

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 27 October 2021	<b>Decision maker:</b> Strategic Director of Housing and Modernisation
<b>Report title:</b>		GW2 - Works Contract Award for Tissington Estate	
<b>Ward(s) or groups affected:</b>		Rotherhithe	
<b>From:</b>		Director of New Homes Development	

## RECOMMENDATION(S)

1. That the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness approves the award of works contract for Tissington Court to Guildmore Limited for a fixed period of 92 weeks from approximately 5 January 2022, for the contract sum of £12,590,949.88 and with total scheme costs as noted in the closed report.
2. That the Strategic Director of Housing and Modernisation notes that the Greater London Authority (GLA) grant funding of £3,500,000 has been allocated to the scheme, which equates to £100,000 per unit, and also with an additional small sites grant of £1,200,000 secured for this scheme. , resulting in a total grant funding of £4,700,000.

## BACKGROUND INFORMATION

3. Planning Permission was granted on 28 April 2020 under London Borough of Southwark (LBS) Reg. No: 19/AP/6375 Construction of a five storey block of 35 dwellings for social rent, consisting of 14 x 1 bed flats, 12 x 2 bed flats, 9 x 3 bed flats involving the partial demolition of a podium with associated landscaping works. Improvements to wider estate include relocation of an existing MUGA (Multi-Use Games Area), and creation of new landscaped amenity and play areas. As the scheme is to delivery all affordable new build housing, there are no VAT considerations.
4. The planned procurement strategy was the subject of a Gateway 1 report which was approved by the Cabinet Member for Social Regeneration, Great Estates and New Council Homes on 21 May 2020. As part of that Gateway 1 approval, the award (Gateway 2 decision) was delegated to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Social Regeneration, Great Estates and New Council Homes, whose portfolio now sits with the Cabinet Member for Council Homes and Homelessness.
5. The 21 May 2020 Gateway 1 report proposed procuring works contracts through Restricted OJEU Tender. However due to the complexity of the scheme and the delays it was more beneficial to undertake a tender exercise using the contractor's frameworks available to the council. As part of the Gateway 1 approval, there was the ability to change the procurement route. Using the Notting Hill Framework was considered to be the best route based on the market at this time.
6. The procurement strategy relates to the council's 11,000 new homes programme.

7. The tenders were sought based on use of the JCT Design & Build Contract 2016 with Southwark's specific amendments, employer's requirements and the Stage 4 scheme design.
8. The works contract will be for a fixed period of 92 weeks from date of the transfer of site possession from the council to the contractor.
9. Expressions of interest (EOI) for the scheme were originally uploaded onto Pro Contract for the Hyde Framework on 8 March 2021 with a return date of the 18 March 2021. Unfortunately out of the twelve contractors on the framework only one EOI was returned. The council asked Hyde to investigate why there had been such a low response. Hyde thought that the reasons could be because of the amount of work that there was available to contractors at the moment and the complexity of the project which includes cutting back the existing podium which forms part of the Tissington Court building.
10. A soft market testing exercise was completed. Philip Pank Partnership wrote to all the contractors on the Hyde Framework, Notting Hill Framework and the South London Consortium Framework which included thirty one contractors. It was agreed that the council would use the contractor's framework which had the most interest returned. Eleven contractors expressed their interest of which eight were from the Notting Hill Framework.

**Procurement project plan (Key Decision)**

11.

<b>Activity</b>	<b>Completed by/Complete by:</b>
Forward Plan for Gateway 2 decision	12/07/2021
Briefed relevant Cabinet member (over £100k)	15/07/2019
Approval of Gateway 1: Procurement Strategy Report	19/07/2019
Invitation to tender	19/05/2021
Closing date for return of tenders	19/07/2021
Completion of evaluation of tenders	17/09/2021
DCRB Review Gateway 2	04/10/2021
CCRB Review Gateway 2	14/10/2021
Notification of forthcoming decision – Five clear working days	21/10/2021
Approval of Gateway 2: Contract Award Report	29/10/2021
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	10/11/2021
Debrief Notice and Standstill Period (if applicable)	12/11/2021
Contract award	12/11/2021
Add to Contract Register	24/11/2021
Contract start	05/01/2022
Publication of award notice on Contracts Finder	05/01/2022

