

MUNICIPAL YEAR 2015/2016 - REPORT NO.

**PORTFOLIO DECISION OF THE CABINET
MEMBER FOR FINANCE & EFFICIENCY**

REPORT OF: James Rolfe – Director of
Finance, Resources & Customer Services

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Agenda - Part: 1	Item:
Subject: Long-term co-management contract award for the supply of services to support the delivery, transformation and leadership of a council wide procurement and commissioning hub	
Wards: non specific	
KD Number: 4396	
Cabinet Member consulted: Cllr. Dino Lemonides	

1. EXECUTIVE SUMMARY

- 1.1 On 1st February 2016, as part of the agreed Enfield 2017 Programme, staff from across the Council were consolidated into a procurement, commissioning and market management hub ("Procurement & Commissioning Hub") prior to the award of a long-term procurement and commissioning co-source contract.
- 1.2 Cabinet, on 18th November 2015 (KD4228) agreed a proposal to award an interim contract ("Interim Contract") for the interim leadership of this Council-wide Hub, until at least the 31st March 2016 (with the option of a three-month extension), prior to undertaking the full tender process for a long term co-management partner. The award of both the interim and the long-term contracts were delegated to the Cabinet Member for Finance and Efficiency and the Director of Finance, Resources & Customer Services.
- 1.3 Following a procurement exercise under the Consultancy One Framework ("Framework"), Ernst & Young ("EY") was confirmed as the successful tenderer and was awarded the Interim Contract for a period from 1st December 2015 – 31st March 2016 (inclusive). This was extended from 1st April 2016 - 30th June 2016 (inclusive), and from 1st July – 31st August 2016 (inclusive) and from 1st September – 28th October 2016 (inclusive).
- 1.4 The Council has undertaken a thorough tender process, to secure a long-term co-manager for the Council's Procurement and Commissioning Hub.
- 1.5 The procurement has been undertaken in accordance with the EU Public Contracts Directive (2014), the UK Public Contract Regulations (2015) and the Council's Contract Procedure Rules.

1.6 Five of seven suppliers passed the PQQ stage of the tender process and 4 suppliers responded to the ITT.

1.7 With the submissions having been evaluated by a cross-section of departmental officers, it has been recommended by the evaluation panel that "Bidder D" be awarded the contract for a period of 3 years with the option to extend for a further two years to be taken at the Council's discretion.

2. RECOMMENDATIONS

2.1 That the Portfolio Member for Finance & Efficiency and the Director of Finance, Resources & Customer Services:

2.1.1 agree the service delivery approach of a co-managed Procurement & Commissioning Hub and its associated benefits to be the most pragmatic for the Council recognising that it will strengthen and enhance the provision of the in-house Procurement & Commissioning Hub

2.1.2 agree the outcome of the procurement process and authorise the decision to award the contract to 'Bidder D' to co-manage the Council's Procurement and Commissioning Hub for a period of three years with the option to extend for a further two years to be taken at the Council's discretion and approve the same.

2.1.3 Note that the value of the contract and its construction are commercially sensitive and can be found in Part 2 of this report, in line with approval of tender process by Cabinet on 18th November 2015.

2.1.4 Agree the principles set out in section 7.1 regarding the allocation of budget savings delivered from the reward agreement.

2.2 That the Portfolio Member for Finance & Efficiency delegates finalisation and signature of the contract (and all ancillary documentation) to the Director of Finance, Resources and Customer Services

2.3 See Part 2 of this Report.

3. BACKGROUND

3.1 As part of the Enfield 2017 ("E2017") transformation programme, the Council decided to engage external expertise and capacity to work with the Council's E2017 Programme Team to develop and deliver the Procurement and Commissioning Hub as an expansion of the successful use of a similar approach on a pilot basis within the HHASC Brokerage function.

3.2 From 1st December 2015 – 28th October 2016 (inclusive) the Council's Procurement and Commissioning Hub was led by EY. EY was selected via a mini-tender, undertaken using the Consultancy One Framework ("Framework"). The tender specifically identified the requirement to provide interim leadership of a single

centralised procurement and commissioning team and the identification and delivery of in year savings across the Council.

- 3.3 The E2017 Programme Team is supporting the creation of the Hub in line with the E2017 principles. The Hub comprises staff from across the Council and is responsible for all procurement and commissioning activity across the Council, including the delivery of a market management function that ensures that the Council's future needs across a range of service departments such as temporary accommodation and domiciliary care, can be delivered in a sustainable manner.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 An option considered was to not award the contract for these services and to support the hub entirely in-house. However, given that this would remove the external support and leadership of the procurement and commission function that Cabinet have agreed should be in place, this was not appropriate, neither would it offer continuity to staff in terms of external professional support.

