

Item No. 17.	Classification: Open	Date: 13 December 2016	Meeting Name: Cabinet
Report title:		Gateway 1: Procurement Strategy Approval Abbeyfield Estate HINE (Maydew House) Works	
Ward(s) or groups affected:		Rotherhithe	
Cabinet Member:		Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing and Councillor Mark Williams, Regeneration and New Homes	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING AND COUNCILLOR MARK WILLIAMS, REGENERATION AND NEW HOMES

This report sets out the procurement process for Maydew House on the Abbeyfield Estate. Previously there was no clear plan for the future of Maydew House, this council is committed to social and council housing and we have now worked up a scheme with Howarth Tompkins architects for the estate. This will see five additional stories built on top of Maydew House, a new home for the Bede Community Centre beneath Maydew, and more new homes on the current Bede Site. The plans also include a number of other improvements for Thaxted and Damory Houses, and the upgrade of public open space in the area.

The refurbishment of Maydew House will help to meet the ever growing need for housing in Southwark and will provide good quality council homes and help to secure the future of Maydew House. We have listened to and taken on board the views of stakeholders including residents and Bede House and this refurbishment allows us to make significant improvements to the Abbeyfield Estate. We know from the current housing crisis that we need more homes of every tenure and this scheme will deliver on that need.

This report recommends using the Greater London Authority's (GLA) London Development Panel framework to procure a development partner to carry out these works. Following this tender exercise we will be able to determine the final mix of homes in Maydew and in the new homes that will be built. It is our hope that through the competitive bidding process we will be able to see a net increase in the number of council homes on this site. When compared to the proposals we inherited this shows our absolute and total commitment to getting the best possible outcomes for our residents by securing the maximum amount of high quality council homes.

RECOMMENDATIONS

1. That the cabinet approves the revised procurement strategy for the use of the GLA's London Development Panel framework to procure development partners for the Abbeyfield Estate HINE (Maydew House) works at an estimated value of £22m for an estimated period of 208 weeks from 21 August 2017.
2. That the cabinet notes that there are estimated internal fees of £651,200 and external fees of £1,577,000 making a total estimated scheme cost of £24,228,200.

BACKGROUND INFORMATION

3. Cabinet approved the enhanced refurbishment works to Abbeyfield Estate, designating a high investment needs estate on 20 March 2012.
4. Cabinet approved the Gateway 1 for the procurement process on 22 July 2014 for an EU restricted tender process.
5. Since the cabinet approval, significant progress has been made with the major works team undertaking a raft of design meetings and open days with stakeholders to define the required outputs for the project. This progress has seen the original proposals of simply refurbishing Maydew extend to the re-provision within Maydew of the Bede centre into a bespoke facility to better meet their (Bede's) needs and the resulting land that is then released being earmarked for new housing provision.
6. Design reviews with planning have identified the need for a high quality architectural input to ensure that the council end up with a landmark building in line with stakeholder expectations and to that end external design input is required.
7. The design discussions with stakeholders have also identified the following possibilities; an additional five storeys to be constructed on top of Maydew, re-siting of the main entrance from the current podium level to the ground level, removal of the podium link to Damory House and Thaxted Court. Full refurbishment of the flats within the building, removal of the ramps and external access stairs and soft and hard landscaping to the block surrounds and the re-positioning of the entrance to Thaxted Court in order to enhance the interaction between the park and housing. The additional storeys on Maydew will consist of 24 Units for sale on the open market. The council will need to sell approximately 45 properties in the block to balance the estimated costs. When the block was originally decanted, there were 139 tenants in the block and 5 leaseholders. Therefore, the council will be retain 68% of the original tenanted properties in Maydew for council tenants, In addition there will be an estimated 90-100 new properties built on the current Bede site. Appendix 1 shows current outline drawings and proposals.
8. A suitably qualified and experienced architectural firm was appointed on the Peabody framework through mini-competition in respect of the design services for the Abbeyfield Estate. Howarth Tompkins has been appointed following the approval of the Gateway 2 on 8 February 2016.

