

Item No.	Classification: Open	Date: 22 August 2019	Decision Taker: Strategic Director of Housing and Modernisation
Report title:		Gateway 2: Contract Award Approval - East Dulwich Estate Environmental Works Phase 3	
Ward(s) or groups affected:		Champion Hill ward	
From:		Bruce Glockling, Head of Regeneration Capital Works and Development	

RECOMMENDATION

1. That the Strategic Director of Housing and Modernisation approves the award of the contract to Blakedown Landscapes (SE) Ltd to carry out the Phase 3 environmental works across the East Dulwich Estate for a total value of £1,724,478 for the works contract for a period of 12 months commencing 15 October 2019.
2. Notes that the overall project comes to a total cost of £1,977,348 as detailed in paragraph 51.

BACKGROUND INFORMATION

3. The Gateway 1 for the East Dulwich Estate Environmental Works Phase 3 scheme was approved on 13 December 2018.
4. The East Dulwich Estate (EDE) is made up of over 800 properties, in 25 blocks. In November 2012 an EDE planning application was submitted comprising the development of two new build blocks (Southdown and Gatebeck), 18 x Drying Room Conversions, and environmental works including external landscaping works across the Estate as part of an overall regeneration programme. The Phase 3 environmental works will be for a contract period of 12 months, and is the final phase bringing the regeneration scheme on the estate to an end.
5. The scope of works for the Phase 3 programme includes:
 - Courtyard works e.g. new car parking areas and pedestrian paving
 - Playground refurbishments and new communal gardens
 - Greening of the estate – new planting
 - Minor drainage works
6. An overall site layout indicating the location of the works can be found in the Masterplan in Appendix A.
7. As set out in the Gateway 1 report, the scheme needs to be carried out by contractors who have the expertise to deliver landscaping works of this specialist nature, complexity and value.
8. The procurement route has been to invite tenders from contractors with the expertise and skills to deliver these works, including three contractors from the

Council's Works Approved List, contractors on the council's Landscaping Framework and additional contractors who are not on the Works Approved List.

9. This approach was to ensure a competitive tender and to give the council best consideration.

Procurement Project Plan (Key Decision)

10. The Procurement Works project plan is set out below:

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	31/03/2019
Briefed relevant cabinet member (over £100k)	01/07/2019
Approval of Gateway 1: Procurement Strategy Report	13/12/2018
Issue Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation)	21/11/2018
Invitation to tender	29/04/2019
Closing date for return of tenders	10/06/2019
Completion of evaluation of tenders	01/07/2019
Issue Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation)	19/07/2019
DCRB Review Gateway 2:	15/08/2019
Notification of forthcoming decision	21/08/2019
Approval of Gateway 2: Contract Award Report	02/09/2019
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	11/09/2019
End of 10 day standstill period (if applicable)	16/09/2019
Contract award	17/09/2019
Add to Contract Register	17/09/2019
Contract start	15/10/2019
Publication of award notice on Contracts Finder	17/09/2019
Contract completion date	16/10/2020

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

11. The intended outcome of this procurement is for the appointment of a contractor to carry out the East Dulwich Estate Environmental Works Phase 3. The form of contract will be GC/Works/1 with Quantities (1998) with the council's standard

amendments which is a council approved industry standard form suitable for these works.

Key/Non Key decisions

12. This report deals with a key decision.

Policy implications

13. The delivery of this project fits with the council's commitments as set out in the new Southwark Plan which was approved by Council Assembly on March 2019 and then consulted on until 17 May 2019, including the commitment to "Regeneration that works for all". This includes revitalising our places and neighbourhoods to develop places where everyone can benefit from all of the activities such as play spaces and leisure, squares and the environment, and investing so that everyone can access the benefits of our regeneration programmes including green infrastructure and improving squares and public places between buildings.

14. The East Dulwich Estate Environmental Works Phase 3 reflects the vision of the emerging "Great Estates Programme" which aims to improve lives and wellbeing for residents through investment in our estates.