5. PROCUREMENT

- 5.1 An OJEU Contract Notice was published and the opportunity was also advertised on the London Tenders Portal (the Council's e-tendering portal).
- 5.2 Following the initial Expression of Interest period 7 applicants successfully submitted a Pre-Qualification Questionnaire (PQQ). Following evaluation of the PQQ's, 5 applicants met the minimum requirements and were subsequently invited to submit initial tenders. 4 applicants successfully submitted initial tenders, 1 applicant opted out and withdrew from the process.
- 5.3 An evaluation panel, comprising of representatives from all departments, evaluated the initial submissions. 2 suppliers failed to meet the minimum quality threshold requirements scoring less than 70 and were not considered further. 2 suppliers met the minimum quality threshold, scoring at least 70, allowing the financial elements of the tender to be evaluated. Following evaluation of the financial elements of the tender, the panel recommended that we enter into negotiations with the remaining 2 suppliers.
- 5.4 Negotiations were held with both tenderers to improve the content of their initial tender submitted by them. Tenderers were then invited to submit final tenders and were allowed time to modify and re-submit amended tenders, as appropriate, reflecting the negotiations that were held. Both suppliers successfully re-submitted amended tenders.
- 5.5 The evaluation panel, reconvened to evaluate the final tenders. Both suppliers met the minimum quality threshold requirements, with a score of at least 70 allowing the financial elements of the tender to be considered.

	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
TOTAL	Did not meet minimum quality threshold		57.33%	93.14%	Withdrew

See Part 2 Report for a detailed summary of the evaluation.

6. REASONS FOR RECOMMENDATIONS

- 6.1 It is recommended that the Authority awards the contract to Bidder D.
- 6.2 Cabinet confirmed that it would be beneficial for all procurement and commissioning staff from across the Council to have worked alongside a delivery partner and to have benefited from the associated skills transfer within such an arrangement, before any recruitment and selection process to posts within the new hub is undertaken. With the award to Bidder D, staff will continue to receive consistent high quality procurement support and be able to feed into the future shape of the service by providing localised expertise. It is important that a long-term co-management partner is available to support the council, not least in the procurement of contracts that related to statutory safeguarding duties, that a long term contractual award is made.

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

7.1 Financial Implications

- 7.1.1 Any savings generated by the Procurement & Commissioning Hub over and above the ones already included in the Medium Term Financial Plan will be delivered on a reward basis.
- 7.1.2 The successful bidder will claim a % of those savings as a one off payment. In order to manage this process and ensure the P&C Hub remains sustainable on an ongoing basis a budget virement from the contract reduced service budget will be transferred to the Hub budget.
- 7.1.4 See Part 2 Report for financial implications as they pertain to the award.

7.2 Legal Implications

- 7.2.1 Section 111 of the Local Government Act 1972 ("LGA") gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.
- 7.2.2 Furthermore, the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. In addition, section 112 of the LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.
- 7.2.3 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to conduct a competitive procurement process (CPR 8.1). The

Council has procured the services via the competitive procedure with negotiation route.

- 7.2.4 In accordance with CPR 19.2.2, the Council must comply with its obligations regarding obtaining best value under the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to award these services to the relevant contractor, in order to demonstrate that best value has been, and will continue to be, obtained for the Council
- 7.2.5 The Council must comply with its Constitution, CPRs and, as the contract value exceeds the EU threshold, it must also comply with the Public Contracts Regulations 2015 ("PCRs"). The contract has been tendered in accordance with the PCRs 2015 and therefore cannot come into force until the appropriate authority report has been signed off and the call-in period in accordance with the Council's Constitution has expired. Furthermore, the contract can only come into force once the mandatory "standstill" period of at least ten calendar days has elapsed from the date of notifying tenderers, in writing, of the contract award decision.
- 7.2.6 As the entire contract value exceeds £250,000.00 this is a Key Decision and the Council must comply with its Key Decision Procedure
- 7.2.7 Pursuant to CPR 21, for every contract exceeding £250,000.00, the Council is required to obtain a performance bond or a parent company guarantee except where the relevant Service Director and the Director of Finance Resources and Customer Services consider this to be unnecessary. In accordance with the invitation to tender documentation, the Council may request sufficient security (e.g. a parent company guarantee / financial bond) for the due performance of the Contract in a form which is acceptable to the Authority, acting reasonably.
- 7.2.8 The proposed procurement approach and proposed award was considered and approved by the Council's Corporate Management Board.
- 7.2.9 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Assistant Director of Legal and Governance Services so as to best protect the Council's commercial contracting position.