Summary of the business case/justification for the procurement

9. These works were programmed for delivery under Major Works partnering contract Lot 2 but due to this contract being ended by mutual agreement on 18 June 2012, a competitive procurement route is to be undertaken for these works.
10. The Gateway 1 report of 22 July 2014 set out the procurement strategy required to progress works and the appointment of Calfordseadon LLP for their experience of estate and area regeneration. This was subject of an order from the council's Long Term Agreement. The procurement was to be carried out in accordance with an EU restricted tender process. Discussions with planning led

to Calfordseadon LLP not satisfying the planning requirements and the council tendering for an alternative architectural firm.

11. This report is now sets out the vision for these works and requires the procurement strategy required to start works next July. Use of this ensures expediency in procurement over a shorter period.

Market considerations

12. The construction industry appears to be quite buoyant now and growth in the residential market has been strong recently. This project will be attractive and is targeted to the providers on the GLA's development panel framework. The framework supports the building of new homes in housing led mixed-use developments and is beneficial in consisting of specialist developers. The tendering process will ensure that the council give those on the framework an opportunity to tender and achieve value for money in a competitive market place. It will also ensure that the appropriate building contractors are targeted. The contractors on the framework are the appropriate players in the field with the required skills and knowledge to deliver a project of a mixed nature such as this and provides good coverage of the required market.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

13. Discussions with cabinet members for housing led to the Major Works team exploring the option of the GLA framework given the time constraints of EU tendering. It has therefore been decided that the preferred method of procurement for appointing developers is the GLA framework.
14. In choosing the preferred method of procurement, the following options were explored:
 - a. Full OJEU compliant procurement process
 - b. Existing Framework – Greater London Authority (GLA) London Development Panel (LDP)
 - c. Do nothing
 - d. Breaking contract into lots
 - e. Other frameworks.
15. A full OJEU compliant procurement process, whilst feasible, is not recommended given the time constraints to deliver the programme. On average, given the detailed stages of scheme development, the OJEU process would take a minimum of nine months from contract notice to contract award. This time could otherwise be spent on developing the project and undertaking procurement through a framework, where the developers who would most likely be procured through an OJEU, have already been pre selected and where early engagement is feasible in a process that would not be feasible through an OJEU.
16. The Greater London Authority (GLA) London Development Panel (LDP) framework is the Greater London version of the national HCA framework and provides the most 'fit for purpose' opportunity. It supports the building of new homes in housing led mixed-use developments, on land owned by the public sector. The GLA LDP provides the most competitive advantage option and consists of 25 specialist developers to select from, some of which have worked

or are familiar with Southwark. The GLA LDP is made up of all the main developers, both registered providers and contractors; it is the main framework for London and is operational. It includes a standard form Development Partnership Agreement (DPA) that will reduce legal costs and avoid the need to negotiate with developers on content, since it forms the basis of the Panel. It does however allow for scheme specific amendments. It would therefore be preferable to opt for the GLA LDP framework, which offers a more competitive advantage by having 25 developers to choose from.

17. The council does nothing is not an option for the council as works are required as set out in paragraph 5.
18. The council has considered breaking the contract into Lots but this is not feasible for the size of contract. The development is to be located on one site.
19. There are 2 frameworks are available to the council to use, the National or London specific. However, it is not believed that the national framework for this project will benefit from these procurement routes. The benefit of the London specific option is that most of the developers would have gone through the prequalification stage of the OJEU process, resulting in a shorter period given the time constraints.
20. The council also sought legal advice on the project being delivered by regeneration to see if this project can be delivered within the Affinity Sutton contract. The Legal team's advice is that the developers cannot act as contractors for the Maydew project as there is no provision in the contract for the council to make additional payments beyond what is already being paid. This means that Maydew contract cannot be delivered via the Affinity Sutton contract.