Tender process

15. The council was only able to identify three landscape contractors on the Council's Works Approved List that had the expertise to deliver these works. To ensure a competitive tender took place, one contractor was also invited from the Council's Landscape Framework, another from the Council's Ground Maintenance Contract and two others added that were not on the framework or approved list, but had the proven expertise to deliver works of this size and complexity.

16. The following seven landscape contractors that were able to meet the contract requirements for the scheme were selected and invited to tender for the works:

- Blakedown Landscapes (SE) Ltd.
- Gavin Jones Ltd.
- Ground Control
- IDVerde
- Kelmar Ltd.
- T.Loughman
- Tilhill Ltd.

17. The Invitation to Tender was issued on the Pro Contract 3 portal on 29th April 2019 with the Tender Return Date set at 3rd June 2019. Following a request from one tenderer, the tender return deadline was extended by one week to 10th June 2019.

18. During the tender period formal clarifications were issued regarding the planting schedule and proposed macadam works via Pro Contract 3, following clarification requests from two tenderers. These did not result in any material amendments to the specification.

19. The tender that was followed included:

- Obtaining expressions of interest from the seven selected landscape contractors by the Council's Lead Consultant, LARK Landscape Design
- Ensuring the selected tenderers were registered on the Pro Contract 3 portal
- Compliance check of tenders upon receipt by the Construction Project Manager (CPM), Potter Raper Partnership, and officers from Procurement and Housing Regeneration and Development
- Completion of Suitability Assessment Forms by each tenderer which were checked following submission of tenders by the CPM, and officers from Procurement and Housing Regeneration and Development
- Price evaluation (70%) by the Price Evaluation Panel
- Quality evaluation (30%) by the Quality Evaluation Panel

Tender evaluation

20. Following disqualification of one tenderer for failing to submit a quality response, and the withdrawal of one tenderer, the remaining 5 compliant tenders were evaluated in accordance with the evaluation mechanism set out the tender documentation. The specified weighting of 70% Price and 30% Quality was applied to the evaluation criteria.
21. The Price and Quality Evaluation Panels undertook a tender evaluation process in accordance with the evaluation methodology detailed in the tender documents.
22. The Quality Evaluation Panel comprised the Lead Consultant, the CPM and an officer from Regeneration Capital Works. The quality submissions were evaluated and scored in line with the quality evaluation methodology, with Quality weighted at 30% of the total score.
23. The basis of the Council's scoring criteria was made clear to bidders at the time of invitation to tender in the instructions to tenderers, with a scoring matrix of 0-5. The Quality evaluation was based upon:
 - Proposed project team and experience
 - Programme delivery
 - Project methodology
 - Project risk management
24. The tendered price submissions were evaluated by the Price Evaluation Panel which comprised Keegans (quantity surveyor consultant for the Lead Consultant) and 2 officers from Finance and Governance. Four of the five tendered prices, including Blakedown's, were less than the pre tender estimate (PTE) of £2.06m.

Price was weighted at 70% of the total score. The tenderer with the lowest price received the maximum percentage available i.e. 70%. Each remaining tenderer price was awarded a percentage score proportionally lower in line with the following formula:

$$[(\text{Lowest Tender sum} / \text{Contractor's Tender sum}) \times 70]\% = \text{Price Score}$$
25. The summary of the evaluation scores is as follows (with detail given in the closed report):

Tenderer	Price Awarded (70%)	Points Awarded (30%)	Total Points Awarded
Name	%	%	%
Blakedown Landscapes (SE) Ltd.	70%	23.60%	93.60%
Contractor 2	60.37%	21.00%	81.37%
Contractor 3	56.49%	24.80%	81.29%
Contractor 4	Withdrew	Withdrew	Withdrew
Contractor 5	66.82%	22.00%	88.82%
Contractor 6	59.37%	24.60%	83.97%
Contractor 7	Disqualified	Disqualified	Disqualified

26. One of the seven invited tenderers, Contractor 4 declined to tender on this occasion. Contractor 7's tender submission did not meet the tender requirements of the tender as their submission did not include a response to the Quality criteria as set out in the Tender Evaluation Methodology.