7.3 Property Implications

Not applicable.

7.4 Procurement Implications

The procurement has been undertaken in accordance with the EU Public Contract Directive (2014), the Public Contract Regulations (2015) and the Council's Contract Procedure Rules. An OJEU Contract Notice (ref 2016/S 104-186400) was published and the opportunity was advertised on the London Tenders Portal ("the Authorities e-tendering portal"), following the Competitive procedure with negotiation.

8 KEY RISKS

- 8.1 The risk associated with non-award of this contract would be the failure to comply fully with safeguarding requirements relating to adult social care contracting.
- 8.2 The risk that the contract will not achieve savings greater than its cost is mitigated by the inclusion of a risk and reward element that directly reduces the cost that would have otherwise applied to the leadership of the procurement and commissioning hub.
- 8.3 Staff would not have benefited from external leadership and development in the period up to the future restructure of Procurement, Commissioning and market management hub and would therefore be potentially disadvantaged in any future recruitment process.

9 IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

The creation of a procurement and commissioning hub will support all services across the council, enabling them to deliver front line services to the community.

9.2 Growth and Sustainability

The creation of a Procurement and Commissioning Hub will support transparent procurement and commissioning activity through the sustainable procurement policy promoting the use of lots and local suppliers and SME's.

9.3 Strong Communities

The creation of a Procurement and Commissioning Hub will support all services across the Council, enabling delivery front line services to the community.

10 EQUALITIES IMPACT IMPLICATIONS

- 10.1 Support for vulnerable groups is enhanced by this contract as it will maintain a breadth of experience that can be brought to bear on contract negotiations for service.
- 10.2 All staff impacted by these proposals will be treated equally and in line with the E2017 People Principles that have been agreed by Cabinet and the Trade Unions.

11 PERFORMANCE MANAGEMENT IMPLICATIONS

- 11.1 As with all aspects of E2017, progress and performance will be monitored by STB, whilst financial savings will be confirmed by the Assistant Director Finance and Business Support.

12 HEALTH AND SAFETY IMPLICATIONS

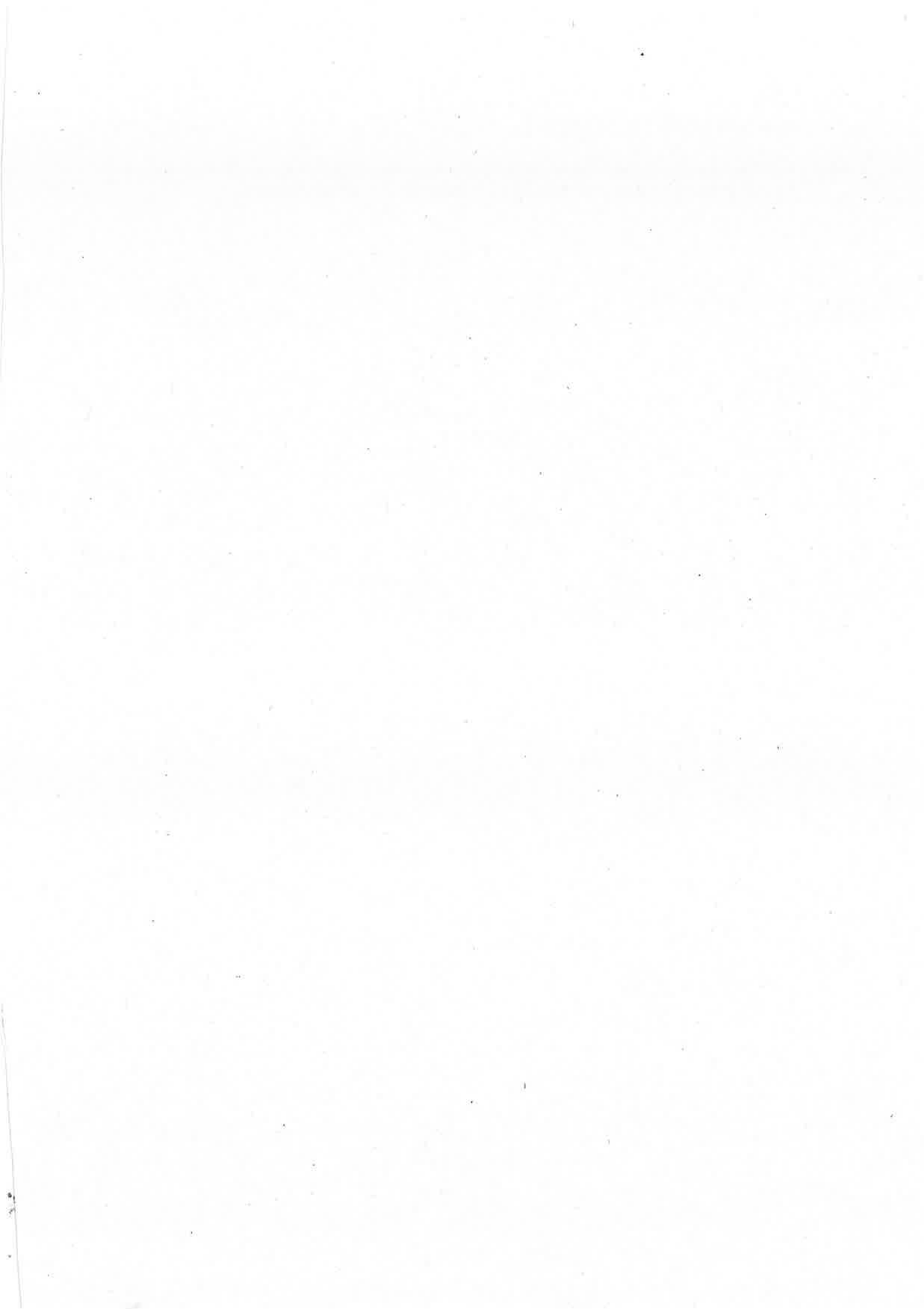
- 12.1 Not directly applicable.

