

Item No.	Classification: Open	Date: 21 September 2022	Meeting Name: Strategic Director of Housing and Modernisation
Report title:		Gateway 1 Procurement Strategy Approval Main contractor re-procurement – Wickway Community Centre redevelopment	
Ward(s) or groups affected:		Electoral ward(s); Peckham	
From:		Managing Director, Southwark Construction	

FOREWORD – Councillor Darren Merrill, Council Homes and Homelessness

RECOMMENDATION (S)

That the Strategic Director of Housing and Modernisation, in consultation with the Cabinet Member for Council Homes and Homelessness

1. Approves the re-procurement strategy outlined in this report for a single stage tender through the Notting Hill Genesis (NHG) framework – for Construction Works and Associated Services, for the redevelopment of the Wickway Community Centre for an anticipated period of 110 weeks commencing on 24 February 2023, at an estimated contract value of £33,880,000.
2. Notes that the procurement strategy noted in paragraph 1 replaces the original procurement strategy approved by cabinet on 04 July 2021 following the termination of that procurement process as further detailed in paragraphs 9- 12.
3. Notes that the original procurement route selected under the Crown Commercial Services (CCS) framework was terminated for the reasons outlined in paragraph 9.

BACKGROUND INFORMATION

4. The site is vacant and currently houses the Wickway Community Centre. It has been secured whilst the council await the appointment of a contractor to carry out the redevelopment.
5. In September 2019 the Strategic Director of Housing and Modernisation approved a Gateway 2 report to appoint Stephen Taylor Architects to this project following competition through the Greater London Authority (GLA) Architecture, Design and Urbanism Panel (ADUP) Framework. Their scope was to develop the design for this scheme to RIBA stage 3 (including gaining planning consent).
6. As part of Stephen Taylor Architect's appointment an extensive consultation took place starting from March 2020 with the first event being held at the community centre in the form of an all-day pop in exhibition. Following this, due to COVID-19 and the government imposed national lockdown all consultation took place virtually through Zoom sessions and using the Commonplace website at key stages through the design throughout 2020.

7. A planning application was submitted 25 January 2021 to redevelop the current community centre with the erection of two buildings, nine storey in height comprising of a new community centre, a nursery and 86 new homes with 50% council homes, associated landscaping, highways improvement and car and cycle parking. Planning permission was granted for this scheme 7 September 2021 (reference: 21/AP/0239).
8. Extensive consultation took place with planning colleagues and the schemes were reviewed at the Design Review Panel where it received very good feedback. The design team worked collaboratively with the planning officers throughout each stage of the design to ensure where appropriate policy requirements were met and the design was in line with Southwark standards.
9. This scheme was originally procured under the Crown Commercial Services (CCS) framework. However following extensive negotiations with the selected tenderer, increased costs and the open-ended financial risks posed to the council, a decision was taken by the Strategic Director of Housing and Modernisation to terminate the procurement process in June 2022. A period of negotiation and a value engineering exercise was undertaken with the preferred contractor in June 2022 but this did not yield any significant cost reductions. With consideration given to the high levels of volatility of the construction market, it was difficult to confirm whether the tender return received under the CCS framework represented value for money for the council or not and the relevant Regulation 55 (Public Contract Regulations 2015) notice terminating the CCS procurement was served.
10. Prior to the original CCS framework selection process, multiple frameworks were considered including Hyde, SEC, Notting Hill Genesis (NHG) and Pagabo. The CCS Lot 3.2 was selected on the basis it was not commonly used by the council and therefore provided an opportunity to explore other frameworks and to select alternative contractors. An Expression of Interest (EOI) was issued and based upon the EOI, three contractors responded and the CCS framework was selected. However whilst three contractors were initially interested, two dropped out and only one tender return was received.
11. Following the unsuccessful tender process using the CCS framework, the Project team required a clear indication there would be sufficient appetite for delivering this scheme prior to going back out to the market. The Employer's Agent (Baily Garner Limited) were instructed to carry out soft market testing of the framework. In July 2022 an EOI was issued to contractors on the NHG contractor framework. The EOI contained project specific information including the timeframe for the tender process. In response, seven (7) mainstream contractors confirmed their interest in the scheme which has a valid planning permission making the scheme more attractive to prospective tenderers.
12. On the 4 August 2022, the Leader issued a variation to the executive scheme of delegation, to delegate both the GW 1 and GW 2 decisions in relation to this project to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness.

