

MUNICIPAL YEAR 2018/2019 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

Operational Decision of:
Sarah Cary
Executive Director Place

Agenda – Part: 1

KD : 4729

Subject:

Commercial and Financial Advisor
Procurement Award

Wards: Upper Edmonton

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1. EXECUTIVE SUMMARY

- 1.1 The London Borough of Enfield Procurement team has led a procurement process, with support from the Neighbourhood Regeneration Team, to procure a new Commercial and Financial Advisor for Meridian Water. The procurement was undertaken using a framework from the Crown Commercial Services (CCS), Estate Professional Services RM 3616 Lot 1. A mini competition has been run in accordance with the terms of the Framework.
- 1.2 Previously this role was carried out by two separate consultants who were procured with a scope aligned to Master Developer route for Meridian Water. However, as the Master Developer procurement process has been terminated the contracts awarded under the original procurement route are no longer relevant and a new procurement exercise had to be completed.
- 1.3 Combining the two roles will avoid duplication of responsibilities whilst also ensuring that the advisor takes end to end responsibility for the financial model inputs and outputs
- 1.4 Bidder A has the required skills, expertise and the capacity to deliver the tasks set out in Attachment 1. It is therefore recommended that they are appointed to the role.
- 1.5 The appointment is a call-off contract and funds will be drawn down from the approved Meridian Water budget when required. There is no obligation on the part of the Council to commit to any minimum expenditure under the terms of the contract

2. RECOMMENDATIONS

It is recommended that the Executive Director Place:

- 2.1 Approves the Appointment of Bidder A as set out in this report.
- 2.2 Authorises the draw-down of funds for the appointment from the Meridian Water Budget when required in accordance with the approved Meridian Water Budget.
- 2.3 See Part 2

3. BACKGROUND

- 3.1 The Council has recently followed a robust OJEU competitive dialogue process in order to appoint a Master Developer for the Meridian Water project who would deliver the entire scheme over the course of a 20 year period. However, external factors such as structural changes in the residential market and Brexit, plus internal factors such as an accelerated land acquisition programme and significant progress in delivering the new Meridian Water station, have meant that the Council was unable to secure a deal which offered value for money and an equitable balance between risk and reward.
- 3.2 On July 25, 2018, Cabinet recommended that the Council no longer works with a single master developer for the entire regeneration area and instead will now procure developer partners for the first three development sites.
- 3.2 To ensure that the Council has adequate support from advisors, following the termination of the Master Development procurement exercise and subsequent ending of the linked Commercial Advisor and Financial Advisor roles, the LBE Procurement team has led a procurement process, with support from the Neighbourhood Regeneration Team.
- 3.3 The procurement was undertaken using a framework from the Crown Commercial Services (CCS), Estates Professional Services RM 3816 Lot 1. A mini competition has been run in accordance with the terms of the Framework. This procurement process was discussed at the Procurement Hub Board and approved in DAR report PL 18/033.
- 3.3 There are 12 suppliers on Lot 1 of the CCS panel. All members were invited to respond to the opportunity. One bidder, Bidder A, responded to the opportunity via London Tenders portal.
- 3.4 Bidder A's response was evaluated by a member of the Neighbourhood Regeneration Team and a member of the Finance Team. They scored the response as set out in the evaluation criteria. The scoring was undertaken individually. LBE procurement moderated the scores.
- 3.5 Bidder A has shown an excellent understanding of the requirements and demonstrated ability to undertake the work required to a high standard. It is therefore recommended that Bidder A is appointed

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 **Do nothing**
Doing nothing would leave the Council without the support needs at a critical stage in Meridian Water delivery.
- 4.2 **Re tender**

The response from Bidder A was of high quality and demonstrated value for money. Retendering would delay Meridian Water. The team does not believe that retendering would lead to better response than that already received.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Bidder A demonstrated the required expertise and experience to deliver the scope. The procurement used the CCS Framework to ensure quality and value for money

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

6.1 Financial Implications

See part 2.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The matters outlined in this report are incidental to the functions of the Council's departments and are intended to help ensure an effective service.

- 6.2.2 The Council also has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.

- 6.2.3 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to procure services from an existing legally compliant framework as long as the framework terms permit such and the framework is accessible by the Council.

- 6.2.4 The Council's Corporate Procurement Service should conduct due diligence on the use of the Framework and must be satisfied the Council may procure these services in accordance with the Framework Agreement. The Call Off must be undertaken strictly in accordance with the terms of the Framework

- 6.2.5 The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

- 6.2.6 As the Call Off Contract's value is over £250,000 this is a Key Decision and the Key Decision procedure should be followed.

- 6.2.7 The Call Off Contract will need to be sealed on behalf of the Council

6.3 Property Implications

Nil Property implications

6.4 Procurement Implications

The procurement was undertaken using the Crown Commercial Services (CCS) Estates Professional Services RM 3816 Lot 1. The procurement process was discussed and approved at the Procurement and Commissioning Hub Board. The procurement was carried out in accordance with the Council's Contract Procedure Rules. The mini competition process was run in accordance with the terms of the Framework. The result of the mini-competition was that one tender was returned which has been evaluated in accordance with the tender and has been found by the client to provide value for money.

7 KEY RISKS

No significant risks have been identified with this procurement exercise.

8 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good Homes in well-connected neighbourhoods

The Meridian Water scheme aims to provide a well-connected neighbourhood through improvements in both road and rail networks increasing the frequency of services as well as reducing travel times. The scheme will be built in accordance with a very robust design code ensuring high quality of design and build with a range of tenures. The appointment of a commercial and financial advisor will help to facilitate the delivery of the scheme in a fast and efficient manner.

8.2 Sustain strong and healthy communities

The Meridian Water regeneration scheme aims to provide robust social infrastructure providing opportunities for the local community to partake in healthy lifestyle choices with access to leisure centres, a cycle network and access to high quality public open spaces. The appointment of a commercial and financial advisor will help to facilitate the delivery of the scheme in a fast and efficient manner.

8.3 Build our local economy to create a thriving place

The Meridian Water regeneration scheme aims to bring economic growth, support inward investment, create new jobs and build a strong and sustainable future for the local community. The appointment of a commercial and financial advisor will help to facilitate the delivery of the scheme in a fast and efficient manner.

9 EQUALITIES IMPACT IMPLICATIONS

Any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

Robust contract management will be undertaken to ensure effective service provision when the winner of the competition is in contract.

11 PUBLIC HEALTH IMPLICATIONS

Meridian Water will provide energy efficient, sustainable housing, a basic tenet of a healthy life. The appointment of a commercial and financial advisor will help to facilitate the delivery of Meridian Water in a fast and efficient manner.

Background Papers

None