



**COMMITTEE TITLE** Housing, Health & Community

**DATE** 19<sup>th</sup> June 2023

<b>REPORT TITLE:</b>	SHDP Tender Contracts
<b>REPORT OF:</b>	Steve Summers – SHDP Sponsor & Strategic Director

## **REPORT SUMMARY**

The Strategic Housing Delivery Programme (SHDP) is made up of two distinct elements, 1) the regeneration of Brookfield Close and Courage Court, Hutton, to develop 62 zero carbon homes alongside the Harewood Regeneration Project consisting of 40 new zero carbon homes, and 2) the development of a range of smaller HRA sites to deliver further affordable homes on council owned sites.

The Council's Corporate Strategy 'Brentwood 2025' commits to Introducing "innovative Carbon reduction and absorption schemes", "identify opportunities for low emission and green developments" and using 'brownfield sites efficiently, such as council owned garage sites, to provide affordable homes..."

Both Brookfield and Harewood Regeneration have extant Planning Permissions as resolved by members of Brentwood Borough Council's Planning Committee.

Committee approval is required to issue tenders for contracts in relation to these Regeneration sites as set out in this report.

## **RECOMMENDATIONS**

**Members are requested to:**

**R1. Approve the issuing of a tender for the construction of new buildings and associated works at Brookfield Close and Courage Court.**

**R2. Approve the issuing of a tender for the demolition of vacant site and buildings at Brookfield Close and Courage Court.**

**R3. Approve the issuing of a tender for the demolition and construction of 40 units at the Harewood Regeneration Site**

**R4. Give delegated authority to the Strategic Director(s) and, Section 151 officer acting in consultation with the Chair of Housing, Health and Community Committee to seek the Council's approval to award the contracts for Brookfield Close, Demolition of Brookfield Close/Courage Court and Harewood Regeneration.**

## **SUPPORT ING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

As a public sector organisation, the Council's procurement activity is governed by legislation, namely Public Contracts Regulations 2015 (PCR2015). These regulations require that all purchases with estimated values over certain thresholds must be subject to open competition.

The threshold for construction contracts is currently £5,336,937 including VAT (assuming VAT at 20% this is £4,269,549.60 net). As pre-tender estimates for both projects exceed this threshold the Council is required to follow the PCR2015 rules.

A framework is a pre-selected list of contractors which has been established according to the principles of PCR2015 with the intention that it should be available for other public sector bodies to use.

It is therefore a compliant and efficient route to procurement of contractors for these regeneration sites.

### **2.0 OTHER OPTIONS CONSIDERED**

One other option was considered, that of making a direct award to one contractor using a different Framework. This would have been compliant with PCR2015 as the contractor had previously been appointed by competition. This approach, would have removed the need for the Council's team to run a competition, but there we no indications it would have expediated a start date. It would also have meant there would be no opportunity to explore the market and evidence best value in terms of pricing and quality for these projects.

### **3.0 BACKGROUND INFORMATION**

A pre-contract tender consultation for Land at Brookfield Close and Harewood Regeneration has been undertaken as an early-market engagement exercise via the Crown Commercial Framework. This exercise shared with the 'Market' the estimated

values of the contracts to be let and the form of Contract, which is a JCT Design and Build 2016, with amendments.

An Indicative award-stage evaluation criteria was also shared and reported to be subject to change prior to the invitation to tender or direct award documentation. The SHDP is assembled to enter the market and seek contractors for these sites. The early market engagements will inform the exercise with a view to attracting as many bidders as possible

Both sites have differing complexities and are proposed as being 'let' as individual contracts, this does not however preclude the appointment of the same contractor achieving awards of both contracts.

As part of the Employers Requirements (ERs), continued resident support and community engagement via 'resident contractor liaison' will be established. An in-house SHDP education programme has also been launched for at Land at Brookfield Close (please refer to SHDP update report presented to this committee).

