

Item No. 19.	Classification: Open	Date: 13 July 2020	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Main contractor procurement – Wickway Community Centre redevelopment	
Ward(s) or groups affected:		Electoral ward(s); Peckham	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

The scale of the housing crisis cannot be underestimated and the need for council homes is paramount in Southwark. With just over 15,000 households on our housing allocations list and 3,000 households living in temporary accommodation it is vital that we continue to deliver on our commitment to build 11,000 new council homes by 2043. We are on track to have 2500 new council homes either completed or on site by May 2022 and this report sets out the contractor procurement route for the new homes we want to build on the Gloucester Grove Estate at the Wickway Centre.

The Wickway proposals will see 86 new homes built with 50 percent of these being high quality new council homes providing local home for local residents. We are also proposing to create a route and linkage to Burgess Park, build a new multi-purpose community centre and a nursery with active frontages to the estate, all of which will help create a greater sense of community. We will also be committing to public realm and environmental improvements on the wider estate.

In line with all other procurement contracts on new council homes, this report sets out that the successful appointee will have to sign up to the Considerate Constructor scheme, provide jobs and apprenticeships for local residents, commit to paying all workers a minimum of at least London Living Wage and not blacklist trade union members.

I am pleased to recommend this procurement route for a high quality scheme that will deliver much needed new council homes.

RECOMMENDATIONS

That the Cabinet:

1. Approves the procurement strategy outlined in this report for a single stage tender through the Crown Commercial Services (CCS) framework – RM6088 for Construction Works and Associated Services, for the redevelopment of the Wickway Community Centre for an anticipated period of 32 months commencing on 31 March 2022, at an estimated contract value of £27m.

2. Approves the delegation of the award decision in the Gateway 2 report for the main works contract to the strategic director of housing and modernisation in consultation with the cabinet member for council homes and homelessness for the reasons noted in paragraph 27.

BACKGROUND INFORMATION

3. These works were originally included in the Southwark Regeneration in Partnership Programme (SRPP) as part of its commitment to deliver 11,000 new homes. The programme identified a number of council owned sites which had development potential. The programme of works were awarded to Affinity Sutton Homes Limited (Affinity Sutton) parent company, Clarion Housing Group Limited (Clarion).
4. Following mutual termination of the agreement with Clarion, it was decided that the council would deliver the site directly. A review of the design proposals was undertaken and a decision was made to seek a new perspective of the scheme with emphasis ensuring the height and massing of the new residential dwellings respond to the context of the surrounding area.
5. The site currently houses the Wickway Community Centre which is managed by The Wickway Community Centre Association. The site will require vacant possession, this process is currently underway and being managed by the property and legal team alongside the Regeneration Programme Manager.
6. In September 2019 the Strategic Director of Housing and Modernisation approved a GW2 report to appoint Stephen Taylor Architects to this project following competition through the 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).
7. 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.
8. A planning application was submitted in 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 per cent council homes, associated landscaping, highways improvement and car and cycle parking. The decision is expected to be taken at Planning Committee in September 2021.
9. 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 is in line with Southwark standards.

Summary of the business case/justification for the procurement

10. The council has an ambitious target to deliver 11,000 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.
11. 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 per cent 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 (563 sqm).
12. 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 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

13. Given the scale of regeneration in Southwark, many contractors have expressed an interest in working with the council.
14. Despite the COVID-19 pandemic the construction market has remained buoyant and open as per government guidelines. As such, there is sufficient interest within the construction market to bid for new work. However, it is recognised that COVID-19 has had a significant impact on businesses, 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

15. 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:
16. 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.

17. Use an existing third party framework – the frameworks relevant to this procurement are detailed below:
- The Crown Commercial Services (CCS) Framework – the CCS framework commenced in 2019 and expires in October 2026. The framework is arranged in 11 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 is RM6088 Lot 3.2 Construction Works and Associated Services South England value band £10-£30m which consists 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.
 - The Notting Hill Genesis (NHG) Framework – In 2017 Notting Hill Genesis set up four new development frameworks; one for contractors and three for consultants (CF1, CF2 and CF3). The frameworks commenced on 31 May 2017 and will run for 4 years. The constructor’s framework consists of 23 contractors which can be selected directly or a selection invited to a mini-competition following an initial assessment of 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.
18. **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

19. 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 SQ stage. Out of the frameworks listed above, the CCS 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 it is currently awaiting planning permission which makes it attractive to contractors. At the time of tendering these works, a decision on the planning application will have been received.
20. The regeneration capital and new homes team have recently used the NHG framework on a number of new schemes and have been receiving tenders from the same interested contractors, as such it is felt that use of a new

framework will bring new interest from varied contractors to tender for this scheme as there are no overlaps with the contractors on both frameworks.