Activity	Completed by/Complete by:
Contract completion date	21/10/2023

## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

12. The procurement has enabled one contractor to be selected who will help ensure that the scheme can be delivered, and for best value. This contractor has been selected from the Notting Hill Framework.
13. The pre-tender estimate was £13,100,630 which equates to £3,976 per square meter. The higher costs are attributed to the complexity of the scheme which includes complex demolition and repair works to the existing podium. The tender value of £12,590,949.88 equates to £3,821 per square metre. Phillip Pank Partnership tender report concludes that two out of three tenders received were within a reasonable parameter of their expectations when compared with projects of a similar size, complexity and location. Philip Pank Partnership's assessment is that the Guildmore Limited tender demonstrated value for money and one tender was much higher than expected. Further details of the tender breakdown are noted in the closed report.
14. The responses received include significant variances. Whilst this is perhaps unusual, it is not unexpected in the current market, particularly on a design and build project of this nature. Generally the bids are priced properly in terms of the spread of cost with no significant abnormalities. It is considered that this variance is primarily caused by the contractors taking differing approaches to the risk of the scheme in terms of savings they may be able to achieve through design development or market fluctuations over time. Both Potter Raper and Philip Pank Partnerships have confirmed that Guildmore Limited Tender provides value for money and they do not consider that the variance in costs, when taken in isolation, is a cause for concern.
15. For review it is noted that Guildmore Limited have six schemes with the council currently on site, three of the schemes are due to be completed shortly. As part of the tender process, the tender question M3 addresses capacity and resources. Guildmore Limited have confirmed that they have the capacity and resources for this scheme and it sits comfortably within their existing commitments. They have stated that Tissington Court is one of their strategically important project opportunities which they have pre-identified as part of their workload planning pipeline. This was evaluated and it was considered that Guildmore have demonstrated that they have sufficient capacity and resources.
16. The scheme has been tendered based on current employer's requirements.

### Key/Non Key decisions

17. This report deals with a key decision.

### Policy implications

18. The development of these 35 new homes aligns with the council's principles and visions for a new housing strategy which is aimed at increasing the availability,

affordability and quality of homes in the borough. The new homes will play a key role in assisting the council to achieve its target of building 11,000 new homes by 2043.

### **Tender process**

19. The new homes development team procured this works contract from the Notting Hill Framework. The council approached a number of companies through a soft market testing exercise to ensure that they would be willing, and capable of submitting a tender, following the failed EOI on the Hyde Framework. In total three contractors were invited to tender and all three submitted bids.
20. The tendering exercise was undertaken using the council's e-procurement system.
21. The EOI's was sent to all 23 Contractors listed in the NHG 'Contractors Framework for the carrying out of Various Construction Works (2016/S 089-155833)' on 28 April 2021.
22. Three contractors returned EOI's on 10 May 2021. The EOI responses were assessed on a qualitative basis, and a list of prospective tenderers duly arrived at. An Invitation to Tender (ITT) document to enter a mini competition was issued on 19 May 2021 with a return date of 12 July 2021. An extension of one week was given to all Tenderers, resulting in a revised return date of 19 July 2021. For list of tenderers refer to closed report.
23. A number of clarification questions were raised during the tender period by tenderers, and responded to using the council's e-procurement system. These queries ranged from specific questions in relation to contract amendments, utility diversions, party wall matters, refurbishment of the garages, extra over for over and above contamination and allowances for unexploded ordinance not included within survey information.
24. A schedule of qualifications was issued to all three bidders following an initial evaluation of all submissions. The deadline for requesting additional information, or clarifications was 18 August 2021. A tenderer requested an extension to 24 August 2021 which was granted for all.
25. The quality submissions of each tender were evaluated by council officers and a representative from Philip Pank Partnership. A consensus scoring method was used during this evaluation.
26. The price and contract sum analysis were examined by Philip Pank Partnership (appointed as employers agent/quantity surveyor for the project). Financial checks on each tenderer were completed by the council's finance department.