27. Blakedown submitted a very satisfactory quality tender scoring 23.6% out of a possible 30.0%, which ranked them in third place of the five tender submissions for quality. Blakedown submitted the lowest price tender, complied with both the price and quality evaluation methodologies and requirements and overall demonstrated the most economically advantageous tender.

28. Based on both the price and quality evaluations Blakedown Landscapes (SE) Ltd is recommended as the preferred bidder for the award of the contract for these works.

29. The form of contract will be GC/Works/1 With Quantities (1998) with the council's standard amendments which is a council approved industry standard form suitable for these works.

Plans for the transition from the old to the new contract

30. This is a one off contract and there will be no transition arrangements.

Plans for monitoring and management of the contract

31. The performance of the contractor in the delivery of works will be managed and monitored by the lead consultant LARK, project manager PRP and council officers in the Housing Regeneration and Development team.

32. PRP will act as Principal Designer, providing Construction Design and Management advice to ensure compliance to Construction Design and

Management Regulations 2015 (CDM).

33. The appointment will be based on a fixed fee, with payment being in instalments as set out in an agreed payments schedule related to the project programme.

Identified risks for the new contract

34. Risks relating to this contract and how they will be managed are shown below.

S/N	Risk	High/Medium /Low	Mitigation Strategy
R1	Unforeseen delays in completing the works or meeting the agreed programme	Medium	As part of the ITT Blakedown has provided a draft Contract Programme. The final Programme will be agreed prior to works commencing and will be monitored through the contract.
R2	Unforeseen matters presented once work commences	Medium	A contingency sum has been allocated to deal with any risks that may not be quantified at this stage.
R3	Detrimental impact of work on residents and staff	Low	As Principal Designer (CDM) Potter Raper Partnership will not sanction works to commence on site without a satisfactory construction phase health and safety plan being in place.
R4	Poor communication	Low	There has been consultation with residents and a public meeting will be held prior to the works starting. There will be regular meetings with the East Dulwich Estate Regeneration Project Team (EDERPT) and updates to be provided for stakeholders. The contractor will be required to provide contact details for the site manager and the resident liaison officer for residents during the construction period.
R5	Design risks	Low	Professional consultancy services as Principal Designer (CDM) to be provided by Potter Raper Partnership.
R6	Failure to deliver the works to agreed timescales	Low	Contingency built into project programme and periodic monitoring and reporting on project progress.
R7	Risk of contractor insolvency, ceases trading and goes into administration	Low	The Council has undertaken financial checks on Blakedown Landscapes (SE) Ltd. which did not identify any concerns in respect of their financial and economic standing. A performance bond is needed for this contract.

			Blakedown has confirmed that this will be provided and the costs are included in the tender sum submitted.
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Community impact statement

35. This procurement will facilitate the delivery of works which are part of a programme of regeneration across the estate and reflects the ambition of the Great Estates Programme to enrich the shared living environment of our estates, working closely with residents to engender a sense of pride of place. The emerging Great Estates Programme includes a commitment to ensure our estates are cared for with residents having a strong sense of ownership over their estates, including attractive gardens and landscaping.
36. The proposed environmental works to East Dulwich Estate will benefit the residents of the estate and the local community. One of the main objectives of the design brief was to ensure the benefits are accessible to all members of the community regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
37. The contractor will work to agreed hours of working and noise levels, and the programme of works will be phased to minimise disruption to local residents. The Principal Designer (CDM) PRP will not sanction works to commence on site without a satisfactory Construction phase health and safety plan being in place.
38. There has been consultation with residents and prior to the works starting on site, we are proposing a drop in event where residents can meet the main contractor. There will be regular meetings with the East Dulwich Estate Regeneration Project Team (EDERPT) and updates will be provided for stakeholders. The contractor will be required to provide contact details for the site manager and the resident liaison officer for residents during the construction period.
39. Blakedown confirmed in their tender submission that they will meet the council's requirement to engage one apprentice on the works throughout the contract.

