multiple provider) framework in place. The contract framework allows LASER to run a mini competition seeking price offers for conventional or renewable energy (subject to supplier availability), to secure a contract on the Council's behalf, following the Council providing instruction and the relevant signed contract with the winning supplier. Mini-tenders can request pricing for any contract duration, although price premiums will typically be incurred for durations of greater than 3 years. Leaseholder dispensation will be required for contracts > 1 year.
- 3.3 LASER prepared the tender for the supply of electricity to Housing sites (landlords' quarterly billed supplies) in June 2014 and the contract was awarded to Southern Electric on July 17<sup>th</sup> 2014. The one year contract commenced on October 1<sup>st</sup> 2014 and will end on September 30<sup>th</sup> 2015.
- 3.4 The contract renewal date for the supply of electricity to the non-half hourly, quarterly billed, Housing landlords' supplies is October 1<sup>st</sup> 2015.
- 3.5 The Housing landlords' electricity supplies' portfolio comprises approximately 980 supplies, including communal heating, staircase lighting and lifts. The supplies are billed quarterly.
- 3.6 The estimated value of the new contract for Housing electricity landlords' supplies is £1,319,000 based on estimated annual consumption. LASER has advised that the current wholesale (commodity) market price is lower than when the contract was last settled in July 2014. In July 2014 the commodity (energy) price was £49.43/MWh and is currently £44.44/MWh. However, the wholesale or energy price only represents approximately 45% of the delivered price. The remaining uncontrollable element (55%) represents the non-energy components e.g. transmission/distribution/taxes and government regulated fees and charges/levies such as the Feed in Tariff, ECO (Energy Company Obligation) and Climate Change Levy. Therefore, there is an increase in delivered contract price of ~1.8%. The increase represents the suppliers' risk premium which is incorporated to cover unknown increases in the non-commodity elements of the prices.



- 4.2 Add the supplies to LASER's current four year flexible electricity contracts, which terminate on 30<sup>th</sup> September 2016. Buying energy flexibly for one year isn't an option, as volumes are forward purchased in 'clips' ahead of the contract start date to set the price for the following year.
- 4.3 The preferred option is to tender a one year FTFP contract from October 1<sup>st</sup> 2015 in order to secure competitive contract rates, particularly at a time when the market is still favourable. This will also provide sufficient time to carry out a detailed options appraisal and Leaseholder Dispensation in order to secure long-term, flexible energy contracts for the Housing electricity landlords' supplies where appropriate.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Following consultation with LASER, HHASC, Corporate Procurement and Leaseholder Services, a one year FTFP contract is the preferred option for 15/16, as it will allow sufficient time to conduct a detailed procurement options appraisal and will also provide Leaseholder Services with sufficient time to implement Leaseholder Dispensation, should long term, flexible contracts be the preferred procurement route in future. It will also bring the end of the contract in line with the start of LASER's new flexible energy contracts from October 1<sup>st</sup> 2016.
- 5.2 The Corporate approach to risk managed energy procurement 2016-2020 has been under review during 14/15 and 15/16. It was presented to and agreed in principal by the Strategic Procurement Board in June 2015. It is prudent to consider the future of procuring Housing Landlords' energy supplies as part of the wider Corporate Strategy.
- 5.3 The LEP has undertaken a significant amount of detailed research in order to establish best procurement practice for 'small' electricity supplies (quarterly billed) and this will be taken into account as part of the appraisal.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

### **6.1 Financial Implications**

The majority of energy costs are recovered from tenants and leaseholders. Any additional costs will be funded from Housing Revenue Account balances.

### **6.2 Legal Implications**

- 6.2.1 Section 1(1) of the Localism Act permits the Council to do anything that an individual generally may do, subject to express prohibitions. In addition Section 111 of the Local Government Act 1972 further gives the Council the power to do anything ancillary to, incidental to or conducive to the discharge of its statutory functions and may enter into a contract with a provider for the services pursuant to section 1 of the Local Government (Contracts) Act 1997.