### **Land at Brookfield Close**

1. By way of background, planning permission was granted for this regeneration site on 29th June 2021 (Planning Application Reference 20/01912/FUL), a 'Regeneration Offer' associated with this development was approved by EE&H Committee on 5th July 2021.
2. Further to the adoption of the 'Regeneration Offer', site decants commenced through a Resident Support Programme in liaison with the Housing Team; the site being confirmed as fully decanted in March 2023; this site included buy backs of 6 privately owned properties. Post decant support remains in place with the Housing Team.
3. Post planning and in the duration of the decant period, necessary technical assessments were undertaken, including most recently the intrusive survey work in Courage Court which could not be taken whilst there remained occupancy.
4. The technical team are nearing completion of the Tender Packs for construction and an assumed Construction Programme accompanies this pack.
5. The Tender package will comprise a significant amount of both design information and performance specification criteria, suitable for the Two Stage Design and Build Procurement route to be adopted. The specifications reflect a positive intervention in the marketplace, targeted to deliver very good value for money in consideration of the technical specification expected the Net Zero Carbon in Use performance but also appreciating an overall cost envelope. The

designs champion, and exceed, policy and it is important that the Employers Requirements within the tender package accurately capture and reflect the redevelopments drivers.

6. It is important that the tender process involves contractors of a suitable size and only those that have demonstrable experience to deliver such a complex project. The preferred framework, Crown Commercial Services, has been selected due to the rigour associated with contractors becoming a framework contractor, together with the ongoing monitoring of those contractors by the Framework owners. It is proposed that the tender selection criteria will be based 50% on price, and 50% on 'quality', with quality meaning the quality of the bidder's response, specifically to our questions posed.
7. The Tender Package will include four or five questions which the Contractors must respond to, which equate to 50% of their overall score. The questions will be biased towards and probing into their experience of designing and delivering to a Fabric First standard, seeking an insight into their knowledge, their understanding of the main risks associated and how they plan to manage. We're also interested in the Contractors views on phasing of the works, how they plan to manage access and egress into the site and work with the local community and Willowbrook Primary School. One question will be 'pass/fail' which will ensure that only those who can demonstrate that they have successfully delivered a fabric first residential project are then considered further.
8. Overall the Tender Package will contain enough information to adequately relay the Council's aspirations for the project but allowing the successful Contractor to impart their knowledge and experience to the design development and Construction. The tender package shares the importance of cost and quality, ensuring that best value is achieved rather than just the lowest bidder.

### **Brookfield Close & Courage Court Demolition**

9. Specialist site security commenced at Brookfield Close and Courage Court in January 2023 this was in the interests of both existing residents and visitors living and accessing the hinterland of the development site, and in order to protect vacant buildings from ASB.

10. Since March 2023 the 'site' was fully under the ownership of the Council; in advance of letting the aforementioned construction contract, demolition and site clearance is recommended to advance progress of construction works and reduce current security costs.
11. The phasing of the demolition package is not confirmed given Courage Court requires an amendment in Planning Permission (due to be submitted at the time of authoring this report). The intrusive inspections undertaken in January and February 2023 highlighted a non-typical form of construction whereby the columns, floors, external walls and a number of internal walls were confirmed as solid concrete and structural, thus hindering a standard of internal quality anticipated.
12. The revision to the method of construction has been tested and the new build alternative reflects an enhancement against the original proposals in Zero Carbon, Embodied Carbon and Living Standards. For clarity, consideration regarding Embodied Carbon remains, as the frame is indicated to be used for crush on site.

