

Report to: Jonathan Pickstone, Strategic Director for the Economy

Date: 18/02/2022

Subject: Appointment of Lead Architect & Design Team for Former Queensmill School, Mund Street, W14 9LY

Report of: Matt Rumble, Strategic Head of Development and Regeneration

Report author: Patrick Vincent, Senior Development Manager

SUMMARY

This report seeks approval to appoint a Lead Architect and Design Team for the redevelopment of the former Queensmill School site, Mund Street. The contract will allow the council to work with residents of Gibbs Green Estate to design new homes and take the project through Gateway 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process. These LBHF Gateways are in-line with RIBA Stage 2 (Concept Design) to RIBA Stage 4 (Technical Design). The budget for this contract has been approved at Cabinet on 2 November 2020 for up to £1.85m.

The former Queensmill School, Mund Street, is on the Gibbs Green Estate, in the North End ward. The School site is no longer required as part of the education estate and, it has subsequently been approved for redevelopment. The redevelopment of the site will provide up to 104 high quality new homes, at least 50% of which will be genuinely affordable. The project is expected to complete during Spring 2026.

As per the Council's Standing Orders officers are seeking approval from the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy to appoint the winning bidder of the Lead Architect and Design Team tender for the Mund Street scheme, following a compliant procurement process.

RECOMMENDATIONS

That Strategic Director for the Economy:

1. Approves that Appendices 1 & 2 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that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. Approves the appointment of *Lifschutz Davidson Sandilands* as the Lead Architect and head of the Design Team for the Mund Street Project to provide design services outlined in the ITQ for the value of £1,070,332. The contract will be for Stage 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process, and RIBA stages 2 – 4a . The contract will

commence on or around the middle of February 2022 with an indicative duration of 22 months, subject to the successful determination of an acceptable planning permission and the completed preparation of main contractor tender documents.

Wards Affected: North End

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The Lead Architect and Design Team, where possible, will procure local businesses (sub-consultants) for elements of the design work.
Creating a compassionate council	The Lead Architect and 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.
Being ruthlessly financially efficient	Selection of the correct Lead Architect and Design Team will ensure that the project has the best possible chance of designing the best quality and financially viable scheme.
Taking pride in H&F	The brief to the Lead Architect and 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.
Rising to the challenge of the climate and ecological emergency	The Lead Architect and Design Team will lead on exploring and achieving sustainable design and development, in line with LBHF Sustainability Requirements.

Financial Impact

1. In November 2020, Cabinet approved officers to utilise up to £1.85m of the overall approved budget of £3,234,123 to progress the Mund street project up to Stage 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process. The redevelopment of land will enable the delivery of new

homes including genuinely affordable housing and support the Council's business Plan.

2. Mund Street Development Capital Budget - approved by November 2020 Cabinet:

Budget breakdown	Amount (£)
Total Approved Budget	3,234,123

3. On 29th July 2021, The Acting Strategic Director for the Economy approved the drawdown of the remaining approved budget of £1,439,123. Thereby bringing the overall approved budget to £3,234,123, which is sufficient to fully fund the recommended contract of £1,070,332 with Lifschutz Davidson Sandilands (LDS) along with the 'Climate Response Budget' as set out in Appendix 2 (exempt).
4. The remaining total approved budget of £2,163,791 (£3,234,123 - £1,070,332 = £2,163,791) will fund project costs including the control team contract (up to LBHF Gateway 3, RIBA Stage 7), LBHF capitalised staff costs and surveys. £100,835 of this has already been either spent or committed.
5. The scheme will be regularly reviewed in terms of costs and viability. There are break clauses in place in all contracts with proposed members of the integrated project team and therefore should the decision not to proceed beyond a Gateway Stage be taken by the council. Expenditure is limited to only costs incurred to that date.

Contract award

6. The total Design Team contract value of £1,070,332 is within the estimate stated in the Procurement strategy approved in June 2021. This adheres to the Council's Contract Standing Orders (CSOs).
7. LDS shall not commence each RIBA stage without being instructed to do so by the Council, and accordingly if LDS's engagement is terminated at the end of a RIBA stage only those payments properly due for the completed RIBA stages will be payable and no further payments for future stages or demobilisation costs shall be payable to LDS. The Development Board will monitor and agree progress through these gateways to manage, as far as possible, the risk of abortive costs.
8. The consultant 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.
9. Additional financial comments are provided in Appendix 2 (exempt from publication).

Implications by Nicholas Falcone, SLT Finance Trainee (Economy). Verified by Andy Lord, Head of Strategic Planning and Monitoring, date signed: 25/01/22.