### **Tender evaluation**

27. As stated in the Gateway 1 report the originally advised the scoring would be 60/30/10 (price/quality/social value) and that any deviation from this scoring ratio should be decided by the Director of New Homes based on current market conditions and recent experience. The weightings for this tender evaluation was based on 60/30/10, price/quality/ social value (SV) as approved by the Director of New Homes. This was a criteria of the Notting Hill Framework and therefore the council were restricted by these terms.

28. Tenderers were required to provide information to support their quality submission that demonstrated their ability to fulfil the requirements of the contract, the questions asked were focused around the following:
- a. Experience 6%
  - b. Quality and Value For Money 6%
  - c. Capacity and Resourcing 6%
  - d. Health & Safety/Fire Safety 6%
  - e. Project Specific 6%
  - f. Social Value 10%

29. The questions within the quality assessment were weighted equally and detailed in the tender evaluation assessment criteria included within the tender documents.

30. Tenderers were required to provide a contract sum, and a contract sum analysis that was evaluated by Philip Pank Partnership.

31. The evaluation of the tender sum was calculated on the basis of the lowest tender and median score equalling 60% of the marks.

32. **Lowest Price Scoring:**

Price weighting is calculated by **Lowest Tender Sum divided by Tender sum** multiplied by 60%.

The successful tenderer submitted a contract sum that was acceptable. For a summary of the evaluation refer to the closed report.

33. The full tender report compiled by Philip Pank Partnership is included appendix 1.

34. A procurement panel review and moderation was carried out on 24 August 2021. It was agreed that to get the Contract Sum Analysis' from the three tenders reviewed by another consultant due to the big variances in the tender price returns. The report compiled by Potter Raper Partnership is included in appendix 2 of the closed report. Potter Raper have concluded that Philip Pank Partnerships pre tender estimate is correct and in line with what would be expected for cost for this project. Although there is variances in the tender prices they do not believe that this is unexpected in this current market and there were no significant abnormalities. Potter Raper have agreed with Philip Pank Partnerships that Guildmore Limited tender is represents best value for quality and price.

**Plans for the transition from the old to the new contract**

35. Not applicable.

**Plans for monitoring and management of the contract**

36. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The report author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

37. The project clienting, including the management and administration of contractor appointment, will be run and resourced through the new homes development team

in the asset management division of the housing & modernisation department. Performance of the consultant team will be subject to constant scrutiny and monthly formal review including reviews on cost, quality and programme. The officer client team will use a number of mechanisms for monitoring and controlling the financial and programme performance of the contract, including:

- Strategic cost plan, which will be regularly reviewed and updated.
- Monthly site meetings and monthly progress reports.
- Monthly financial statements by the contractor and verification by the Employers Agent.
- Monthly appraisals of progress against programme.
- Tracking and chasing actions on critical issues.
- Periodic project team 'look ahead' workshops covering key phases of work and risks.
- Risk and issues log.
- Annual performance reviews as required by contract standing orders

38. Payment will be made on a monthly basis of a valuation that has been verified and agreed by the Philip Pank Partnership.

39. Internal governance arrangements for the programme were reported to cabinet in December 2014. These confirmed that ultimate responsibility for the overall programme resides with the delivery programme board, chaired by the Strategic Director of Housing & Modernisation

**Identified risks for the new contract**

40.