Social Value considerations

40. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

Economic considerations

41. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. The Gateway 1 report approved on 13 December 2018 confirmed, for the reasons stated in that report, payment of LLW was an appropriate and best value requirement for this contract. Blakedown Landscapes (SE) Ltd. has confirmed that they already meet the LLW requirements.

Following award, quality improvements and cost implications linked to the payment of LLW will be monitored as part of the contract review process.

42. The council has requested the necessary information from tenderers using the council's standard documentation in relation to blacklisting and the winning tenderer Blakedown Landscapes (SE) Ltd. has confirmed that they are compliant with the regulations.
43. The contract conditions also include an express condition requiring compliance with the blacklist regulations, and include a provision to allow the contract to be terminated for breach of these requirements.

Social considerations

44. The East Dulwich Estate Environmental Works Phase 3 reflect the vision of the emerging "Great Estates Programme" and are the final phase of a programme of regeneration works which aims to improve lives and wellbeing for residents through investment in our estates.

Environmental/Sustainability considerations

45. In their tender submission Blakedown have set out their proposed approach on sustainability issues including proposals for minimising environmental impacts, in line with the council's requirement that tenderers demonstrate their proposed approach. Their tender submission confirms their commitment to make sustainability integral to the delivery process of their construction projects and to promote sustainable practices.

Market considerations

46. Blakedown Landscapes Ltd. is an existing corporate provider of landscape construction services to the Council under the Framework Agreement for Landscape Works (LOT 2). Financial checks have been conducted for Blakedown Landscapes (SE) Ltd., which did not identify any concerns about their financial and economic standing or capacity to undertake the work. These demonstrated satisfactory scoring which indicate it is a secure company. Failure is very unusual and normally occurs only as a result of exceptional changes within the company or its market.

Staffing implications

47. The award of the works contract does not have any Transfer of Undertaking (Protection of Employment) (TUPE) implications.
48. The letting of this contract will have no staffing implications; the existing team in the council's housing and delivery team will monitor the contract.

Financial implications

49. The contract for the East Dulwich Estate Environmental Works Phase 3 is a fixed sum of £1,724,478. Payment will be in instalments as set out in an agreed payments schedule related to the project programme.

50. The Gateway 1 report noted that the budget for these works is contained within the East Dulwich Estate Environmental Works Phase 3 budget which is held on project code H-1419-9286.

51. The overall estimated cost of the project is £1,977,348 comprising the following (with further detail in the closed report):

Works contract sum - £1,724,478

Other costs: fees and contingency - £252,870

52. The project forms part of the council's Housing Investment Programme, and the costs will be met from resources supporting that programme, which may include borrowing as appropriate.

Legal implications

53. The proposed contract has been procured in accordance with all relevant legislative requirements and in line with the Council's contract standing orders.

Consultation

54. A series of consultation events were held in 2014, followed by further consultation in May and July 2016 to show the most up-to-date plans. Another consultation event when residents can meet the contractor will be held before the works start on site.

55. East Dulwich Estate Regeneration Project Team (EDERPT) was formed to ensure key stakeholders are kept informed of the progress and the group meet regularly to share updates and information. There will be regular meetings with EDERPT and updates will be provided for stakeholders.

56. The Section 20 notice was issued on the 19th July 2019 and expired on the 19th August 2019.

57. The contractor will be required to provide contact details for the site manager and the resident liaison officer for residents during the construction period.

Other implications or issues

58. Not applicable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (H&M 19/062)

59. The report is requesting delegated approval from the Strategic Director of Housing and Modernisation to award the works contract for phase 3 of the East Dulwich Estate environmental works to Blakedown Landscapes (SE) Ltd for the sum of £1,724,478.

60. The report identifies the total cost of the works including fees and contingency to be £1,977,348. The financial implications section details how the costs will be funded, and any other costs connected with this contract but outside the scope of this report are to be contained within existing departmental revenue budgets.