Proposed procurement route

21. The GLA has developed a multi-supplier framework panel (the GLA LDP) to accelerate the release of public land for residential led development. The GLA LDP is expected to speed up the process of procuring a development partner(s), increase efficiency and reduce costs by pre qualifying suppliers under set terms and conditions.
22. The GLA LDP is made up of 25 panel members that provide a range of services necessary to the delivery of housing and associated infrastructure and is not only available to the GLA, but also to London's councils. The panel members were appointed to the LDP through a two stage restricted procedure in compliance with the Public Contracts Regulations 2006, advertised through a contract notice published in the Official Journal of the European Union (OJEU).
23. The GLA LDP commenced in May 2013 for a 4-year period until May 2017. The main objectives of the GLA LDP Panel are for the development of homes to include all activities necessary to construct homes and associated infrastructure including but not limited to specifically:
 - development and disposal of sites for residential use
 - development and disposal of mixed-use housing-led sites. Mixed –use elements to include community facilities, retail or commercial development ancillary to and in support of housing.

- Demolition, site remediation and enabling works to prepare sites for residential or mixed-use development.
 - Refurbishment of existing block.
 - Design and construction homes
 - Development of Extra Care accommodation
 - Self- build enabling as part of a larger development
 - Maintenance and site management.
24. Use of the GLA LDP framework agreement will enable the council to speed up the procurement of a development partner, increase efficiency and significantly reduce costs because suppliers have been pre-qualified under set terms and conditions, which meet council requirements.
25. Officers have considered the flexibility within the agreement to accommodate the council's aims without introducing procurement risk. There is scope to make scheme specific amendments to the department of the planning authority.

Identified risks for the procurement

Risk No.	Identified Risk	Likelihood	Risk Control
1	Insufficient market interest	Low	Soft market testing. Bidders day to promote programme. Develop proposals and packages that offer benefit/incentive to developer and are sufficiently detailed and clear, so that the developers can make an informed decision as to whether they wish to pursue this opportunity. Informal soft market testing has traditionally been undertaken with developers on many projects. LDP offers the opportunity to gain early advice and viability input directly and at no cost.
2	Employer's Requirements inadequate or diluted by development partner	Medium	Ensure a comprehensive quality and deliverable specification is issued, to this end, officers have commissioned a Southwark design and specification to inform the ERs. Ensure the DPA enshrines robust governance agreements and conditions. Establish a multi-disciplinary Project Team who will be able to provide specialist guidance to cover all areas required from the specification and deliverables.
3	Viability – Packages not viable	Medium	Procured a competent financial and property adviser to carry out development appraisal exercise. Developers level of return enshrined within the DPA, secure average on the title. Viability testing at agreed stages and confirmation that the entire

Risk No.	Identified Risk	Likelihood	Risk Control
			package is variable throughout the term of the development.
4	Do not achieve competitiveness and value for money	Medium	Tender is managed in a way that ensures a degree of competitiveness with quantity surveying and financial advice to scrutinise the content of packages and site proposals. Ensuring that the site is packaged, viable and attractive to the market, whilst guaranteeing value for money to the council.
5	Deadlock – Council and its development partner fail to agree	Medium	Ensure that conflict resolution/deadlock features within the DPA disincentives against disputes and gives sufficient comfort that neither partner has the power to override the other.
6	Developer's cost inflation to mitigate stall/failure due to administrative delays	Medium	DPA enshrines clear decision making protocol – including parameters around “reasonableness” that should give developers sufficient comfort. Effective use of existing processes to ensure efficient decision making by senior officers. Internal governance and approval arrangement are realistically accounted for in overall programme plan.

26. A performance bond is required for this project.

27. A Parent Guarantee will be required if the successful contractor has a parent company.

Key/non-key decisions

28. This is considered to be a key decision because it deals with a strategic procurement.

Policy implications

29. Building control approval will only be required for specific elements and as such will be sort by way of a Building Notice once work commences. Albeit we are in discussions with Building Control and will continue dialogue throughout the design process.