13 HR IMPLICATIONS

- 13.1 All staff implications will be addressed via E2017 in the manner agreed by Cabinet and form part of the fortnightly discussions held with the Trade Unions.

14 PUBLIC HEALTH IMPLICATIONS

- 14.1 Improved contracting for Public Health outcomes will increase value for money across a wide range of service and embed public health as part of core business.**



MUNICIPAL YEAR 2016/2017 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF: Cabinet Member for Economic Regeneration & Business Development; and Cabinet Member for Housing & Housing Regeneration

REPORT OF:
Director – Regeneration & Environment

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Agenda – Part: 1

KD Number: 4405

Subject: Award of Contract – Provision of Architecture and Urban Design Services for Enfield Council Development Projects

Wards: All

Cabinet Member consulted:

Councillor Alan Sitkin and Councillor Ahmet Oykener

1. EXECUTIVE SUMMARY

- 1.1. The Neighbourhood Regeneration team is seeking a suitable consortium of providers to provide architecture and urban design services for a wide range of projects, across the borough, at different scales and across different stages of the RIBA Plan of Work.
- 1.2. The consortium will be available to all Council departments for use in the delivery of projects.
- 1.3. A procurement process in accordance with the Notting Hill Housing Trust Consultants Framework was conducted and Consultants A, B & C were selected as the preferred suppliers. The primary reason for their success was the quality but mainly the price of their service to the council as it progresses the development and re-development of several sites within the borough.
- 1.4. A Part 2 report sets out additional detail around the selection process and the fees associated with the work.
- 1.5. This report recommends appointment of Consultants A, B & C to deliver architecture and urban design services to the Council.

2. RECOMMENDATIONS

That the Cabinet Member for Economic Regeneration & Business Development and the Cabinet Member for Housing & Housing Regeneration:

- 2.1 Agrees the outcome of the procurement process and authorises the appointment of Consultants A, B & C as the council's architects and urban designers with respect to the development of the required sites in the borough.
- 2.2. Delegates the finalisation of the call-off contract (and all ancillary documentation) to the authorised legal officer.

3. BACKGROUND

3.1 Enfield is an outer north London borough, the sixth largest in London, comprising a mixture of urban and suburban neighbourhoods with distinct character areas, contrasting land uses and socio-economic conditions, and with varying levels of transport accessibility.

3.2 Enfield's current population of 324,574 is forecast to grow to 334,700 by 2021. Indeed, a revised target of 798 new homes per year in the period 2015 to 2025 has recently been agreed by the Greater London Authority. These homes will be accommodated on a range of sites across the borough but the opportunities to achieve housing delivery at a significant scale and pace are in limited supply.