	<b>RISK</b>	<b>RISK LEVEL</b>	<b>MITIGATION ACTION</b>
1.	Contractor has inadequate resources and management arrangements to mobilise and deliver the contract	Low	The new homes development team will monitor the contract and regularly review performance.
2.	Contractor risk of insolvency	Low	The new homes development team has undertaken a credit check of Guildmore Limited and is satisfied that the credit scoring is satisfactory. NHBC or similar insolvency cover will be obtained by the contractor. A parent company guarantee and a 10% performance bond will be provided for this contract, in line with employer's requirements.
3.	Project cost overruns	Low	The form of contract being used for this project is a JCT design and Building Contract with contractor's design 2016 Edition. The contract sum is all inclusive subject to any provisional sums and future variations. All the surveys which

RISK		RISK LEVEL	MITIGATION ACTION
			the council anticipates will be necessary have been carried out which should help mitigate against there being any unforeseen site conditions or abnormalities. Any future variations will be fully scrutinised, justified and costed by the employer's agent prior to instruction. Value engineering will take place where necessary to ensure that the budget is achieved.
4.	Project delivery delays resulting from discharge of planning conditions and liaison with third party organisations.	Medium	The new homes development team will assist where possible with liaison with third parties to help mitigate delays, particularly any which may result from the discharge of planning conditions or necessary approvals from within the council. Reliance on utility companies remains a risk; however the tender process tested the contractors experience in delivering construction projects, relying on successful liaison with third party organisations.
5.	Project delivery delays (general)	Medium	Liquidated ascertained damages sums have been included as part of the contract and will be claimable should the project overrun without any justification. Any extension of times will be fully scrutinised, justified and costed by the employer's agent prior to agreement. Project progress will be monitored and slow progress will be addressed in the monthly project meetings.
6.	Contractor seeking further negotiations on contractual terms prior to entering into contract.	Low	The tender documents and clarifications during the tender process have been robust and clearly define the terms of the contract.
7.	Covid-19	Medium	At the time of writing there could still be supply chain delays, labour shortages and new methods of working that may impact upon timescales for delivery. This will be monitored

RISK		RISK LEVEL	MITIGATION ACTION
			together with national and local guidance on policy and supply chain activity. Tenderers have been notified and accepted additional contract amendments regarding Covid-19.
8.	Post Brexit Impact	Medium	<p>Potential risk with availability of labour and materials. Potential impact to the works programme and cost. Southwark will entered into a fixed price contract with the contractor. There are no fluctuations permitted in the contract to allow the contractor to claim additional costs for materials or labour. The UK left the EU on the 31 January 2021 so the tenders were received post Brexit. As such, the tendered rates are deemed to include any price increases relating to Brexit.</p> <p>The programme will be fixed as soon the council enters into contract with the contractor so the council's risks are reduced/mitigated as soon as the contract is signed. If there are cost increases in materials, and there is a delay in entering into contract, and costs continue to increase; or availability is affected, there will be a risk that the contractor may try to negotiate an uplift, or not sign the contract.</p> <p>If materials/products are not available because of new EU restrictions, the council will need to take a pragmatic view and consider any alternative products that the contractor may offer.</p>
9.	The Contractors tender sum below EA pre-tender estimate	Low	The tender evaluation concluded that the contract sum analysis identified low pricing on the substructure, external walls, partitions, preliminaries and design fees. Guildmore Limited confirm that there are no errors

RISK	RISK LEVEL	MITIGATION ACTION
		<p>in their costing and that they stand by their submission.</p> <p>Quality and costs will be monitored by the project to team to ensure that risks are mitigated.</p>

**Other considerations (For Housing Department works contracts only)**

- 41. The contractor has priced for 10% performance bond, of the contract value. A 5% retention will be held on the contract sum. 50% will be released at practical completion; and the remaining 50% will be released at the end of the 12 months defects liability period. Liquidated damages will be applied to cover loss or council’s costs in the event of late completion. The contractor is required to provide insolvency insurance cover.
- 42. Southwark Council has standard specifications in a number of areas of work and these will be used as appropriate. This will include using the council’s housing design standards.