Procurement Project Plan (Key decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	11/2016

Activity	Complete by:
DCRB Review Gateway 1	05/10/2016
CCRB Review Gateway 1	17/11/2016
Notification of forthcoming decision - Cabinet	28/11/2016
Approval of Gateway 1: Procurement strategy report	13/12/2016
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	22/12/2016
Issue Notice of Intention (Applies to Housing Section 20 Leaseholder consultation only)	N/A
Completion of tender documentation	22/12/2016
Briefing Meeting	04/01/2016
Expression of interest of GLA LDP Panel Members	06/01/2017
Closing date for receipt of expressions of interest	13/01/2017
Sifting Process	20/01/2017
Completion of short-listing of applicants	13/03/2017
Invitation to tender to 6 tenderers	27/03/2017
Closing date for return of tenders	05/05/2017
Completion of any clarification meetings/presentations/evaluation interviews	19/05/2017
Completion of evaluation of tenders	26/05/2017
Issue Notice of Proposal (Applies to Housing Section 20 Leaseholder consultation only)	N/A
Forward Plan (if Strategic Procurement) Gateway 2	24/04/2017
DCRB Review Gateway 2:	12/06/2017
CCRB Review Gateway 2	15/06/2017
CMT Review Gateway 2 (if applicable)	N/A
Notification of forthcoming decision – despatch of Cabinet agenda papers	16/06/2017
Approval of Gateway 2: Contract Award Report	19/06/2017
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	26/06/2017

Activity	Complete by:
Debrief Notice and Standstill Period (if applicable)	N/A
Contract award	03/07/2017
Add to Contract Register	05/07/2017
TUPE Consultation period (if applicable)	N/A
Place award notice in Official Journal of European (OJEU)	N/A
Place award notice on Contracts Finder	10/07/2017
Contract start	21/08/2017
Initial contract completion date	29/08/2021
Contract completion date – (if extension(s) exercised)	N/A

TUPE/pensions implications

30. TUPE should not apply to the appointment of a contractor to deliver these works to Abbeyfield Estate and should not apply on the expiry of the contract, as the works will have been completed. TUPE implications would need to be reviewed should there be a change of contractor during the project term.

Development of the tender documentation

31. An Employers Agent Calfordseaden LLP has been appointed, who as part of their role, will undertake the responsibility for developing the tender documents. Technical designs requirements and specifications will be developed based on Southwark's Design Standards and Technical specifications. The Head of Investment, Delivery Manager, Project Manager in the Asset Management Team will work with the Employers Agent to develop the tender documentation. Other council officers and legal and procurement will also be involved to ensure smooth running of the procurement and to identify and resolve any key issues that may arise.

Advertising the contract

32. This is not applicable as the intention is to use a framework which has been previously advertised and procured. All providers listed on the framework will be invited.

Evaluation

33. The LDP guidance shall be followed, which is to undertake a three stage process:

Stage 1 - Expression of interest (EOI) to all members listed on the panel

Stage 2 - Sifting brief to those who submitted an EOI

Stage 3 -.Mini-competition between those selected through the sifting stage.