3.3 Enfield's Regeneration Plans

3.3.1 The Council has made significant progress in enabling and leading its own housing development and estate renewal programme; and is taking a proactive approach to housing development.

3.3.2 At the largest end of the scale, the Council is embarking on a 20 year programme to redevelop the area of land in Angel Edmonton known as Meridian Water. The land will be developed to accommodate new homes (at least 10,000), new jobs (at least 6,700), a new relocated railway station, new parkland, new schools (including a secondary school), a decentralised heat network (Lee Valley Heat Network) providing hot water and heating alongside a whole host of infrastructure facilities.

3.3.3 The Council has also successfully won Housing Zone 1 (Meridian Water) and Housing Zone 2 (Edmonton Futures formerly known as Edmonton Heartlands) funding and support from the GLA to accelerate a large quantum of development across the eastern corridor of the borough that will see intensification of residential and employment opportunities for the next 10 to 15 years.

3.3.4 The Council in partnership with a developer have just started building new homes (167) on the Electric Quarter site in Ponders End that will also deliver commercial and community facilities.

3.3.5 In terms of future regeneration opportunities, the Council is exploring further intensified development in the Council's main centres. Primarily this will focus on Ponders End, Enfield Town and the Edmonton Heartland which comprises Angel Edmonton and Edmonton Green.

3.3.6 The Council is continuing with the approach to assemble and package smaller scale sites together, taking on the role as the developer. The Council is continually finding more sites across its portfolio which has development potential and a large number of smaller scale sites will form part of this new commission. It is envisaged that the Council may actually develop and

construct the site in future and as such, the complete suite of development expertise forms this commission.

- 3.3.7 Architectural-led services are required to ensure that a constant pipeline of schemes are coming forward to meet the Council's ambitious objectives for increasing housing supply, employment, retail, community facilities, as well as a number of other corporate objectives. The Council is continually reviewing its assets in terms of land disposal, and also considering opportunities for land acquisition, and it is envisaged that this commission will also be the resource for ad-hoc feasibility work for different clients within the Council.

4. TENDER PROCESS AND SCORING

- 4.1 The team issued an Invitation to Further Competition under the procedure set out in the Notting Hill Housing Trust Consultants Framework, to secure a suitable consortium of providers. This route offered the benefits of liaising with the wider market, whilst also providing a degree of vetting to ensure that bidders were suitably qualified and financially sound.
- 4.2 The procurement objective is to procure a suitably qualified consortium consisting of multidisciplinary teams led by architects and comprised of planners, landscape architects, surveyors, transport planners, engineers and environmental consultants to undertake a range of design work across the RIBA Plan of Work 2013 Stages, including a predominantly housing led developments of:
- Small-medium scale redevelopment/infill adaptation of existing buildings
 - Large development sites
 - Ad-hoc design projects
 - Ad-hoc feasibility studies and possible some,
 - Estate renewal projects
- 4.3 The commission will be borough wide; it will be on a flexible basis and is expected to last for between 24 and 48 months.
- 4.4 The procurement exercise sought responses that covered bidders' approaches to, and experience of, undertaking similar work to that proposed.
- 4.5 Invitation to Further Competition (ITFC) was issued to four providers selected from the Notting Hill Housing Trust Framework. A full copy of the Invitation to Tender Further Competition brief is provided in the Part 2 report at Appendix 1.
- 4.6 The consultants' responses were evaluated according to a pre-defined criteria set out in the ITFC document - summarised as 60% quality and 40% price. The tenders were scored individually by the evaluators but the final scores were arrived at by moderation.

- 4.7 The complete results of the evaluation of the tenders, including the rationale for the scoring is provided in the Part 2 report at Appendix 2. The tenderer with the least score was determined not to be substantially responsive to the tender requirements and therefore will not be invited to join the consortium.

The scores are summarised below.

Table 1: Summary of Bids Received:

Bidder	Quality (60% max)	Price (40% max)	Overall
Consultant A	45%	33.09%	78.02%
Consultant B	38.75%	34.37%	73.12%
Consultant C	30.00%	29.16%	59.16%
Consultant D	38.75%	17.14%	55.89%

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The alternative option would be to invite all four bidders to join the consortium or to abort the whole process and do nothing. The former is not recommended because the 4th placed bidder is sufficiently far behind the 3rd placed bidder in the price score for there to be a case for retaining their involvement. Their offer to the Council will not represent Value for Money neither would it represent any economic advantage.
- 5.2 Aborting the process is not recommended because the council has a clear mandate to deliver development across the borough. To do this, it needs the services of suitably qualified architecture and urban design firms. The 3 bidders recommended for appointment all have the experience and capability to assist the Council in the design and delivery of these projects.