Legal Implications

10. This Award Report recommends awarding a contract for £1,070,332 to Lifschutz Davidson Sandilands Limited, as Lead Architect and head of the Design Team for the Mund Street project with a number of sub-consultants being appointed under the same contract. At the time of going out to procurement, the estimated value of the contract was above the threshold specified in the Public Contracts Regulations 2015 (as amended) (the “PCR”) for services contracts, which is currently £189,330 and therefore the procurement had to comply with Part 2 of the PCR. The Council fulfilled that requirement by carrying out a mini-competition under the Notting Hill Housing Consultants Framework CF1. Lifschutz Davidson Sandilands Limited achieved the highest score and is the most economically advantageous tender.
11. Once the decision is made to approve the award, the Council must publish a contract award notice on Contracts Finder containing at least the name of the contractor, the date on which the contract was entered into, the value of the contract and whether the contractor is an SME or BSCE (reg.112(1) PCR). The form of the contract is prescribed by the Framework.
12. The contract is a High Value Contract (HVC) under the Council’s Contract Standing Orders. The CSOs permit HVCs to be procured via a framework and therefore the process that has been followed is compliant. As the contract is a capital contract, the relevant decision maker for the award is the SLT Member in consultation with the Cabinet Member. All contracts with a value of £100,000 or more must be executed as deeds and sealed by the Council.
13. As the award report concerns the award of a contract in excess of £300,000 in value it is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council’s website.

Legal implications verified by Joginder Bola, Senior Solicitor, date signed: 25/01/22

Background Papers Used in Preparing This Report

Cabinet Report Mund Street – 2 November 2020

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The Design Team will include a number of specialist sub-consultants and alongside the Control Team will form part of the Integrated Project Team. The Lead Architect will manage the design team and in consultation with the council's development team produce an appropriate proposal to submit to planning, and subsequently assist with the procurement of a main contractor.
2. Together the Integrated Project Team will provide appropriate management of cost risk to facilitate LBHF in 'Being Ruthlessly Financially Efficient'.
3. To note that Gateway 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process and RIBA Stages 2 – 4 A are due to commence in February 2022 and are expected to conclude in Summer 2023. Feasibility studies at RIBA Stage 1 have shown that the scheme will be able to provide up to 104 new homes.

Procurement Process

4. Officers have carried out a mini-competition using the Notting Hill Housing Consultants Framework, CF1. The Council's CapitalEsourcing portal was used (Tender Ref ITT_14230). Under the Notting Hill Housing Framework rules, the Framework's 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.
5. The Lead Architects invited to tender were asked to propose a Design Team of subconsultants covering various specialist disciplines. The following disciplines are within the Design Team:

Service Requirement	Scope (RIBA Stage Requirement)
Architect & Lead Designer	RIBA stages 2 to stage 4
Planning Consultant	RIBA stages 2 to stage 4
Transport Consultant	RIBA stages 2 to stage 4
Mechanical, Electrical and Plumbing including Sustainability/Energy Consultants	RIBA stages 2 to Stage 4
Landscape Designer	RIBA stages 2 to stage 4
Civil and Structural Engineering Consultant	RIBA stages 2 to stage 4
Communication and Consultation Consultant	RIBA stages 2 to stage 4
Listed Surveys	RIBA stages 2 to stage 4

6. In assessing the Lead Architect and Design Team 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: 60% on technical / quality and 40% on price. The split is as required by the council's contract standing orders and 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:
 - Design Delivery
 - Approach to Collaboration & the Proposed Project Programme

- Resource Proposals, Management Structure and Sub-Contractor Arrangements
- Project Risks and Mitigation
- Communication and Stakeholder Engagement
- BIM (Building Information Modelling) Principles and Compliance
- Social Value

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.

	Bidder 1	Bidder 2	Bidder 3	LDS
Technical Envelope (60%)				
Total out of 100%	61.6%	76.3%	77.4%	93.9%
Commercial Envelope (40%)				
Total out of 100%	100%	78.1%	78.9%	58.3%
Final Combined Total out of 100% (Ranking)	76.9% (3)	77.1 (2)	78 (4)	79.6 (1)

9. Lifschutz Davidson Sandilands (LDS) scored the highest on the technical envelope (93.9% out of 100%), and fourth highest on the commercial envelope (58.3% out of 100%). LDS and their sub consultants have strong experience of designing high quality sustainable homes, utilising modern methods of construction, consulting with stakeholders and communities and delivering residential developments.
10. While the commercial score for LDS was lowest (ie their price was highest), their resourcing schedule committed 1852 days to the project (RIBA stages 2 to 4a). This is 678 more days than bidder 1 who scored the highest commercial score. In addition, LDS had allocated a team with strong experience of similar projects. The analysis by Officers is that the resourcing schedule proposed by LDS demonstrates value for money and is an appropriate level of resource for projects of this nature. LDS proposals will facilitate the co-production of design for Mund Street, allowing for extensive engagement and consultation with the community throughout the development of design proposals. Additionally, it will allow for an extensive and ongoing review process as designs are produced, de-risking the procurement process of a main contractor and reducing the likelihood of unforeseen costs arising during later project stages.
11. Within the Invitation to Tender, each of the bidders were made aware that the Lead Architect and Design Team role was qualitative in nature, and as such were invited to propose the resource requirement, and number of working days that they each felt necessary to deliver the project outcomes as requested by LBHF. Officers believe that the additional working days and associated cost