34. The GLA LDP framework allows for Soft market testing and early stage advice to be undertaken. It is the council's intention to hold briefing sessions, prior to the expressions of interest being issued where the council's proposals will be provided to all 25 developers on the framework and gauge interest levels and offer one to one briefings. This will ensure that the developers fully understand the scheme.
35. A Bidders' Day shall be held at the sifting process stage, for interested panel members. This generally involves presentations to the interested panel members on the development by the area team, consultants and local authority representatives. This could then be followed by a site visit, with the opportunities for discussions and questions.
36. Following response to the expression of interest a sifting brief using the framework's template will be sent to all interested parties. The sifting brief is not intended to be a prequalification exercise; rather it will focus on the specifics of the project and test the capabilities and experience of panel members in delivering the things that are critical to the success of the project. As such, panel members will be asked to provide method statements (500 word limit each) in response to questions which is likely to include the following aspects:
 - a) Response to financial assumptions
 - b) Approach to community consultation
 - c) Response to project objectives
 - d) Response delivery programme
 - e) Response to design standards brief.
37. The responses will be scored. The aim will be to sift down to reduce the number of companies interested in bidding. The sifting period will be 6 weeks.
38. The mini-tender return period will be 6 to 10 weeks.
39. There are two evaluation panels, one evaluating the financial offer and the other quality. Both panels will have a minimum of three members.
40. The evaluation of the tender returns will be based on 70:30 price/quality split.
41. The Quality shall be assessed using the criteria set out by the framework:
 - Quality and employer's requirement
 - Design approach consent
 - Project management and resources
 - Programme
 - Approach to gaining planning
 - Construction approach and technical proposal
 - Risk assessment
 - Health and Safety.
42. The financial offer shall be assessed using the criteria set out by the framework:
 - Sales values (The value the developers will achieve from the sale of the new homes)
 - Construction costs (The contract value and on-cost of the build)

- Overheads and profit (the compensation the developers expect from their investment).
43. A suitable model to evaluate price shall be established and detailed in the tender document.
 44. The overall score of price and quality added together will be used as the assessment to appoint the selected developer. The recommendation for award will be to the bidder scoring the highest overall combined score (Quality and price).
 45. The Employers Agent will submit a tender and value for money report with the conclusion reached by the panel.

Community impact statement

46. Southwark is a borough with high levels of deprivation, low income levels and high levels of housing need. Southwark's Housing Strategy 2009-16 identified a shortage of affordable housing in the borough, particularly larger homes. Households from black and ethnic minority communities tend to be those living in overcrowded, poor quality housing.
47. Cabinet recently agreed a new vision for the future housing strategy including a principle to use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
48. The proposal to increase the supply of affordable, good quality homes will benefit households in need from all Southwark communities, and will increase the Housing options available for older people and people with disabilities.
49. Those households in the vicinity of the new developments may experience inconvenience and disruption whilst works are taking place but such communities will benefit in the long term from the provision of new homes. Particularly as 50% of these homes will be let to existing families from the local area subject to an agreed local lettings policy.

Social value considerations

50. The Public Services (Social Value) Act 2012 requires that the council to considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The detail of how social value will be incorporated within the tender are set out in the following paragraphs.
51. The council's approach to procurement of the design, development and construction processes will ensure a requirement to maintain and improve sustainability to the project.
52. The homes will have to achieve the Code for Sustainable Homes Level 5 (CfSH5); measures will have to be taken at all stages of development to achieve this.
53. At design stage, requirements will be in place to meet sustainability specifications including the following:

- Energy efficiency
- Reduce carbon emissions
- Conserve water and energy
- Mitigate flooding risk
- Safeguarding biodiversity.

54. During construction the appointed contractor/developer will be required to adhere to guidelines outlined in the London Construction Guide which include and are not restricted to the following:

- Procuring and using material sustainably
- Selecting materials with low lifecycle impacts
- Using local materials
- Use of materials with high recycling
- Meet minimum standards set out in building regulations.

Economic considerations

55. The design brief for the new homes will be developed in consultation with the 'user client' officers and make it clear that the council is seeking developments that are not only attractive and functional in their design but also durable and easy to maintain with low running costs.

56. The council is an officially accredited London Living Wage (LLW) employer and is committed to ensuring that, where appropriate, contractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. The terms and conditions will be checked and if there is no provision for this it will be included and there may be an additional cost associated.

57. The council will be seeking the appointed contractor to participate in a local employment. The initiative will generally conform to any Local Government policy including requirements set-out by the GLA that generally will encompass the Contractor, wherever possible, being encouraged to employ local subcontractors and labour and shall involve the training and employment of local people. Such employment and training will be relevant to the needs of the local community. The contract will require the successful contractor to provide apprenticeships.