Summary of the business case/justification for the procurement

13. The council has an ambitious target to deliver thousands of new council homes by 2043. These will be delivered through a combination of in-fill development on our existing estates, purchasing some directly from developers, and developing land that the council owns.

14. The delivery of the Wickway Community Centre scheme will maximise and enhance the utility, value and quality of council owned land and will deliver high quality homes with improved streetscapes and permeability. The scheme will provide 86 new homes with 50% council homes by habitable room (39 social rent units and 47 private sale units) and re-provision of the Wickway Community Centre which includes nursery facilities (563sqm).
15. It is currently proposed that the private units will be sold by the council, however contractors will also be asked to include in their tender, proposals to manage the sale of the private units, alongside an after sales process. This may provide a better partnership model for the council and the contractor and will be included as part of the tender documentation.

Market considerations

16. Vital to the redevelopment timetable will be selecting the right partner to avoid the prospect of contractor insolvencies and joint risk sharing. Failure to do so could adversely impact the project and lead to further delays in the delivery timetable.
17. Soft market testing to assess the level of contractor interest in this scheme has been conducted by the Employer's Agents, Baily Garner Ltd, including reviewing alternative frameworks. The outcome was that the NHG framework procurement strategy was best placed to secure a competitive tender response for the council.
18. The construction market is currently very buoyant and competitive. However, the council has experienced significant cost inflation in the first quarter of this year and costs are expected to continue to rise. This does mean that contractors are becoming more risk adverse and are becoming more selective in terms of the work that they bid for, as such it is proposed that initial discussions will take place as part of soft market testing with contractors to confirm their willingness to continue to work and bid for new work.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

19. As the value of this scheme is above the current contract value for works at which the full requirements of the Public Contract Regulations (PCR) 2015 apply, it means that the full tendering requirements of those Regulations are applicable. In choosing the preferred method of procurement, the following options have been considered:
20. **Do nothing** – this is not desirable due to the council's commitment to deliver this project and the need to provide new council homes in the borough. The scheme has a valid planning permission and is in receipt of GLA grant funding.
21. **Use an existing third party framework** – the frameworks relevant to this procurement are detailed below:
22. The council were unsuccessful in securing a main contractor via the CCS framework so has reverted to using the updated Notting Hill Genesis (NHG) framework. The NHG framework was originally discounted for reasons detailed in paragraph 10.

- CCS Framework – the CCS framework commenced in 2019 and expires in October 2026. The framework is arranged in eleven lots of varying levels of complexity and value of work from £0 – £3m up to £80m+. This includes general construction and also specialist market areas. The framework allows for both competitive and direct award. The Lot appropriate for this procurement was RM6088 Lot 3.2 Construction Works and Associated Services South England value band £10-£30m which consisted of 19 suppliers. CCS do not charge a fee for authorised users to access this framework. This framework requires the council to sign up to a framework alliance which has been signed by the Head of Regeneration Capital in line with the department’s Scheme of Management.
- NHG Framework – In June 2022 Notting Hill Genesis extended its four development framework agreements; one for contractors and three for consultants (CF1, CF2 and CF3). The framework commenced in June 2022 and will run for four years. The constructor’s framework consists of 26 contractors which can be selected directly or a selection invited to a mini-competition following an initial assessment of each contractors’ capability. A formal capability assessment is also able to be utilised as set out in the framework agreement. NHG do not charge a fee for authorised users to access this framework.

23. **PCR 2015 Procurement** – this route would allow the council to procure from the greatest number of contractors and could provide the means to secure a competitive tender from contractors who have the skills and capabilities to construct these housing schemes who are not on the established frameworks. However, due to the length of the process, this route would delay the commencement date for the works starting on site.

Proposed procurement route

24. Taking the above into consideration, using a framework will be the fastest route for procurement as it enables the council to tender directly without having to go through the Standard Supplier Questionnaire (SSQ) stage. Out of the frameworks listed above, the NHG framework offers a large number of contractors who are experienced in building new homes, working on major construction projects in constrained inner London sites. The council is confident that it will receive sufficient market interest through the direct delivery approach as the site has been designed to RIBA Stage 3+ and has planning permission which makes it attractive to contractors.

25. The regeneration capital and new homes team have used the previous NHG framework on a number of new schemes. The framework, will bring new interest from a variety of contractors not listed on the CCS framework so there will be no overlaps with the contractors on both frameworks.