included within the tender return of the winning bidder, evidenced by a detailed tender response, will result in the highest quality design team output to LBHF. The outcome of the tender process using evaluation criteria that is 60% technical and 40% commercial has successfully resulted in Officers recommending the highest quality bidder for the role.

12. Social value scores were evaluated by Social Value Portal and reviewed by the commissioning team. Lifschutz Davidson Sandilands committed to 13.85% social value and scored the highest on the social value proposals with a total proxy social value of £148,209 and is also the highest on the social value methodology (100%) of all tenders. Lifschutz Davidson Sandilands (LDS) achieved the highest combined score (100%).
13. Included within their Social Value Proposals, LDS have committed to the employment of one new full-time employee who lives within LBHF, along with support to get local young people into work facilitated by sessions at local schools and colleges. Additionally, sub-consultant Greengage have committed 50 hours of expert advice during the duration of the contract to assist local SMEs in achieving net zero carbon by 2030.

Reasons for Decision

14. The appointment of the Lead Architect and Design Team will enable the Council to design proposals for a viable and deliverable planning application enabling the final business case for the project to be determined.
15. The fees are within the budgeted value for the Lead Architect and Design Team for Stages 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process (RIBA Stages 2 to 4A).

Equality Implications

16. 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.

Risk Management Implications

17. 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 David Hughes, Director of Audit, Fraud, Risk and Insurance, date signed: 25/01/22.

Climate and Ecological Emergency Implications

18. On 17th July 2019 LBHF declared a climate emergency, pledging to cut CO2 emissions from the council's activities to net zero by 2030. The contract award is recommended on the basis that the Lead Architect and Design team will endeavour to pursue a net-zero design for construction and operations. The project team will prioritise a zero-carbon development, subject to financial viability and internal approval, targeting the long-term efficiency of new homes provided along with the generation of renewable energy.
19. The LBHF development team have engaged with the design team in order to potentially enhance the designed sustainability of the development, and the design team have provided costs for the extra services required for this (as seen in Exempt Appendix 2). These proposals allow for traditional/classic Passivhaus design which would result in an airtight building, with superior insulation and windows. As a result, the properties would need about 75% less energy to heat vs an average new build. The development is also suitable for 'car free' proposals due to the high PTAL rating of the site, proposals are also inclusive of bike storage, to allow for alternative means of transport.
20. All of the proposals are subject to financial viability, design and suitability.

Implications verified by Robert Kyle (Project Manager) 07585 063 045, Approved by Hinesh Mehta (Strategic Lead – Climate Emergency), date signed: 25/01/22.

Procurement implications

21. The results of the evaluation process have been verified against the e-tendering system (Tender Ref ITT_14289).

Implications completed by Elliot Tyrell, Governance and Procurement Officer, date signed: 25/01/2022.

Local Economy and Social Value

22. The winning bidder committed to 13.85% of social value out of their contract value. Commitments are to create local employment and skills for residents, with clear contribution to economic development objectives. Social Value Portal evaluated the social value responses, and the qualitative submission was scored at 100%, providing confidence that the supplier will be able to deliver on their commitments. The social value evaluation was reviewed and agreed by the commissioning team.
23. It is recommended the project lead will work closely with H&F Social Value Officer and the contractor to agree on a delivery plan. The winning bidder will be required to set targets on Social Value Portal for effective monitoring and responsible to pay the relevant fee as per the Instruction to Tender document published at the tender stage. It is advisable the Commissioner will work closely with legal to ensure appropriate social value clauses are included in the contract, so that the Council can enforce its right to compensation if social value commitments are not delivered.

*Implications completed by Ilaria Agueci, Social Value Officer, date signed:
19/01/2022*

Consultation

24. The Lead Architect and Design Team will work closely with residents and co-produce any scheme brought forward in line with the Defend Council Homes Policy. A community consultation strategy will be 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-19 related guidance in relation to public engagement activities.

LIST OF APPENDICES

Exempt Appendix 1 – Mund Street Design Teams Score (not for publication).
Exempt Appendix 2 – Mund Street Design Team Financial Comments and 'Climate Response Budget' (not for publication).