Social considerations

58. The new housing will provide high quality affordable housing for local people in need of accommodation. 50% of these homes will be made available to existing families in need on an agreed local lettings policy. The remainder will be made available to other households in need of accommodation from the council's housing register.

59. The new rented homes will be let at social rent levels.

60. The council conditions will also include an express condition requiring compliance with the blacklist regulations, and include provision to allow the contract to be terminated for breach of these requirements.

61. The council can exclude companies who break the law by blacklisting from public contracts if they are either still blacklisting or have not put into place

genuine past blacklisting activities. The council can require “self cleaning” which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken are sufficient to demonstrate it has:

- “Owned Up”: clarified the fact and circumstances in a comprehensive manner by actively collaborating with the investigating authorities
- “Clean Up”: taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct
- “Paid Up”: paid or undertaken to pay compensation in respect of any damages caused.

Environmental considerations

62. In line with the Energy and Carbon Reduction Strategy, the council will work towards the target reduction rate for new council build homes of 15% by 2022.
63. The council will aspire to achieve Code for Sustainable Homes Level 5, and therefore have to reduce carbon emissions, conserve fuel and energy as set out in Building Regulations (Part L) Value the Environment.
64. Specifications outline that there should be an efficient approach to waste management. At design stage there is direction for designers to exercise reasonable skill and diligence in the selection of materials. At construction stage contractors are required to minimise construction waste and maximise the use of recyclable/ reusable products and materials.
65. Specifications stipulated within the Employers Requirements will ensure that the development activity is controlled in a way that positively contributes to achieving sustainability.

Plans for the monitoring and management of the contract

66. The works will be overseen by the Investment Delivery Team in the Asset Management Division of the Housing and Modernisation Department. This will include the management and administration of the contractor’s appointment. The employer’s agent, Calfordseaden will carry out day-to-day contract administration, management and monitoring of this programme. Operationally, there will be a project manager, contract manager and customer relationship officer allocated to the project who will be responsible for monitoring the professional staff. This includes the successful contractor’s performance based on costs, time and quality. External building surveyors, clerk of works and quantity surveyor will also be allocated to the project. The employer’s agent Calfordseaden will ensure periodic monthly payments are submitted. Calfordseaden will value the work completed and if the quality is inadequate, this would then affect the amount.
67. Performance of the team will be subject to constant scrutiny and monthly formal reviews.

Staffing/procurement implications

68. The staff resources deployed to this procurement is sufficient to meet the proposed timetable.
69. The project will be resourced by existing staff, within existing budgets.
70. Officer time relating to the management of this project is funded from the capital budget for individual projects.
71. It is our intention to set a Project Team to ensure the efficiency and smooth running of the project.

Financial implications

72. The estimated value of the works and professional fees for Abbeyfield Estate HINE is £ 24,228,200

Abbeyfield HINE estimated tender value £22,000,000	IP or EP? (int. or ext. provider)	Internal works fee (%)	Internal works fee (£)	External works fee %	External works fee (£)	Total fees (£)
Contract Project Manager (CPM)		0.83%	0	0.62%	136,400	136,400
Lead Designer		1.52%	0	1.13%	248,600	248,600
Quantity Surveyor		1.85%	0	1.37%	301,400	301,400
Clerk of works		2.48%	0	1.84%	404,800	404,800
Principal Designer		0.30%	0	0.30%	66,000	66,000
Mechanical & Electrical Engineer(s)		0.52%	114,400	1.84%	404,800	519,200
Other specialist services – Asbestos Surveys – Mail outs	IP	N/A	N/A	LUMP	15,000	15,000
Project Management (Delivery Team)	IP	2.44%	536,800	1.81%	0	536,800
Total fees for this contract			651,200		1,577,000	2,228,200

73. The estimated cost excluding fees are made up as follows:

Maydew refurbishment	£13,850,000
Additional floors/units Maydew	£2,950,000
Re-provision Bede and new build	£5,200,000
Total	£22,000,000