**Community equalities (including socio-economic) and health impacts**

- 43. The provision of 35 new quality homes provides a positive impact on health inequalities, as the scheme is designed to current quality and space standards that will contribute towards addressing health inequalities. 50% to 100% of the new homes will be allocated to existing residents/those in housing need in the borough, residents who are living in overcrowded conditions, or unsuitable housing will benefit. In addition to this rent levels are set at council rent, that are lower than London Affordable rent levels and market rent levels making them genuinely affordable. Health and wellbeing are further addressed by providing residents with individual balconies for outdoor space, along with communal landscaping.
- 44. The proposals 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.

**Equalities and Community impact statement**

- 45. The 2020 Route to 11,000 Housing Strategy for Southwark, highlights an acute shortage of council housing and a continuing need for affordable housing. 20,000 residents are currently on the council’s waiting list; and there are 52,597 homes in management. The borough is experiencing very high house prices that are outside the reach of many of its residents. It has the highest house prices in the housing sub-region. The average property price in the borough is £654,779 which is an increase of 3.9% in the last year. This compares with the average London property price of £603,855 which is a change of 1.4% in the last year. The rental market in the borough is also experiencing high rent levels with average lower quartile rent for a two bed in excess of £2,000 per month. The average income per house hold is £31,000, making ownership and rental options out of reach.

46. At the time of the 2011 census there were 18,547 overcrowded households in Southwark, a higher number, and a higher percentage (15.3%), than any of the other four boroughs in the sub-region. Over the period 1981- 2012 the population of Southwark increased by 34%, the fastest growth in the sub-region by some margin. This helps to demonstrate a continuing need for more homes and particularly for affordable homes in the borough.
47. Cabinet agreed a new vision for Southwark through its 2013 to 2043 housing strategy which included a principle to use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
48. The proposals to increase the supply of affordable, good quality homes will benefits 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 in the short term, whilst works are taking place but such communities will benefit in the longer term from the provision of new homes. Particularly as 50%-100% of these homes will be let to existing tenants from the local area subject to an agreed local lettings policy.
50. Local residents will continue to be consulted at each stage of the development proposals as outlined in the charter of principles agreed by cabinet in November 2014. The council will ensure that any residents affected by works will be notified prior to works commencing.

### **Climate Change Implications**

51. The development will comply with Building Regulations Part L that addresses the conservation of fuel and power, and guarantees eco-friendly efficient properties and minimise carbon emissions, as part of a drive towards a greener future.
52. The scheme will also incorporate landscape improvements, providing a new place space, relocating the MUGA. The new homes will be connected to the district heating network SELCHP. The new homes have mechanical and heat recovery ventilation systems. The cumulative CO2 savings on site are estimated at 60.9% against a Part L 2013 compliant scheme and the development will aim to achieve at least 35% reduction post-planning as required by policy. The new block will have a grid-connected photovoltaic system.

### **Social Value considerations**

53. 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.
54. The councils approach to procurement of design, development and construction process will ensure a requirement to maintain and improve the sustainability of each tendered project.

55. A low energy, efficient and cost effective building engineering services design that keeps running costs to a minimum will be an essential component of the project brief. Key considerations will include:
- Consideration of whole life-cycle costs.
  - Sustainable sourcing.
  - Incorporation of environmentally benign heating and lighting provision.
  - Provision of facilities and equipment to encourage the re-use and recycling of materials including, where practical, water recycling.
  - Ensuring projects achieve Code of Sustainable Homes criteria or any successor requirement.
56. The appointed contractor will be participating in a local employment and training initiative in line with Southwark Economic Wellbeing Strategy 2012-20. The initiative will generally conform to any local government policy including requirements set-out by the Homes and Community Agency and/or Greater London Authority 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.
57. Guildmore Limited have committed to the following as part of their tender submission :
- Quantitative Social Value: Make specific social value commitment for the duration of the project using the National TOMS Excel Spreadsheet for the full duration of the term of the contract.
  - Qualitative Social Value: Provide a social value method statement detailing their proposal and explain how each commitment will be delivered.
  - Guildmore Limited have committed to providing regular reports on their social value commitments tracking actual progress against predicted progress. The details have been outlined in the Social Value Template for Method Statement table of their tender submission. This section also details the number of local employees, training hours etc. which supports the TOMS spreadsheet.