- 3.7 Wholesale energy prices are influenced by a range of factors including supply security, weather trends, European prices, geopolitical issues, market sentiments etc. This can result in price volatility of 5-10% over the course of a few days. These are external factors outside the Council's and LASER's control.
- 3.8 Securing a one year, FTFP contract from October 1<sup>st</sup> 2015 – September 30<sup>th</sup> 2016, will enable a thorough options appraisal to be undertaken in order to determine the best, risk managed procurement route/s, for the Housing landlords' electricity supplies from October 1<sup>st</sup> 2016. It will also bring the end of the contract in line with the start of LASER's new flexible energy contracts from October 1<sup>st</sup> 2016.
- 3.9 LASER has tendered new OJEU compliant four year flexible frameworks for the supply of electricity and gas for the 1<sup>st</sup> October 2016 – 30<sup>th</sup> September 2020.
- 3.10 The options will be considered in terms of overall value for money, Flexible vs Fixed Term Fixed Price contracts and measured against additional administrative/technical costs to the Energy Management Team for potential supplier changes and the cost of additional, bespoke EDI (Electronic Data Interchange) packages (facilitating electronic importing of invoice data).
- 3.11 The options appraisal will be undertaken as part of the wider corporate energy procurement strategy review for 2016-2020.
- 3.12 The procurement/contract options will be presented to and considered in consultation with Corporate Procurement, HHASC (Health, Housing and Adult Social Care) including the Assistant Director, Council Homes, FRCS (Management Accountant Enfield Homes), Leaseholder Services, Legal Services and LASER. The small supplies' electricity market is extremely complex and the LEP has undertaken a significant amount of research and analysis in order to best advise their members.
- 3.13 Following guidance from LASER and in consultation with HHASC, Leaseholder Services and Corporate Procurement, it has been agreed that securing a one year, FTFP contract from October 1<sup>st</sup> 2015 will provide sufficient time to carry out a detailed options appraisal and Leaseholder Dispensation in order to secure long-term, flexible energy contracts for the Housing electricity landlords' supplies where appropriate.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Do nothing. The current contract will end on September 30<sup>th</sup> 2015. If a new contract isn't secured, the supplies will be subject to 'out of contract' rates from October 1<sup>st</sup> 2015, which are significantly higher (>100%) than contract rates.

- 6.2.2 The Council's constitution (specifically, the Contract Procedure Rules ("CPRs")) permit the use of Framework agreements subject to the prior approval of the Assistant Director Procurement. The Council must ensure that the procedure for call off under the terms of the Framework is complied with.
- 6.2.3 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.4 The contract must be in a form approved by the Assistant Director Legal Services and Governance.

## **7. KEY RISKS**

Failure to secure the contract imminently for a start date of October 1st 2015 will subject the prices to a significant increase. If a contract is not secured from October 1st then 'out of contract rates' will be applied, which will be as much as or greater than 100% higher than contract rates. The energy market is extremely volatile and prices can fluctuate up to 5% on a given day, therefore, it is essential to secure the contract at a time when the market is favourable.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

Through best practice procurement, competitive prices will be sought for all supplies pertaining to this contract.

### **8.2 Growth and Sustainability**

The Energy Management Team is part of the Sustainability Service. Through the Enfield 2020 Sustainability Programme, the Sustainability Service is helping the Council deliver a wide range of strategic sustainability projects, a number of which focus on 'managing your energy.' Best practice energy procurement is an integral part of this process, helping the Council save money by saving energy.

### **8.3 Strong Communities – Positive**

Securing value for money contracts will protect the Council's reputation in the local community.

## **9. EQUALITY IMPACT IMPLICATIONS**

An equality impact assessment/analysis is not relevant or proportionate for the approval of a new 12 month contract for the supply of electricity to Housing sites (landlords' supplies) that will ensure value for money for all consumers.

**10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The contract will be managed by the Energy Manager throughout to ensure correct pricing.

**11. PUBLIC HEALTH IMPLICATIONS**

Through best practice procurement, competitive contract prices will benefit many council housing residents and leaseholders by ensuring value for money for communal landlords' supplies including lighting, heating and lift supplies. This links to the fuel poverty agenda, which in turn has an impact on public health.

**Background Papers**

None