26. The NHG framework consists of 26 suppliers. The contractors which the council can access are:

1. Ardmore Construction
2. ARJ Construction
3. Bennett Construction
4. Bouygues UK
5. Bugler Developments

6. Claritas Group
7. Countryside Properties
8. Durkan
9. EQUANS Regeneration
10. Glenman
11. GRAHAM
12. Guildmore
13. Henry Construction Projects
14. HG Construction
15. Higgins Construction
16. Hill Partnerships
17. J. Murphy & Sons
18. Jerram Falkus Construction
19. Lovell Partnerships
20. McLaren Construction
21. Mulalley & Company
22. Real Contracting
23. Thomas Sinden
24. Vistry Partnerships
25. Wates Construction
26. Willmott Dixon Construction

27. All of the above mentioned contractors are of significant size and scale, and the majority of them have experience of working on housing projects in London.
28. The contract will be a single stage JCT 2016 Design & Build contract containing the council specific amendments procured using the NHG framework. A single stage tender is the preferred procurement route for this development because it provides a fixed price for the council and transfers appropriate risk over to the contractor.
29. Either a Parent Company Guarantee or Performance Bond will also be required from the main contractor, this will be confirmed in the GW 2 report.
30. In order to expedite the process the council is seeking to attain delegated approval for the contract award (GW 2) for the main contractor works. This will enable a quick transition process from contract recommendation to award which is necessary for the council to meet its targets. If there was a requirement for a GW 2 to be presented to cabinet for the main works contract, this may have a serious impact upon the delivery timescales.

Identified risks for the procurement

Risk No.	Identified Risk	Likelihood	Risk Control
1.	Insufficient interest from framework providers in the tender which results in no bids.	Low	Soft market testing has been undertaken prior to tendering to ensure there is sufficient market interest and capacity. The council will also develop a procurement brief that is sufficiently detailed and clear, so that providers can make an informed choice as to whether they wish to pursue this opportunity.
2.	Does not achieve competitiveness and value for money.	Low	The tender will be assessed on a Price, Quality and Social Value basis. Working with the quantity surveyor the council will ensure a robust price evaluation is carried out and value for money is achieved.
3.	Construction market inflation.	Medium	In evaluating the pricing submission the quantity surveyor will work to mitigate and foresee construction market inflation risks. The project team will ensure that there is an adequate project contingency.
4.	Contractor becomes insolvent or no longer has the capacity to deliver scheme	Low	Robust financial assessments will be undertaken including independent financial and credit checks of businesses prior to award.
5.	Mobilisation/construction delayed due to unforeseen site issues	Low	Council to ensure that the internal and external resources are in place to deliver the project in a timely manner. Site has been de-risked through extensive site investigations. The site is vacant and does not cause any delays to starting on site.
6.	Mobilisation/construction	Medium	The construction market is experiencing significant cost inflation and costs are expected to continue to rise. The impact on supplies due to the cost increases and sub-contractor insolvencies could delay materials reaching site. Effective management of the contractor's supply chain, reflected in their programme should mitigate this.

Key /Non Key decisions

31. This report deals with a key decision.

Policy framework implications

32. The new homes programme was originally shaped by the promises and commitments made in the Council Plan 2018-2022, such as building more quality

affordable homes of every kind and revitalising our neighbourhoods making them places in which we can all be proud to live and work.

33. The Borough Plan sets out our regeneration strategy from 2020 to 2022 and will also be used to make decisions on planning applications. The Borough Plan sets policies for:

- Homes for all - provision of new homes including thousands of new council homes with.
- Keeping Southwark safe during COVID-19.
- Southwark Together – tackling racism and inequality
- A green and inclusive economy
- Thriving neighbourhoods
- A great start in life
- Tackling the climate emergency
- Tackling health and inequalities

Procurement project plan (Key decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	21/04/2021
DCRB Review Gateway 1	22/08/2022
CCRB Review Gateway 1	01/09/2022
Brief relevant cabinet member (over £100k)	08/08/2022
Notification of forthcoming decision	05/09/2021
Approval of Gateway 1: Procurement strategy report	13/09/2022
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	22/09/2022
Completion of tender documentation	05/09/2022
Invitation to tender	23/09/2022
Closing date for return of tenders	25/11/2022
Completion of any clarification meetings/presentations/evaluation interviews	09/12/2022
Completion of evaluation of tenders	22/12/2022
DCRB Review Gateway 2:	09/01/2023
CCRB Review Gateway 2	12/01/2023
Notification of forthcoming decision	17/01/2023

Activity	Complete by:
Approval of Gateway 2: Contract Award Report	25/01/2023
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	03/02/2023
Debrief Notice and Standstill Period (if applicable)	06/02/2023
Contract award	07/02/2023
Add to Contract Register	08/02/2023
Place award notice on Contracts Finder	08/02/2023
Contract start	24/02/2023
Initial contract completion date	01/06/2025
	Click here to enter a date.