Guildmore Limited social value offer also includes the following:

- Engaging with Southwark Works and Southward Job Centre Plus with regards to vacancies, apprenticeships, and work experience placements for training. Guildmore Limited have committed to six apprenticeships.
- Meeting with the local resident's group to discuss concerns and ways to support their aims and objectives.
- Engaging with local schools such as Rotherhithe Primary, St Katherine's with St Bartholomew, and 5 Steps Community Nursery to dangers of playing on a construction site and educated working in the construction industry.
- Hosting a 'meet the contractor' day meet residents and local SMEs and VCSEs to meet Guildmore as a potential buyer.

The new homes development team will work with the contractor to look at other ways to increase their apprenticeship offer.

## **Economic considerations**

58. 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.
59. 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 11,000 new homes programme is a strategically important undertaking for the council and its benefits are expected to be realised in a number of ways, including the recruitment of qualified staff, retention of staff and an improved service delivery to the council. Guildmore have confirmed as part of their tender return that they pay their directly employed staff and subcontractors the London Living Wage and have processes in place to monitor this.
60. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of the contract review process.

### **Social considerations**

61. 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 tenants in the local area based 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. However, the council is consulting with residents about a new local lettings policy, which could mean that up to 100% of new council homes are let to local residents. However, the council is currently consulting with residents about a new local lettings policy, which could mean that up to 100% of new council homes are let to local residents.
62. The new rented homes will be let at council rent levels.
63. The contractor is obliged to work with council approved local employment and skills agencies to recruit borough residents into construction industry apprenticeships. The requirement outlined in the tender documents was to meet the Fairer Future criteria of 1 apprenticeship per £1m of spend; which results in twelve placements on this project. Guildmore Limited have confirmed their commitment to provide six apprentices to this project. It is recognised that this is under the fairer futures promises that are required for this level of resource commitment, the contractor has also committed to engaging with Southwark Works and Southward Job Centre Plus to assist in funding existing trainees and afford work experience on the site. The new homes development team will work with the contractor to look at other ways to increase their apprenticeship offer.

### **Environmental/Sustainability considerations**

64. By investing in high quality, well designed buildings and estates the council aim to achieve positive impacts which will benefit the environment and increase the stock of environmentally friendly buildings within the borough.
65. As part of the design development process, there will be a requirement for environmental assessments to be completed, with a view to identifying what impact would be caused by any proposed development.

### **Market considerations**

66. The market for construction related works is complex due to the nature of the Podium work. Of the twenty three firms selected the initial enquiry on EOI, was sent to all twenty three Contractors listed in the Notting Hill Framework on 28 April 2021. Three confirmed their willingness to tender. This level of response is considered to be good.

### **Staffing implications**

67. There are no specific staffing implications to this report.

### **Financial implications**

68. The value of the contract arising from the procurement described in this forms part of a wider programme. The associated on costs include contingency routinely added to all design and build contracts to cover unknown risks.
69. The costs of delivery of new council rented homes will be financed from resources supporting the housing investment programme, including borrowing if required. Grant funding has been granted. The GLA grant funding of £3,500,000 has been allocated to the scheme, which equates to £100,000 per unit. There is also an additional small sites grant of £1,200,000 secured for this scheme, resulting in a total grant funding of £4,700,000. Full details of the total scheme cost are noted in the closed report.
70. The value of the contract arising from the procurement described in this report is £12,590,949.88.

### **Investment implications**

71. The cost of this contract will be charged to the respective project cost programmed in the capital allocation for new homes delivery budgeted within the council's housing investment programme.

### **Second stage appraisal (for construction contracts over £250,000 only)**

72. A FAME Credit check has been undertaken, which details that the Guildmore Limited is secure and has a low risk of failure.

### **Legal implications**

73. Please see the supplementary advice from the Director of Law and Governance.

### **Consultation**

74. Local residents have been and will continue to be consulted at each stage of the development as outlined in the charter of principles agreed by Cabinet in November 2014. In addition the local and neighbouring residents will be notified of the works and kept up to date on activity by the contractor and the new homes team.