74. The scheme's projected spent is as follows:

2016/17	1,211,410
2017/18	6,057,050
2018/19	6,783,896
2019/20	10,175,844
Total	24,228,200

Investment implications

75. Following approval of the report to cabinet in March 2012, provision has been built into the housing investment programme for the proposed expenditure by the re-profiling of the existing approved resources for the acquisition of leasehold properties at Maydew House and refurbishment to the estate.
76. The additional flats created by extending Maydew House vertically will be self-funding via proportional sale on the open market of void properties. This new-build part of the structure will provide additional resources for general needs housing as well as for sale, which, in turn will result in a lower proportion of the block as a whole sold that envisaged by cabinet on 20 March 2012.
77. The new build on adjacent land that will be made available by the re-siting of the Bede Centre within the curtilage of Maydew House will be funded from the yet to be identified resources for the new build council housing project.

Legal implications

78. This contract is classified as a strategic procurement and therefore Contract Standing Orders (CSO) Paragraph 4.4.2 (a) reserves the decision to the cabinet or cabinet committee to authorise the proposed procurement process, after consideration by the corporate contracts review board (CCRB) of the report.
79. CSO 3.3.2 provides that any procurement involving the use of a third party's framework contract is subject to the usual Gateway 1 procedures. This report therefore seeks approval to the use of the GLA's London Development Panel framework contract.
80. As the framework agreement has already been tendered in accordance with the EU regulations, the council is not required to undertake a separate EU tendering exercise. The procurement strategy proposes the carrying out of a mini-tendering exercise between suppliers who are parties to the GLA's London Development Panel framework, as is set out in paragraphs 34 – 45 of the report, and which should enable a best value solution to be agreed with a preferred provider.

Consultation

81. Local residents will be consulted at each stage of proposals. Ward Councillors are being fully briefed prior to any public consultation and their comments and feedback incorporated in any initial proposals. Council Officers will meet with T&RA groups following Councillor briefings.

Other implications or issues

82. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

83. The strategic director of finance and governance notes the recommendations in this report for the revised procurement strategy for development partners for the Abbeyfield Estate HINE (Maydew House) works.
84. The estimated costs of the scheme are included in the financial implications, including the profile of anticipated spend. These costs will be confirmed at the GW2 contract award stage.

Head of Procurement

85. This report is seeking approval to procure development partners for the Abbeyfield Estate HINE (Maydew House) works.
86. The procurement options considered and discounted for this procurement are contained in the report and conclude that the best option is to carry out a mini competition through the GLA multi-supplier framework panel (the GLA LDP)
87. For contracts of this size and nature, the EU regulations apply. The proposed procurement route, (GLA LDP) is an EU compliant route for procurement, provided the rules supporting the operation of the framework are adhered to. The report confirms that the framework guidance will be followed.
88. The procurement timeline is reasonable and achievable provided adequate and appropriate resources are available as and when required.
89. The report confirms that a project team shall be set up for this project. It is important that robust governance arrangements for the project are in place to ensure successful delivery.

Director of Law and Democracy

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Director of Exchequer (For housing contracts only)

93. The council has bought back all the sold flats in Maydew, so there are no service charge implications for this contract. Further HINE work to the other blocks on the estate (Thaxted and Damory) will be service chargeable, and so will need to be carried out under a separate scheme so that statutory consultation with the leaseholders can be carried out.
94. Vacant units which are sold with a view to funding the project will need to be sold on similar terms to the current right to buy leases to allow the future management of the block and construction, billing and collection of service charges.
95. There are garages under Maydew House which will be demolished as part of the work to the block. These garages have been unoccupied (and unlettable) for a considerable period of time, with a consequent loss of income. As there is no proposal for reprovision of the garages there will be a loss of amenity to the area.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Design proposals

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing, Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	David Markham, Director of Asset Management	
Report Author	Kevin Orford, Project Manager	
Version	Final	
Dated	1 December 2016	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (For Housing contracts only)	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		1 December 2016