

London Borough of Hammersmith & Fulham

Report to: Tony Clements, Interim Strategic Director for the Economy

Date: 10/11/2020

Subject: Appointment Of Design Team For Hartopp & Lannoy Point

Report of: David Burns, Assistant Director – Growth

Report author: Niral Patel, Senior Development Manager

Summary

This report updates on the Council's progress in appointing a design team for Hartopp and Lannoy Point. In particular the report seeks to appoint a lead architect to allow for the completion of RIBA stage 1 at which point there is a break clause. The award can progress up to RIBA stage 4B if required and the budget is approved, the approved budget is presently £250,000.

The Strategic Director for the Economy, in consultation with the Cabinet Member for the Economy and the Arts:

1. Notes that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. Appoints BPTW LLP as the Lead Architect for the Hartopp & Lannoy Point scheme, who have been appointed via Notting Hill Genesis Housing Framework CF1 Lot 2 for RIBA stages 1-4B and to the value of £774,828. There is a break clause following RIBA Stage 1, which if exercised, will mean the call-off contract value will be a fixed cost of £117,564.

Wards Affected: Munster ward

H & F Priorities	Summary of how this report aligns to the H&F Priorities
Building shared prosperity	The Design Team, where possible, will procure local businesses (sub-consultants) for elements of the design work.
Creating a compassionate council	The Design Team will lead on a comprehensive public consultation on the proposals to provide modern and quality homes.
Doing things with local residents, not to them	The consultation mentioned above will go over and above that required by the planning process and will include a pre-planning drop-in consultation event and working with local residents including a Disabled Residents' Forum on the estate.
Being ruthlessly financially efficient	Selection of the correct Design Team will ensure that the project has the best possible chance of designing the best quality and financially viable project.
Taking pride in H&F	The brief to the Design Team encourages a quality addition to the borough both in terms of housing provision and the physical fabric of the borough. We have also encouraged smart thinking around the creation of shared spaces for the community to benefit from.

Financial Impact

1. In September 2019, Cabinet approved the Compulsory Purchase Order (CPO) of properties in Hartopp Point and Lannoy Point which were being demolished on health and safety grounds. In that decision, Cabinet approved a budget of £250,000 for the initial design work and legal advice on the redevelopment of the site. Taking account of costs already incurred this budget is sufficient for this appointment up to RIBA stage 1 which are expected to be capped at £117,564. Progression beyond RIBA stage 1 will require further budget approvals and will be subject to the ongoing demonstration of the scheme's financial viability. The latest appraisal produced in collaboration between Development and Finance officers currently demonstrates viability. The full financial implications of the development will be presented in the upcoming budget approval report.
2. The contractor recommended for appointment has been subject to an assessment of their financial stability for which the minimum criteria is:

- A Creditsafe score greater than 50 (deemed as low risk)
 - An average turnover of the last two years of at least double the contract value.
3. A credit report was produced for BPTW LLP via Creditsafe on 9 October 2020. As at the date of Creditsafe's latest company report (6 December 2019) they have a low risk credit score of 66, which is above the Council's threshold of 51. The average turnover for the most recent two years is £7.8m, which is in excess of double the proposed contract value.

Legal Implications

1. This Award Report is recommending the appointment of a Design Team for Hartopp & Lannoy Point scheme following a procurement exercise using the Notting Hill Housing Framework Agreement for Various consultancy Services CF1 Lot 2 Architects ("Framework"). The call-off contract award is for a total of £774,828 to cover RIBA Stages 1-4B. The maximum value of the call-off contract is over the threshold for services, and therefore subject to the full remit of the Public Contracts Regulations 2015 ("PCR").
2. Under Contract Standing Orders, this call-off contract is classed as a High Value contract. Under Contract Standing Order (CSO) 19, a call-off from a compliant framework satisfies the Council's procurement requirements for High Value contracts, provided that the rules of the Framework have been followed. In accordance with CSO 21.5, this contract award will be submitted to the Contracts Assurance Board.
3. In accordance with the procurement strategy, Legal Services evaluated the Notting Hill Genesis Framework (CF1 Lot 2) (the "Framework") that is proposed for the appointment of the Design Team and confirmed that it is compliant with the PCR and is appropriate for use.
4. The decision-maker needs to be satisfied that the recommended call-off contract award is being made to the tenderer which submitted the most economically advantageous tender on the basis of the criteria set out in the Framework, and an award that is in the best interests of the Council. This will secure compliance with the PCR requirements and the Council's Contract Standing Orders.
5. A contract award notice must be published in the Official Journal of the European Union within 30 days of award of the contract and Contracts Finder 24 hours thereafter.
6. The framework includes a set of standard contract terms for use in appointing consultants, and the CSOs require a formal contract to be drawn up for execution as a deed. The Council's Legal Service will assist with preparing a formal contract
7. As the value of the call-contract is above £300,000, the call-off contract award is a Key decision and must be submitted to Committee Services for publication on the Council's website. In addition, a copy of the completed (dated) call-off

contract must be uploaded to the Council's Contracts Register along with a copy of the award report.