21. The project team will undertake further design work necessary with the existing architects (Stephen Taylor Architects) and procure any necessary surveys, to help mitigate design and construction risk prior to tender. This will enable the contractors to develop robust construction strategies and firm subcontractor packages.
22. The CCS framework consists of 19 suppliers. The contractors which the council can access are:
 1. Balfour Beatty Construction Limited
 2. B&M Construction Limited
 3. Bouygues (UK) Limited
 4. Galliford Try Construction Limited
 5. ISG Construction Limited
 6. John Graham Construction Limited
 7. John Sisk & Son Limited
 8. Kier Construction Limited
 9. Laing O'Rourke Construction Limited
 10. McLaughlin & Harvey Limited
 11. Midas Construction Limited
 12. R.G. Carter Cambridge Limited
 13. Skanska Construction UK Limited
 14. Speller Metcalfe Limited
 15. Tarmac/Farrans/Griffiths Joint Venture
 16. Tilbury Douglas Construction Limited
 17. Volkerfitzpatrick Limited
 18. Wates Construction Limited
 19. Willmott Dixon Construction Limited
23. All these contractors are of significant size and scale, and the majority of them have experience of working on housing projects in London.
24. The CCS Framework provides optional pre tender exercises which include market engagement to assess the interest of the contractors within the Lot as well as a capability assessment offering suppliers the opportunity to bid or withdraw prior to invitation to tender. It is proposed that the project team will carry out a market engagement exercise with the contractors listed above and advice will be taken from the appointed Employers Agent (which is subject to a separate procurement exercise and gateway approval) as to whether a capability assessment is required.
25. The contract will be a single stage JCT 2016 Design & Build contract containing the council specific amendments procured using the CCS 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.

26. Either a Parent Company Guarantee or performance bond will also be required from the main contractor, this will be confirmed in the Gateway 2 report.
27. In order to expedite the process the council is seeking to attain delegated approval for the contract award (Gateway 2) for 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 Gateway 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	The project team will carry out soft market testing 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 process to obtain vacant possession of the site has

			commenced with the property team to ensure this is achieved in a timely manner and does not cause any delays to starting on site.
6.	Mobilisation/construction delayed due to COVID-19 or Brexit	Medium	The construction market has remained opened during the COVID-19 pandemic and most contractors have adopted new processes and procedures to deal with the effects of COVID-19. Implications on supplies due to the Brexit could delay materials reaching site, the contractor should look to programme in early orders to mitigate this.

Key /Non Key decisions

28. This is a key decision.

Policy Implications

29. 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.

30. 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 11,000 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	17/05/2021
CCRB Review Gateway 1	27/05/2021

Activity	Complete by:
Brief relevant cabinet member (over £100k)	17/05/2021
Notification of forthcoming decision - Cabinet	05/07/2021
Approval of Gateway 1: Procurement strategy report	13/07/2021
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	22/07/2021
Completion of tender documentation	13/08/2021
Invitation to tender	16/08/2021
Closing date for return of tenders	26/11/2021
Completion of any clarification meetings/presentations/evaluation interviews	17/12/2021
Completion of evaluation of tenders	07/01/2022
DCRB Review Gateway 2:	17/01/2022
CCRB Review Gateway 2	27/01/2022
Notification of forthcoming decision	04/02/2022
Approval of Gateway 2: Contract Award Report	14/02/2022
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	23/02/2022
Debrief Notice and Standstill Period (if applicable)	25/02/2022
Contract award	30/03/2022
Add to Contract Register	31/03/2022
Place award notice on Contracts Finder	31/03/2022
Contract start	31/03/2022
Initial contract completion date	30/11/2025
Contract completion date – (if extension(s) exercised)	<dd/mm/yyyy>

TUPE/Pensions implications

31. 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 CCS 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

32. It is proposed to use a JCT 2016 Design Build contract, with council specific amendments.
33. 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.
34. 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

35. Companies listed under the CCS framework will be invited to tender framework via the council's e-procurement portal.

Evaluation

36. 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 CCS Framework. It should be noted that the CCS Framework does not allow a higher percentage than 50% for the pricing evaluation.
37. Price (50%) shall be evaluated by the Quantity Surveyor who will compile a report with recommendations based on the cost submitted for the works.
38. Quality (40%) and social value (10%) shall be evaluated by the project manager and programme manager.
39. The tender panel will evaluate the quality of submissions and will score each question out of 5 as detailed in the following table. Contractors scoring 1 point or less on any method statement question will not proceed to the next stage of the evaluation process.

40.

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.

41. 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.

42. Tender evaluation guidelines and criteria will be included in the tender documentation.

43. All scores will undergo a consensus scoring process. Post tender clarification will be raised if required
44. 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.
45. 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 impact statement

46. Indicative groups the council will seek to consult with will be service users, internal stakeholders and affected businesses.
47. Officers will conduct an equalities impact assessment to ensure that there is no disproportionate or discriminatory impact on groups with protected characteristics. This assessment is done during the consultation period to ensure that all groups are fully engaged and consulted to ensure a fair development and delivery process. The views of various groups will be taken on board during the design and delivery process.

Social Value considerations

48. 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 details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

49. 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.

50. 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.
51. 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.