## **Harewood Regeneration**

13. "Harewood Regeneration' was awarded Full Planning Permission by the Local Planning Authority on 20<sup>th</sup> December 2022; this scheme will result in 29 of the Councils poorest quality and currently rented homes, mostly of a post-war 'prefabricated' construction with timber and felt roofs, being replaced with 40 new energy efficient homes using modern construction methods and a community room.
14. This scheme was developed through a process of Co-Design with the community through three stages of engagement; since Planning Permission was awarded, individual engagement with those residents directly impacted upon (i.e., those subject to home loss and decant) was carried out.
15. The 'Landlord Offer' was approved by members of the Housing Committee 27<sup>th</sup> February 2023, further to this, additional Resident Surveys for decant were commenced by the Delivery Team (SHDP). It is anticipated the site will be fully vacant by late Autumn 2023.
16. The Tender package will comprise a significant amount of both design information and performance specification criteria, suitable for the Two Stage Design and Build Procurement route to be adopted. The specifications reflect a positive intervention in the marketplace, targeted to deliver value for money in consideration of the technical specification expected, (the Net Zero Carbon in Use performance) but also appreciating an overall cost envelope. The designs champion, and exceed, policy and the Employers Requirements within

the tender package accurately capture and reflect the Development Principles of the SHDP.

17. It is important the tender process involves contractors of a suitable size and only those that have demonstrable experience to deliver this complex project.
18. The preferred framework, Crown Commercial Services, has been selected due to the rigour associated with contractors becoming a framework contractor, together with the ongoing monitoring of those contractors by the Framework owners. It is proposed that the tender selection criteria will be based 50% on price, and 50% on 'quality', with quality meaning the quality of the bidder's response, specifically to our questions posed.
19. The Tender Package will include four or five questions which the Contractors must respond to, which equate to 50% of their overall score. The questions will be biased towards and probing into their experience of designing and delivering to a Fabric First standard, seeking an insight into their knowledge, their understanding of the main risks associated and how they plan to manage.
20. The planning approved design was one established via a co-design approach with the existing residents; these aspects of the design will be retained throughout. We expect that the Contractor works closely, and openly, with the adjacent residents and will to explore their proposals in this regard. One question will be 'pass/fail' which will ensure that only those who can demonstrate that they have successfully delivered a fabric first residential project are then considered further.
21. Overall the Tender Package will contain enough information to adequately relay the Council's aspirations for the project but allowing the successful Contractor to impart their knowledge and experience to the design development and Construction. The tender package shares the importance of cost and quality, ensuring that best value is achieved rather than just the lowest bidder.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / [tim.willis@brentwood.rochford.gov.uk](mailto:tim.willis@brentwood.rochford.gov.uk)**

The Housing Revenue Account has the available budget provision to award the contract to the successful bidder following the procurement process.

The award of the contract will be reported back to the Housing Committee at the appropriate time.

#### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director of People and Governance**

Legal implications are within the report.

Once the tender is awarded all an Instruction will be sent to the Legal Team who will liaise with the winning contractor to ensure all contract terms are agreed and the contract is signed by both parties

**Tel & Email 01277 312500 / [Claire.mayhew@brentwood.gov.uk](mailto:Claire.mayhew@brentwood.gov.uk)**

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

Included within the Housing Development Strategy.

#### **7.0 RELEVANT RISKS**

SHDP Risk Log for development programme in review.

individual scheme risk registers updated.

#### **8.0 ENGAGEMENT/CONSULTATION**

This is set out in detail within each SHDP scheme.

## 9.0 Economic Implications

**Name/Title: Phil Drane, Corporate Director - Place**

**Tel/Email: 01277 312610/philip.drane@brentwood.gov.uk**

The Council's Housing Strategy provides further detail to the Corporate Plan and the recently adopted Local Plan. The Strategic Housing Development Plan adds specific detail on a programme of sites that utilise council owned land to deliver new affordable homes with environmentally led innovations. Housing delivery plays a vital role in the local economy, both in terms of short-term related construction benefits (i.e., technical preparatory work, on-site jobs and supply chains), and longer-term accommodation provision for people who can contribute to the local economy in a range of ways. This helps to ensure the borough remains an attractive place to live, work and visit.

## 10.0 Equality and Diversity Implications

**Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager**

**Tel/Email: 01277 312634/kim.anderson@brentwood.gov.uk**

There are no direct equality and diversity implications arising for this report

### REPORT AUTHOR:

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### APPENDICES

None

### BACKGROUND PAPERS

None

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	