6. REASONS FOR RECOMMENDATIONS

The procurement process is about selecting consultants who will work with the Council for the next couple of years across the borough, on different and varied projects. It is therefore important that the successful organisations have the technical ability to undertake the role. The organisations recommended for appointment have demonstrated with evidence that they meet the full requirements set out in the brief.

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

7.1 Financial Implications

The recommendations in this report do not in themselves contractually commit the Council to any expenditure. The use of the call of contract will be

as and when required and will be undertaken with due regard for the budget envelope available for each project at the time.

7.2 Legal Implications

Section 1 of the Localism Act 2011 gives the Council a general power of competence which enables the Council to do anything which an individual may do provided it is not prohibited by legislation. This would include a power to enter into contracts for the delivery of architectural services

- 7.2.1 This report seeks approval to appoint 3 service providers, Penoyre Prasad, Avanti Architects and HTA to carry out architectural services. The Neighbourhood Regeneration Team has advised that there is a Framework Agreement that permits the appointment of the 3 service providers in the manner set out in this report. Any contracts with the service providers will be required to be in a form approved by the Assistant Director of Governance and Legal Services and possibly subject to compliance with the Council's Contract Procedure Rules.*

7.3 Property Implications

There are no direct property implications associated with the procurement and appointment of consultants undertaking Architecture and Urban Design work at this stage.

8 KEY RISKS

That the fourth placed bidder challenges the procurement – there is a generic risk of a challenge to all procurement by the unsuccessful bidder. In mitigation, the Council has ensured that the procurement process has been open and fair. Due diligence has been exercised throughout and a clear audit trail of the evaluation process has been maintained. A Risk Register is attached in Part 2 report at Appendix 3.

9 IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All, Growth and Sustainability & Strong Communities

- 9.2 The vision of Enfield Council Business Plan 2016/17 is to make Enfield a better place to live and work, delivering fairness for all, growth and sustainability and strong communities. The procurement of Architecture and Urban Design Services as described in this report would enable the development of new homes across the borough, in conjunction with the delivery of more jobs and employment opportunities, a revitalised high street, community facilities, businesses etc. Their subsequent development would be guided in part by the Council's Core Strategy, which, amongst other things, seeks to achieve fairness for all, sustainable growth and the development of strong communities.

10 EQUALITIES IMPACT IMPLICATIONS

- 10.1 During the master-planning process, demographic data was collected in relation to residents of the borough in order to determine which groups to target for community engagement and to also help assess the equalities issues the Masterplan proposals will need to consider.
- 10.2 During construction, plans will be put in place to mitigate all identified negative impacts on the community.
- 10.3 Any further equalities impact issues will be examined at the planning application stage on individual sites. The regeneration programme aims to deliver substantial improvements to the area, which will benefit all sections of the community.

11 PERFORMANCE MANAGEMENT IMPLICATIONS

The delivery of regeneration projects across the borough supports Enfield Council Business plan Objective 2.10 (Improved quality of life for residents through regeneration of priority areas); and the Council's vision of 'A borough that attracts inward investment and supports sustainable regeneration and growth'.

12 HEALTH AND SAFETY IMPLICATIONS

All four bidders passed the mandatory health and safety evaluation at the pre-qualification stage which enabled their entry into the framework. The design of the projects will take into consideration health & safety issues. During construction, the Council will ensure that all contractors adhere strictly to CDM regulations.

13 PUBLIC HEALTH IMPLICATIONS

The development and re-development projects across the borough provide a major opportunity to improve the health of the population that compliments other initiatives in the borough such as the public realm improvements and Cycle Enfield. The projects will increase the health of the public through improved housing, economic development and urban planning to facilitate healthy lifestyles. The developments will capitalise on complimentary initiatives such as Cycle Enfield to encourage everyday physical activity as well as ensuring pleasant walking access to facilities, access to and sight of green space. The development of microgeneration such as the Lee Valley Heat Network renewable energy and modern home standards to reduce greenhouse gas emissions will go a long way in ensuring resident's financial resilience. The design of housing and community facilities will encourage incidental social interaction to help in reducing social isolation and loneliness.

Background Papers

None