### **Other implications or issues**

75. None identified.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (H&M21/089)**

76. The reports seeks approval from Strategic Director of Housing and Modernisation in consultation with Cabinet member for Council Homes and Homelessness approves the award of works contract for Tissington Court to Guildmore Limited to build 35 social units for the sum of £12,590,949.88. Other costs associated with the delivery of the contract are set out in the closed version of the report.
77. The financial implications section sets out how these costs are to be funded.
78. Full details of the financial implications are included in the closed report.

### **Head of Procurement**

79. The Strategic Director of Housing and Modernisation in consultation with Cabinet member for Council Homes and Homelessness approves the award of works contract for Tissington Court to Guildmore Limited for a fixed period of 92 weeks from 5 January 2022, for the sum of £12,590,949.88 includes associated on-costs and contingency.
80. The Strategic Director of Housing and Modernisation in consultation with Cabinet member for Council Homes and Homelessness notes the procurement process is detailed in paragraphs 19 to 34, contract management and monitoring is detailed in paragraphs 36 to 39, risks are detailed in paragraph 40, impacts for equalities health and climate are detailed in paragraphs 45 to 52, social value commitments are detailed in paragraph 58 and confirmation of the payment of London Living Wage is detailed in paragraph 60.

### **Director of Law and Governance**

81. This report seeks the approval of the Strategic Director of Housing and Modernisation (in consultation with the Cabinet Member for Council Homes and Homelessness) to the award of contract for Tissington Court to Guildmore Limited as further detailed in paragraphs 1 and 2. At this value the award decision would ordinarily be a Cabinet Member decision, but as noted in paragraph 4, this decision has been delegated to the Strategic Director of Housing and Modernisation subject to a requirement for consultation with the Cabinet Member.
82. The nature and value of these works are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR15). However, the council is awarding this contract having undertaken a mini-competition process via the Notting Hill framework. This was established following an EU compliant tendering process, and therefore the tendering requirements of PCR15 are satisfied. The council, using the evaluation methodology set out in the further competition has identified the most economically advantageous tender as that provided by Guildmore Limited, who is therefore recommended for award.
83. The Strategic Director's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who

share a relevant protected characteristic and those who do not share it. The Strategic Director is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 43-52 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report.

84. Contract Standing Order 2.3 requires that no steps are taken to award a contract unless the expenditure involved has been included in approved estimates, or otherwise approved by the council. Paragraphs 68-71 confirm the financial implications of this award.

**Director of Exchequer (for housing contracts only)**

85. Not applicable.

**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 (and as otherwise recorded in Part B below).

Signature 

Date 25 October 2021

**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 that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see 'FOR DELEGATED DECISIONS' section of the guidance).

<b>1. DECISION(S)</b>
As set out in the recommendations of the report.
<b>2. REASONS FOR DECISION</b>
As set out in the report.
<b>3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION</b>
Not applicable.

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

None.

**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.*

None.

**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)

\* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as “Regulation 13(4)”.

**BACKGROUND DOCUMENTS**

<b>Background documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 – Procurement	New Homes Team, 160 Tooley Street	Tim Bostridge 020 7525 1222
Link: ( Insert hyperlink here) <a href="G:\Asset Management\New Homes Delivery Team\Programme\Phase 3\Tissington Court\Tissington Court - new\1 Key Documents\Reports and approval\Gateway 2\Contractor Procurement Tissington Court GW1 DCRB 01 May 2020.pdf">G:\Asset Management\New Homes Delivery Team\Programme\Phase 3\Tissington Court\Tissington Court - new\1 Key Documents\Reports and approval\Gateway 2\Contractor Procurement Tissington Court GW1 DCRB 01 May 2020.pdf</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Stuart Davis, Director of New Homes	
<b>Report Author</b>	Angela Ohen, Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	21 October 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
<b>Cabinet</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>		27 October 2021