Social considerations

52. 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 contractor to provide a sustainable apprenticeship through this scheme. The outcome of this will be reported within the Gateway 2 report.
53. Under the CCS framework contractors are required to identify social value initiatives relevant to each project. 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.
54. As part of the tender process, the project team will ask contractors to include proposals for the Wickway scheme which will be evaluated as part of the social value submission.
55. 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.

Environmental/Sustainability considerations

56. 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.
57. 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
58. During construction the appointed contractor will be required to adhere to guidelines outlined in the London Construction Guide which include and are not restricted to the following:
- Procuring and using materials sustainably
 - Selecting materials with low lifecycle impacts
 - Using local materials
 - Use of materials with high recycled content
 - Meet minimum standards set out in Building Regulations
59. Specifications outline that there should be an efficient approach to waste management. At design stage there is direction for designers to exercise reasonable skill care and diligence in the selection of materials. At construction stage contractors are required to minimise construction waste and maximise the use of recyclable /reusable products and materials.

60. Specifications stipulated within the Employers Requirements will ensure that development activity is controlled in a way that positively contributes to achieving sustainability.

Plans for the monitoring and management of the contract

61. 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.
62. The Project Manager oversees a delivery team consisting of a lead consultant design team, employer's agent and quantity surveyor to ensure effectively delivery of the project and works.
63. Annual Performance Reports will be presented to DCRB and CCRB in accordance with contract standing orders.

Staffing/procurement implications

64. The Programme Manager is responsible for the delivery of the overall programme, under the management of the Head of Regeneration Capital 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

65. The report is recommending a procurement strategy, so at this stage there are no financial implications arising directly from the report's recommendations. The estimated construction cost is £27m (of which circa £1.5m is for the provision of the community centre) which is based on the latest cost plan for the RIBA Stage 3 design produced by the quantity surveyor.
66. The cost of these works has been included within the council's Housing Investment Programme and will be met from HRA capital resources, identified for new builds including RTB receipts, grants, S106 and borrowing as appropriate.
67. In order to calculate the expected value of receipts generated from the private sale units a financial model was completed. Property values were provided through an assessment by a Principal Development Surveyor in the council's property team in March 2021. Based on this, the development is expected to generate sales receipt in the region of £22m, which can be used to support further development.

Investment implications

68. Please see strategic director of finance and governance commentary below.

Legal implications

69. Please see concurrent from the director of law and governance.

Consultation

70. 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

71. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (H&M 21/026)

72. This report is requesting cabinet approval for the procurement strategy to redevelop the site at the Wickway Community, which will provide 86 new homes, of which 39 will be council homes, as well as the re-provision of the Wickway Community Centre, including nursery facilities. 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 £27m, and the financial implications section of the report sets out how this will be funded. The council will also benefit from the sales of private homes, with estimated receipts of £22m being available to support future developments of new council homes. The proposed procurement strategy, which is the use of the Crown Commercial Services framework, is designed to ensure the council receives competitive bids and to minimise the duration of the procurement process.

Head of Procurement

73. This report seeks the approval of cabinet for the procurement strategy for a single stage tender through the Crown Commercial Services (CCS) framework, RM6088 for Construction Works and Associated Services, for the redevelopment of the Wickway Community Centre. The anticipated contract period is 32 months, commencing on 31 March 2022, at an estimated contract value of £27m.

74. The report also asks that Cabinet approve the delegation of the award decision in the Gateway 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 26.

- 75. The report details in paragraph 48 that London Living Wage will be paid under the contract, whilst paragraph 51 confirms that apprenticeship will be asked for as part of the tender process, with the outcomes to be reported in the gateway 2 report to recommend awarding the contract.
- 76. The evaluation of tenders is set out in paragraphs 36-44, with quality at 40%, price 50% and social value 10% of the available marks. The plans for the management and monitoring of the contract are set out in paragraphs 60-62 of the report.

Director of Law and Governance

- 77. This report seeks the approval of the cabinet to the procurement strategy for redevelopment of the Wickway Community Centre as further detailed in paragraph 1. As the estimated contract value comes within the definition of a Strategic Procurement the approval of the procurement strategy is reserved to Cabinet, after consideration of the report by CCRB.
- 78. The nature and value of the works to be procured are such that they are subject to the Public Contract Regulations 2015 (as amended). However as noted in paragraph 19, the proposed procurement strategy is to undertake a mini-competition through the CCS. This framework has been established following a PCR 15 compliant tendering process, and is established to allow local authorities to use for their own requirements. The tendering requirements of the PCR15 are therefore satisfied by using this framework.
- 79. Cabinet is also asked to delegate the approval of the gateway 2 decision for the reasons noted in paragraph 27 to facilitate award of the contract.
- 80. The Cabinet’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 cabinet is specifically referred to the community impact statement at paragraphs 45-46, setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes and Homelessness	
Lead Officer	Bruce Glockling, Head of Regeneration Capital	
Report Author	Hemali Topiwala, Programme Manager	
Version	Final	
Dated	1 July 2021	
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 Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		1 July 2020