TUPE/Pensions implications

34. There are no TUPE implications for the council as an employer as there are no, nor will there be, council employees undertaking these works being procured through the NHG framework. TUPE should not apply to the appointment of a contractor to deliver the contract for construction works for the Wickway Community Centre scheme. These are new contracts for discrete works and there is currently no existing contractor nor are there any council staff delivering the work which is being procured. TUPE should not apply on the expiry of the contract as the works will have been completed. However, the position will need to be reviewed in the event that during the course of the contracts the council has to appoint a replacement contractor or brings the work in-house or if a contractor appoints a replacement sub-contractor during the course of any relevant sub-contracted works.

Development of the tender documentation

35. An Employers Agent has been appointed and part of their role will be the development of PCR 2015 compliant tender documentation required for this scheme. This will be reviewed and adapted by the council's procurement services and legal services teams for this specific project

36. It is proposed to use a JCT 2016 Design Build contract, with council specific amendments.

37. Consultancy services have been procured separately by the council to undertake the following activities: development of the tender documentation, commissioning of any remaining surveys; and finalise the details of the RIBA Stage 3 plus design.

38. The consultancy team and Southwark project management team will ensure a comprehensive set of tender documents are prepared. The design team are developing the designs to RIBA stage 3 plus which will be issued with the tender

pack and used to obtain a confirmed price from the tenderers. It is proposed to novate Stephen Taylor Architects to the successful contractor upon award so they can work collaboratively to develop the Stage 4 design.

Advertising the contract

39. Companies listed under the NHG framework will be invited to tender via the council’s e-procurement portal.

Evaluation

40. The assessment of the tenders will be based on price: quality: social value ratio of 50:40:10 in recognition of the need to ensure the level of quality and skills required are achieved and will follow the Most Economically Advantageous Tender (MEAT) protocol. This percentage split is permitted when using the NHG Framework.

41. Price (50%) shall be evaluated by the Quantity Surveyor who will compile a report with recommendations based on the cost submitted for the works.

42. Quality (40%) shall be evaluated by the Project Manager and Programme Manager.

43. For Council schemes over £15m, they must be registered on the Social Value Portal (SVP). Therefore SVP will undertake the evaluation of the social value (10%) element of the tender.

44. The tender panel will evaluate the quality of submissions and will score each question out of five as detailed in the following table. Contractors scoring one point or less on any method statement question will not proceed to the next stage of the evaluation process.

45. Tenderers will be required to provide information to support their quality submission that demonstrates their ability to fulfil the requirements that were outlined in the Employers Requirements. The quality assessment will be based on the criteria detailed below, with each criterion weighted in relation to the level of importance put upon it:

- Resources to meet the requirements of the contract
- Quality control
- Contract management and delivery
- Experience in delivery complex housing schemes, qualifications and track record of the team proposed by the contractor

Assessment	Score	Basis of score
Cannot be scored	0 points	No information provided or incapable of being taken forward either because the supplier does not demonstrate an understanding of our requirements or because the solution is incapable of meeting our requirements

Unsatisfactory	1 point	Although the supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met
Satisfactory	2 points	A response which is capable of meeting our requirements but is unlikely to go beyond this
Good	3 points	A response which shows that the supplier demonstrates an understanding of our requirements has a credible methodology to deliver the service and could evolve into additional benefits.
Very Good	4 points	A response which shows that the supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value
Excellent	5 points	A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the council's overall strategic requirements and objectives.

46. Tender evaluation guidelines and criteria will be included in the tender documentation.
47. All scores will undergo a consensus scoring process. Post tender clarification will be raised if required.
48. The overall score for evaluation will be calculated by adding the scores for price, quality and social value together. The contract will be recommended for award to the highest ranked tenderer.
49. Where there are joint scores for the highest place the award will be based on the highest score achieved on price. This will be declared in the tender document.