61. There is an estimated resource shortfall for the Housing Investment programme. There is also likely to be further demand on the capital programme and it is, therefore, important that the cost of these works is carefully monitored and that accurate forecasting is in place.
62. Any variation or extension to the contract beyond the scope of this report will require further approval in line with council's procurement protocols.

Head of Procurement

63. This report seeks approval from the Strategic Director of Housing and Modernisation to award a contract to Blakedown Landscapes (SE) Ltd. to carry out the Phase 3 environmental works across the East Dulwich Estate for a total value of £1,724,478 for the works contract for a period of 12 months commencing 15 October 2019.
64. As the value of the works falls below the EU threshold it was not necessary to undertake an EU compliant tendering process; however, in accordance with the council's Contract Standing Orders (CSOs), seven bids were sought, resulting in five submissions, and a fair, robust and transparent tender process was undertaken.
65. Procurement were consulted at every stage including compliance checks, quality and price evaluation and all bidder clarifications.
66. The winning bidder has put forward a bid that offers good value for money and confirmed that they will appoint one apprentice during the life of the contract. Financial checks were undertaken on the winning bidder, to the satisfaction of the evaluation panel, Procurement and Finance representatives.
67. Plans for monitoring and management of the contract are detailed in paragraphs 31 to 33.

Director of Law and Democracy

68. A legal concurrent is not required for this decision as the value of the proposed works is under £2m.

Director of Exchequer (for housing contracts only)

69. These are works of repair and are therefore chargeable to leaseholders under the terms of their leases.
70. There are 218 leaseholders included in the contract that will be affected by the works. In accordance with the Landlord and Tenant Act 1985 (as amended) section 20 notices of intention were served on the 21st November 2018 and the observation period expired on the 7th January 2019. There was 1 observation received from leaseholders at this stage.
71. Section 20 notices of proposal were served on the 19th July 2019 and the observation period expired on the 19th August 2019. Leaseholder estimated charges totalled £303,090.77 with individual charges ranging from £423.31 to £1,411.04. There were 2 observations received from leaseholders included in this

package, none of these observations would lead to a delay in proceeding with these works.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the Council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature

Date

Michael Scorer, Strategic Director of Housing and Modernisation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

1. DECISION(S)

As set out in the recommendations of the report.

2. REASONS FOR DECISION

As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests. *

or

~~I declare that I was informed of the conflicts of interests set out in Part B4.*~~

(* - Please delete as appropriate)

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 Procurement Strategy Approval. East Dulwich Estate Environmental Works Phase 3	Housing Regeneration & Development Team, Place and Wellbeing Department	Bernadette Kiernan 020 7525 1216

APPENDICES

No	Title
Appendix A	Masterplan

AUDIT TRAIL

Lead Officer	Bruce Glockling, Head of Regeneration Capital Works and Development		
Report Author	Bernadette Kiernan, Project Cordinator		
Version	Final		
Dated	21 August 2019		
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
Cabinet	Yes	Yes
Date final report sent to Constitutional Team		4.09.2019

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	East Dulwich Estate Environmental Works Phase 3
Contract Description	Works contract
Contract Type	GC/Works/1 With Quantities (1998)
Lead Contract Officer (name)	Bernadette Kiernan
Lead Contract Officer (phone number)	020 7525 1216
Department	Place and Wellbeing
Division	Regeneration Capital Works and Development
Procurement Route	Single Stage Tender
EU CPV Code (if appropriate)	Not Applicable
Departmental/Corporate	Departmental
Fixed Price or Call Off	Fixed Price
Supplier(s) Name(s)	Blakedown Landscapes (SE) Ltd.
Contract Total Value	£1,724,478
Contract Annual Value	Not Applicable
Contract Start Date	15.10.2019
Initial Term End Date	16.10.2020
No. of Remaining Contract extensions	Not Applicable
Contract Review Date	Not Applicable
Revised End Date	Not Applicable
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	Not Applicable
Comments	No comments
London Living Wage	Included

This document should be passed to the member of staff in your department responsible for keeping your departmental contracts register up to date.