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Verified by Emily Hill, Director of Finance

Background Papers Used in Preparing This Report

Cabinet report Hartopp and Lannoy Points- 2 September 2019

DETAILED ANALYSIS**Proposals and Analysis of Options**

1. The appointed Design Team with their sub consultants will manage the design process and produce an appropriate proposal to submit to planning. The appointment of the Design Team working with the internal project team, comprising Council officers will enable appropriate management of cost risk and facilitate LBHF in 'Being Ruthlessly Financially Efficient'.
2. To note that RIBA Stages 1 – 4B are due to commence in November 2020 at a total cost of £774,828. This will deliver RIBA Stage 3 designs to submit for planning approval and is subject to a break-clause at the end of RIBA Stage 1 which can limit expenditure to a fixed cost of £117,564 if a viable design seems unlikely.

Procurement Process

3. Officers have carried out a mini-competition using the Notting Hill Housing Framework, CF1 Lot 2: Architecture. The Council's capitalEsourcing portal was used. Under the Notting Hill Housing Framework rules, the Frameworks Capability Matrix was used to select the four bidders best matched to meet the

Council's requirements, these four were invited to receive the Council's invitation to tender.

4. The architects invited to tender were asked to propose subconsultants covering various professional disciplines. The following disciplines requested as part of the ITT are listed below:

Service Requirement	Scope (RIBA Stage Requirement subject to the Authority extending the scope through each RIBA stage)
Architect	RIBA stages 1 (with potential extension up to stage 4)
Community Engagement Role	RIBA stages 1 (with potential up to stage 3)
Planning Consultant	RIBA stages 1 (with potential extension up to stage 3)
Principal Designer	RIBA stages 1 (with potential extension up to stage 3)
Civil and Structural Engineering Consultant	RIBA stages 1 (with potential extension up to stage 4)
Mechanical Electrical and Public Health Engineering (MEPH)	RIBA stages 1 (with potential extension up to stage 3)
Sustainability & Energy Consultant	RIBA stages 1 (with potential extension up to stage 3)
Landscape Architect	RIBA stages 1 (with potential extension up to stage 3)

5. The cost for RIBA Stage 1 is fixed at £117,564. During RIBA Stage 1 a number of options will be explored in consultation with local residents. Officers are carefully managing Stage 1 process up to the first Gateway Review. This will minimise any risk of termination of the scheme.
6. In assessing the Lead Architect tenders, and as set out in the Council's Invitation to Tender, submissions were evaluated to ascertain the most economically advantageous tender on the basis of: 70% on technical / quality and 30% on price. The split was chosen to ensure that quality of service is maintained.
7. The technical review was based on the criteria set out in the NHH framework, being:
 - Experience
 - Approach
 - Resources
 - Programme
 - Stakeholder Management & Community Consultation
 - Social Values and;
 - Risk Management.

Evaluation of Tenders

8. Officers from the Economy Department carried out an evaluation of the three tenders received. Details of the evaluation and fees for the individual stages are contained in the exempt Appendix 1.

9. BPTW scored the highest on the commercial envelope and 2nd highest on the technical envelope (52.97% out of 70%). BPTW and their sub consultants have strong experience of designing and obtaining planning for modular construction towers over 10 storey in urban environment , consulting with stakeholders and communities and delivering residential developments.
10. The contract will allow for a break clause for the project at the end of RIBA Stage 1 if the project is not approved at the next Gateway in March 2021.

Options and analysis of options

11. Option 1 – Appoint BPTW as the Design Team for the Hartopp & Lannoy Point. **Recommended**
12. Option 2 – Do not appoint BPTW as the Design Team for Hartopp and Lannoy Point scheme and carry out a new procurement exercise.
13. Option 3 – Do not appoint BPTW and their sub consultants as the Lead Architect, leaving the Hartopp & Lannoy scheme without a Lead Architect and Design Team to work up design proposals.
14. Option 1 is recommended as the preferred approach. The Council’s priorities are still aligned in delivering new Council housing and modern and fit-for-purpose community facilities in the borough. The procurement process has produced a good result in compliance with Council’s Contract Standing Orders.

Reasons for Decision

15. The appointment of the Design Team will enable the Council to design proposals for a viable planning application enabling the final business cases for each project to be determined.
16. The fees are within the budgeted value for both RIBA 1 and RIBA 2, 3 & 4B.

Equality Implications

17. There are no direct implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the recommended option outlined in this report.

Implications completed by: Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617.

Risk Management Implications

18. Being Ruthlessly Financially Efficient means that the Council seeks to obtain the best quality services through a competitive process, and this has been

undertaken. Evaluation undertaken by the Service has concluded that an award can be made based on the criteria in the Technical review, paragraph 1.9. Together the external and internal project team will enable appropriate management of cost risk and facilitate LBHF in 'Being Ruthlessly Financially Efficient'.

Implications verified by Michael Sloniowski, Risk Manager, tel: 020 8753 2587.

Procurement

19. The results of the evaluation process have been verified against the e-tendering system on 9 October 2020 by Ilaria Agueci, Corporate Procurement Officer.

Consultation

20. The project will work closely with residents and co-produce any scheme brought forward. A community consultation strategy has been developed to engage with the local community and ensure residents are consulted throughout the design development process. This will entail a co-ordinated approach from the design team, H&F client team, the community engagement lead to ensure all stakeholders are integrated into the process. The approach shall take into consideration the government's latest covid related guidance in relation to public engagement activities.

List of Appendices:

Exempt Appendix 1 – Evaluation document