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

50. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of works on site that will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be

improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

51. The council can exclude companies who break the law by blacklisting or have not put into place genuine actions concerning past black listing 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 by the economic operator are sufficient to demonstrate it has:
- “owned up”: clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities.
 - “cleaned up”: taken concrete technical, organisational and personal measures that are appropriate to prevent further criminal offences or misconduct, and
 - “paid up”: paid or undertaken to pay compensation in respect of any damage caused.
52. The council will request the necessary information from tenderers (using the council’s standard documentation in relation to blacklisting). The contract conditions will also include an express condition compliance with the blacklist regulations, and include a provision to allow the contract to be terminated for breach of these requirements.

Community impact statement

53. Southwark is a borough with high levels of deprivation, low income levels and high levels of housing need. Southwark’s Housing Strategy to 2043 identifies that the supply of affordable housing in the borough outstrips demand. There is a demand for larger properties for younger families, many of whom are experiencing overcrowding.
54. 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.
55. Indicative groups the council will seek to consult will be service users, internal stakeholders and affected businesses.
56. 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 since 50% of these homes will be let to existing tenants from the local area subject to an agreed local lettings policy.
57. Officers conducted an equalities impact assessment to ensure that there were no disproportionate or discriminatory impact on groups with protected characteristics. The assessment was carried out during the consultation period to ensure that all groups were fully engaged and consulted to ensure a fair development and delivery process. The views of various groups were taken on board during the design and delivery process.

Equalities (including socio-economic) impact statement

58. The council will be requesting the appointed contractor participate 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. The Contractor, wherever possible, will be encouraged to employ local subcontractors, local labour and shall include the training and employment of local people. The employment and training will be relevant to the needs of the local community.
59. The contract will be let in compliance with section 149 of the Equality Act 2010 under which the council has a duty to have due regard in its decision making processes to the need to:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - Foster good relations between those who share a relevant characteristic and those that do not share it.

Climate change implications

60. During the design stage, requirements were in place to meet sustainable specifications to address the impact of climate change including the following:
- Energy efficiency
 - Reduce carbon emissions
 - Conserve water & energy
 - Mitigate flooding risk
 - Safeguarding biodiversity
61. Specifications outline that there should be an efficient approach to waste management. During the design stage there was a clear direction for designers to exercise reasonable skill, care and diligence in the selection of materials. At construction stage contractors will be required to minimise construction waste and maximise the use of recyclable /reusable products and materials.
62. Specifications stipulated within the Employers Requirements will ensure that development activity is controlled in a way that positively contributes to achieving sustainability.

Social Value considerations

63. 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 well-being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

64. To obtain social value when calling off from a framework, the scheme will be registered on the VP. The SVP will monitor the outcomes and social value deliverables to ensure the council meets its obligations. Bidders will be required to provide evidence against each Social Value commitment to explain how each commitment will be delivered.

Economic considerations

65. The design briefs 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.

Social considerations

66. The council's commitment on apprenticeships for large schemes is one apprenticeship per £1m spend, however previous projects of a similar nature have struggled or been unable to achieve this target within the feasibility of the project constraints. As such, the project team will aim to ask for what the project can reasonably accommodate and work in partnership with the contractor to provide a sustainable apprenticeship through this scheme. The outcome of this will be reported in the GW 2 report.

67. Under the NHG framework, contractors are required to identify social value initiatives relevant to each project and as part of the tender process, the project team will ask contractors to include proposals for the Wickway Community Centre scheme which will then be evaluated as part of their social value submission.

Such requirements may include the following:

- Creating Supply Chain opportunities for Small Medium-sized Enterprises (SMEs);
- Appointment of apprenticeships and supporting skills development;
- Providing additional opportunities for individuals or groups facing greater social or economic barriers;
- Supporting work placements to school children and young adults;
- Recruitment of locally engaged labour;
- Recruitment of long-term unemployed labour;
- Recruitment of Young People Not in Education, Employment or Training (NEET) labour;
- Recruitment of local Supply Chain partners;
- Procurement and sourcing of sustainable works, supplies and services;
- Encouraging ethical and fair-trade procurement; and
- Community engagement.

Environmental/Sustainability considerations

68. The council's approach to procurement of the design, development and construction processes will ensure a requirement to maintain and improve sustainability at each stage in the project.

69. At design stage, requirements were in place to meet sustainable specifications including the following:

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

70. By investing in high quality and 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.

71. As part of the design development process, there will be a requirement to achieve a level of sustainability through the building regulations. In order to achieve this, environmental assessments will be undertaken and potential sustainability solutions will be considered. Key considerations for this project include:

- Consideration of whole life-cycle costs
- Sustainable sourcing
- The incorporation of environmentally friendly 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 for Sustainable Homes (CfSH) criteria and/or any successor requirements.

Plans for the monitoring and management of the contract

72. 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.

73. Annual Performance Reports will be presented in accordance with contract standing orders.

Staffing/procurement implications

74. The Programme Manager is responsible for the delivery of the overall programme, under the management of the Managing Director (Southwark Construction) who will be responsible for ensuring that the programme is adequately resourced and coordinated to deliver its objectives and procured efficiently and effectively in accordance with best practice for major projects procurement.

Financial implications

75. As this report is requesting approval for a procurement strategy, there are no financial implications arising directly from the report's recommendations. The estimated cost of construction is currently £33,880,000, which will be met from resources supporting the council's Housing Investment Programme and will be charged to project code R-5014-0000.10.

Investment implications

76. Delivery of the this scheme will provide 39 new council homes together with a new community centre, a nursery, associated landscaping, highways improvement and car and cycle parking. The scheme will also provide 46 new homes for private sale, from which the council will derive benefit from in the form of sales receipts that can be used to fund further developments.

Legal implications

77. Please see commentary from the Director of Law and Governance.

Consultation

78. Consultation of this scheme took place from March – December 2020, due to the COVID-19 pandemic and the government imposed national lockdown all consultation took place virtually through Zoom sessions and use of the Commonplace website. Exhibition boards were posted in the TMO office as well as leaflet drops to all residents on the existing Gloucester Grove Estate.

Other implications or issues

79. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

80. This report seeks the approval of Cabinet for the procurement strategy for a single stage tender through the NHG framework, for Construction Works and Associated Services, for the redevelopment of the Wickway Community Centre. The anticipated contract period is 110 weeks, commencing on 04 February 2023, at an estimated contract value of £33,880,000m.

81. The report also asks that Cabinet approve the delegation of the award decision in the GW 2 report for the main works contract to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for New Homes and Homelessness for the reasons noted in paragraph 12.

Director of Law and Governance

82. 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 procurement strategy in relation to the Wickway Community Centre redevelopment as further detailed in paragraphs 1-3. Whilst the contract value is of a value where ordinarily the procurement strategy would need to be approved by Cabinet, as noted in paragraph 12, the Leader has delegated both the Gateway 1 and Gateway 2 decisions to the Strategic Director, in consultation with the Cabinet Member.

83. The nature and value of these works are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR 2015). As noted in paragraph 24, the intention is to undertake a mini-competition through the NHG framework. This framework has been established following an EU compliant tendering process and is established to allow local authorities to use for their own requirements. The tendering requirements of the PCR 2015 are therefore satisfied.

84. 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 53-62 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report.

Strategic Director of Finance and Governance (H&M 22/075)

85. This report seeks approval from the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness for the strategy to procure construction works and associated services to redevelop the site of the Wickway community centre, which will provide new council homes, new community facilities and homes for private sale, the receipts from which will help fund further developments.

86. At this stage, there are no financial implications arising directly from the report's recommendations, however, the cost of the main works is estimated at £34m, which will be met from resources supporting the council's Housing Investment Programme.

Director of Exchequer (for housing contracts only)

87. 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 15/09/2022

Designation 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).

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
As set out in the report.

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

* Contract standing order 6.4.1 states that for contracts with an Estimated Contract Value of £100,000 or more, the lead contract officer (LCO) must consult with the relevant cabinet member before a procurement strategy is implemented.

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

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)

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

or

~~I do not consider that the decision be made available for publication under Regulation 13(4).*~~

(* - 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

Background Documents	Held At	Contact
Title of document(s)	N/A	N/A
Link:		
Title of document(s)	N/A	N/A
Link:		

APPENDICES

No	Title
Appendix 1	GW1 – Wickway CC Procurement Strategy - Crown Commercial Services

AUDIT TRAIL

Lead Officer	Stuart Davis, Chief Executive (Southwark Construction)	
Report Author	Beverley Alleyne – Project Manager	
Version	Final	
Dated	17 August 2022	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes/No
Head of Procurement	Yes	Yes/No
Director of Law and Governance	Yes	Yes/No
Director of Exchequer (for housing contracts only)	No	Yes/No
Cabinet Member	Yes	Yes/No
Contract Review Boards		
Departmental Contract Review Board	Yes/No	Yes/No

Corporate Contract Review Board	Yes/No	Yes/No
Cabinet Member	Yes/No	Yes/No
Date final report sent to Constitutional /Community Council/Scrutiny Team		15/09/2022